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Editorial⸺
⸺A Thousand *Li*

As the Qing dynasty began its slow collapse, thousands of peasants were funneled into port cities to staff the bustling docks and sweatshops fueled by foreign silver. When these migrants died from the grueling work and casual violence of life in the treaty ports, their families often spent the sum of their remittances to ship the bodies home in a practice known as "transporting a corpse over a thousand li" (*qian li xing shi*), otherwise the souls would be lost and misfortune could befall the entire lineage.

The logistics of this ceremony were complex. After blessings and reanimation rituals by a Taoist priest, "corpse drivers" would string the dead upright in single file along bamboo poles, shouldering the bamboo at either end so that, when they walked, the stiff bodies strung between them would appear to hop of their own accord. Travelling only at night, the corpse drivers would ring bells to warn off the living, since the sight of the dead migrants was thought to bring bad luck. Though itself somewhat apocryphal, new myths grew out of the practice, as the hopping corpses were transformed into *jiangshi*, vampire-like creatures driven to feed on the life force of others. Their own blood siphoned out of them by the docks and factories, these migrant workers were transformed into monsters befitting a new reality—one of crumbling empires, civil wars and the insatiable expansion of commodities.

Such death rituals and the myths that surround them have long played a central role in the cultures of the East Asian mainland. Funerals were not a ceremony in which the lost were sealed into their own dismal past, but instead one in which the dead became constituent parts of a history forged in the present. Through extensive rites and careful observances, dead generations were transformed into the roots of the living. Transporting corpses over a thousand *li* was not remembrance, then, but a strange sort of survival. The stiff-limbed dead walked from their factories, traversed countries torn by war, famine and other unnamable sufferings to finally settle amongst their kin in the dust of their homeland, a rural world that had only just caught sight of its approaching oblivion.

Today, China itself has become such a wandering specter. The rural world is dying, yet hundreds of millions of workers still seem stuck between their peasant past and a future that fails to arrive. Two decades of staggering economic growth built on a series of credit bubbles have left a legacy of "development" defined by wastelands of apartment complexes sitting next to half-empty factory cities, each year filled with fewer workers and more unmanned machines. While the elite children of the country's financial and administrative centers collect sports cars and foreign degrees, the children of today's migrants are guaranteed little more than the fleeting chance to become yet another corpse crushed to pulp in the factory.

As growth rates dwindle, the country seems nonetheless driven ahead by an undead, mechanical momentum. Workers are laid off with nowhere to return. Ruralites give up their land in exchange for a fraction of the condos built on them, soon losing their value to an inflating currency. Entire landscapes are poisoned by decades of rapid industrial expansion, while urban centers succumb to man-made landslides, earthquakes and chemical explosions. Riots and strikes proliferate, but fail to cohere into anything larger. The working class has been dismantled. Nothing is left today but dead generations united in their separation, shambling through the fire and the dust.

This is the character of the present moment, and it is here that we begin. Chuang is a collective of communists who consider the "China question" to be of central relevance to the contradictions of the world's economic system and the potentials for its overcoming. For us, this question is not primarily historical. Our interest has little to do with the professed socialism of a country run by a "Communist Party" left over from the peasant wars of last century. Instead, the question raised by China is founded in the present. As a lynchpin in global production networks, Chinese crises threaten the capitalist system in a way that crises elsewhere do not. A bottoming-out in China would

signal a truly systemic crisis in which the overcoming of capitalism may again become the horizon of popular struggles.

In this journal, our goal is to formulate a body of clear-headed theory capable of understanding contemporary China and its potential trajectories. In this first issue, we outline our basic conceptual framework and illustrate the current state of class conflict in China. We also include translated reports and interviews with the proletarians engaged in these struggles, pairing our theory with primary sources drawn from class dynamics that might otherwise remain abstract. In general, we see our project as part of the recent revival in Marxist theory in the English-speaking world, sparked by the economic crisis of 2008 and the struggles that followed. More specifically, our theoretical framework is drawn from the work of similar editorial collectives such as Endnotes, Sic, Kosmoprolet and others who speak of communism in the present tense. One of our goals is to expand this framework beyond the US and Europe. At the same time, we hope to add to the global perspective of this theory by examining the implications of Chinese economic trends outside of China.

To understand the living, however, one must first turn to the lost. Though taking the present moment as our starting point, we are also in a way performing burial rites for the dead generations who have populated the collapse of the communist horizon in East Asia. This issue therefore opens with a long-form article on the socialist era, "Sorghum and Steel: The Socialist Developmental Regime and the Forging of China," the first in a three-part series aiming to narrate a new materialist history of modern China (the next two parts will be included in subsequent issues).

The history we review in this article is not intended to revive old, internecine battles within the left, nor to engage in a game of historical reenactment in which we map out our political direction according to a set of coordinates long ago rendered obsolete. Instead, we hope that our economic history of China can give some insight into contemporary conflicts in the region, illuminating both the inheritance of the socialist developmental regime and the unique limits to any emancipatory project that arises in the world's largest nation and second-largest capitalist economy, which remains under the control of a regime that still claims a commitment to communism.

This economic history also provides an example of our methods. Rather than treating China as either an ahistorical exception to the norm or a simple carbon copy of the Soviet Union, we narrate the creation of China as such out of a disunited, war-scarred region. Among our central theses is the argument that China itself is a modern invention, defined by the creation of a national economy in the socialist era. Aside

from the implications this has for how we perceive that era, it is also important for understanding contemporary intra-class divides as well as the character of Chinese nationalism and current geopolitical conflicts.

These methods are extended to the present day in "Gleaning the Welfare Fields: Rural Struggles in China since 1959" and "No Way Forward, No Way Back: China in the Era of Riots," which focus on contemporary conflicts in the countryside and cities, respectively. Each are paired with reports and interviews from individuals involved in the struggles covered by the longer analytic articles. In "Gleaning the Welfare Fields" we trace the changing nature of rural class conflicts over the past few generations and outline how the most recent struggles have tended to take on characteristics of urban-oriented desperation. In "No Way Forward, No Way Back," we examine the recent spike in strikes and riots within China's industrial zones, analyzing these events as part of the global wave of struggles that included the Arab Spring and Squares Movements in the West.

Throughout the historical portions of this journal, we aim to understand how a communist project seeking to destroy the old world, prevent the advent of capitalism and build a new, alternative future was itself transformed into a mere developmental regime. This experiment emerged and evolved under a particular political horizon inherited from both the European workers' movement and the region's own history of millenarian peasant revolt—a horizon structured by the material conditions of a newly-industrial, rapidly expanding capitalist system. In our articles focusing on the present day, we examine a China in which these conditions no longer hold.

When this horizon ultimately closed, it did so not due to a loss of faith, a factional shift or some sort of moral betrayal, but because its conditions had changed. The closure of this horizon also ensured that most of the communists navigating by it soon found themselves unmoored, trapped within a developmental project that depended upon the suppression of remaining emancipatory potentials for its own survival. Others were rendered into obsolete sects, obsessed with the worship of long-lost revolutions. Today, being communist means accepting the reality of these failures, but also recognizing that this old horizon has disappeared in its entirety, while a new one has yet to (and may never) appear. This means that our communism differs in fundamental ways from that of the last century. Nonetheless, like them we are attempting to navigate out from under a series of crushing contingencies. Weighed down with the dead, this is the beginning of our thousand *li*.

Sorghum & Steel

The Socialist Developmental Regime and the Forging of China

Introduction

Transitions

In the late 16th century, one of the earliest long-form accounts of life within "China" was released in Europe. The author was a Portuguese mercenary named Galeote Pereira who had fought on behalf of Ayutthaya against the Burmese in the East Asian mainland's first early-modern war. Afterwards he became a pirate on the South China Sea, pillaging coastal provinces in the beginning of what would become a centuries-long piracy epidemic facilitated by the growth of the global market. The Ming dynasty responded with its Piracy Extermination Campaign, and Pereira was captured in Fujian and exiled to the interior, only escaping back to Europe years later through bribery and the help of Portuguese merchants in Guangzhou.

His account of the experience, edited and published with the help of the Jesuits, was one of the only first-hand reports on "China" available since the time of Marco Polo. But Marco Polo had come from a backwater, provincial Europe to observe the internal operations of the most advanced civilization the world had yet seen in form of the Yuan (Mongol) Dynasty. Pereira, on the other hand, had come from a much-changed Europe and arrived in a much-changed "China," both of which were sitting on the brink of a great approaching chaos.

If there was any point of utter indeterminacy in the birth of the capitalist world, this was it. The die had been cast but had not yet settled. With the largest navy, the most advanced technology, and unprecedented agricultural productivity, the Ming Dynasty remained the most extensive and powerful political structure in the world. In every way it matched and surpassed Europe, and the question of China's "failed" transition to capitalism (known as "Needham's Paradox") would become a sort of initiatory riddle for future scholars of the region. Pereira had arrived in the midst of the Ming's deterioration, caused in part by the Portuguese and Spanish silver industries and the new trade networks of which he was himself a product.

But the most striking feature of Pereira's report was not its author's checkered history nor his descriptions of the ornate but effective Ming judicial system. Instead, it was the curious fact that, among all the "Chinese" people he spoke to, none had heard of "China," nor any of its supposedly native correlates (variants on Zhongguo—the "middle" or "central" country or countries). Pereira himself travelled exclusively in what is today Southern China, traversing Fujian, Guangdong, Guangxi and Guizhou provinces. These regions were host to a myriad of local "dialects," most as mutually incommunicable as European "languages" are from one another, often centered on local place ties and the trade networks that connected coastal regions to Southeast Asia. Nor were these provinces settled by the "Han" ethnicity exclusively—and even the existence of such a category has recently been called into question.[1] Instead, the region had been home to the Hui, Baiyue, She, Miao-Yao, Zhuang and numerous other ethno-linguistic groups. "China" was very much a product of the Occidental imagination. The people Pereira asked had trouble even understanding the question of what "country" they were from, as there were no clear indigenous correlates to the concept. Ultimately they explained that there was one ruler, but many countries, which still used their ancient names. The combination of these countries composed the "Great Ming," but each retained much of its local specificity. This detail was a mere curiosity when the account was published in Europe, which had established "China" as its arcane, ancient counterpart—less the name for a country than a designation for the external limits to early capitalist expansion and colonization. Such projects tended to run aground on the East Asian mainland, which proved capable of massive trade in goods and silver but resistant to true incorporation into the new global economy. China designated an obstruction of sorts, an ominous exception to the new rules being established in the west.[2]

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1   See: Will Fletcher, "Thousands of genomes sequences to map Han Chinese genetic variation," *Bionews*, 596(30 November 2009), <http://www.bionews.org.uk/page_51682.asp>

2   See Pereira's original report, included here: Charles Ralph Boxer; Pereira, Galeote; Cruz, Gaspar da; Rada, Martín de (1953), *South China in the sixteenth century: being the narratives of Galeote*

Today, in a crisis-stricken global economy, China is again defined by its exceptions. Its staggering ascent seems to promise an almost messianic escape from decades of declining growth: the mirage of a new America, complete with a "Chinese Dream" and the moral zeal of its Puritanical CCP-Confucianism. For the Western economist, this takes the form of a steady-handed Sino-Keynesianism, as new infrastructure projects are initiated by more charitable global financial institutions such as the China Development Bank, promising the salvation of the world's final far-flung hinterlands. In the official discourse of the Chinese state, this represents nothing more than the slow transition to communism, with a long layover in the stage of "socialism with Chinese characteristics," wherein capitalist mechanisms are used to develop the productive forces until general wealth is possible.

In both narratives, China remains an obscure, somewhat ominous exception, despite its complete incorporation into the global economy. Somehow it seems exempt from the rules, with a vague intuition that, with such a large population, such a powerful government, such a massive concentration of fixed capital, etc., the Chinese thereby hold some sort of *deus ex machina* for the drama of our current global economic decline. The problem in this reading is the same as that confronted by Pereira centuries ago: the very object of inquiry proves illusory. The mercenary enters the heart of the empire only to discover that the empire does not exist.

One of our primary aims in *Chuang* is to disperse this mirage. We hope to view China with clarity and communist intent. But the only way to understand contemporary China and its contradictions is to begin with an inquiry into the creation of "China" as such. Here, our story does not begin in a supposedly ancient history (as both Western and Chinese historians would so firmly have us believe), nor does it begin with the romance of the Chinese revolutionary project, alternately glorified and demonized by those on the left.

"China" is, and always has been, an economic category. The Occidental mirage of the "Far East" arose to designate the stubborn persistence of various non-capitalist modes

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Pereira, Fr. Gaspar da Cruz, O.P. [and] Fr. Martín de Rada, O.E.S.A. (1550-1575), Issue 106 of Works issued by the Hakluyt Society, Printed for the Hakluyt Society.

Also see Arif Dirlik's essay on the creation of "China/Zhongguo" for a more extensive overview of this history: Arif Dirlik, "Born in Translation, 'China' in the Making of 'Zhongguo'", *Boundary2*, July 29, 2015. <http://boundary2.org/2015/07/29/born-in-translation-china-in-the-making-of-zhongguo/#sixteen>

of production on the East Asian mainland. After the "opening" of China demonstrated the Qing empire's fundamental incoherence, late-imperial nationalists, often educated in the West, picked through the region's history to construct a narrative of a coherent Chinese nation-state stretching back to ancient times. This project was soon continued by liberals, anarchists and communists alike. Since this indigenous narrative of "China" arose in the midst of a crippled empire, ruled in law by one "foreign" force (the Manchus) and in fact by another (the West), one of the key characteristics of the newly-imagined "Chinese" nation was its foundation in a suppressed Han culture and ethnic identity. Opposition to the Qing first took on the character of a *restoration* of Han rule, and newly-formed resistance organizations such as secret societies were perceived as partisans of this lost national essence, their slogan: *Fan Qing Fu Ming*—Oppose the Qing, Restore the Ming.

But what was the "Ming" these early nationalists sought to restore? In one sense, this demand harkened back to that fundamental indeterminacy—when the die of history was still flying through the air and it seemed that the Great Ming, rather than Western Europe, could have given birth to capitalism in all its blood and glory. At the same time, "Restore the Ming" was a sort of promise. It meant development along Western lines, the creation of "China" as an entity comparable to (and on equal footing with) those Western nations that had divided the region into a mesh of trade agreements and treaty ports. It was this promise that would come to fruition in the 20th century.

The story we tell below explains the century-long creation of China as an economic entity. Unlike the nationalists, we do not hope to uncover any secret lineage of culture, language or ethnicity in order to explain the unique character of today's China. Unlike many leftists, we also do not seek to trace out the "red thread" in history, discovering where the socialist project "went wrong" and what could have been done to achieve communism in some alternate universe.[3] Instead, we aim to inquire into the past in order to understand our present moment. What does the current slowdown in Chinese growth bode for the global economy? What hope, if any, do contemporary struggles in China hold for any future communist project?

Our long-term goal is to answer these questions—to compose a coherent communist perspective on China not muddied by the romance of dead revolutions or the hysteria of rapid growth rates. Below we offer the first in a three-part history of the emergence of China out of the global imperatives of capitalist accumulation. In this issue we cover

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3   For an overview of this tendency in leftist history, see: Endnotes 4, *Unity in Separation,* October 2015, Bell & Bain, Glasgow, pp. 73-75.

the explicitly non-capitalist portion of this history, the socialist era and its immediate precursors, which saw the development of the first modern industrial infrastructure on the East Asian mainland. The second section, to be published in the next issue of *Chuang*, will cover the "Reform and Opening" initiated in the late 1970s, ending with the destruction of the "iron rice bowl" during the deindustrialization wave of the 1990s. The final section, to be published in the third issue, will cover the period following this deindustrialization and continuing today, including the capitalist transformation of agriculture and the creation of China's contemporary proletariat.

This periodization is not arbitrary. We segment this history according to both the global periodization laid out by the Anglophone communist collective Endnotes and according to key shifts in the degree of incorporation of the region into global accumulation imperatives. This first section covers the non-capitalist period, in which the popular movement led by the Chinese Communist Party (CCP) succeeded in both destroying the old regime and halting the transition to capitalism, leaving the region stuck in an inconsistent stasis understood at the time to be "socialism." The socialist system, which we refer to as a "developmental regime," was neither a mode of production nor a "transitional stage" between capitalism and communism, nor even between the tributary mode of production and capitalism. Since it was not a mode of production, it was also not a form of "state capitalism," in which capitalist imperatives were pursued under the guise of the state, with the capitalist class simply replaced in form but not function by the hierarchy of government bureaucrats.

Instead, the socialist developmental regime designates the breakdown of any mode of production and the disappearance of the abstract mechanisms (whether tributary, filial, or marketized) that govern modes of production as such. Under these conditions, only strong state-led strategies of development were capable of driving development of the productive forces. The bureaucracy grew because the bourgeoisie couldn't. Given China's poverty and position relative to the long arc of capitalist expansion, only the "big push" industrialization programs of a strong state, paired with resilient local configurations of power, were capable of successfully constructing an industrial system. But the construction of an industrial system is not the same as the successful transition to a new mode of production.

This industrial system was not immediately or "naturally" capitalist. History is fundamentally contingent. In the socialist era, markets did not exist as they had previously (under the imperial system) nor as they would in the future (under capitalism). Money existed nominally, but it was not guided by either the mercantile imperatives of the tributary mode of production nor the value imperatives of the capitalist system—

instead, it was the mere mechanical reflection of state planning, which was not calculated according to prices but according to sheer quantities of industrial product. Money could not function as the universal equivalent. Meanwhile, rents were extracted in the countryside in the form of grain via the "price scissors," but this extraction did not mirror that of the imperial taxation system, nor did it result in the dispossession of the peasantry and the privatization of agricultural land. Maybe most importantly, the peasantry was fixed in place more firmly than at any other period in Chinese history. The rural-urban divide that took shape in these years would become a fundamental feature of the developmental regime. There was no substantial urbanization under socialism, aside from that caused by immediate post-war reconstruction and natural increase, and the demographic transition (in which rural agricultural population is supplanted by urban workers in industry and services) failed to occur.

Meanwhile, there was no evidence of any transition toward communism, which remained a merely ideological horizon. The workforce expanded, working hours tended to increase, and the socialization of production created autarkic and atomized local productive units, delivering collective living in the small scale but failing to create the new communal society that had been promised. Freedom of movement decreased as crises proliferated, two distinct elite classes formed, the rural-urban divide widened, and a class of dispossessed laborers began to take shape in the final decades of the period. Strikes and other forms of unrest proliferated, culminating in the "short" Cultural Revolution of 1966-1969, the suppression of which would ultimately lead to a full-on capitalist transition.

Throughout the revolutionary period and into the late 1950s, we refer to this process as a "communist project." This project was incredibly diverse throughout its existence, and it was always defined by its status as a mass movement with deep roots in the populace. Early on, its theoretical foundation and strategic direction was predominantly that of anarchist communists. Over time, the particular vision and strategy of the CCP would gain hegemony—but this also meant that the CCP itself absorbed some of the movement's heterogeneity, which would take on the form of factions (and purges) within the Party itself. This hegemony wasn't imposed upon the project, however. It was the result of a popular mandate given to the CCP, which had been integral to the formation of a successful peasant army and underground workers' movement during the Japanese occupation.

The CCP maintained its hegemony of the communist project in the early postwar years by heading popular redistribution campaigns in the countryside and reconstructing the cities. With the failures of the late 1950s (famine in the country and strikes in

the coastal cities), not only was the CCP's popular mandate called into question, but the communist project itself began to ossify. As popular participation evaporated in response to these failures, what had been a mass communist project was reduced to its means: the developmental regime. This regime itself could only be maintained by the increasingly extensive intervention of the Party, which both fused it with the state (as a *de facto* bureaucratic administrative apparatus) and severed its coupling with the communist project.

Even at the height of its diversity, however, this project was ultimately defined by a particular communist horizon that had emerged from the combination of the European workers' movement and the region's own history of millenarian peasant revolts. Today, this communist horizon no longer exists. There is no point in "taking sides" on these historical matters, simply because there is no symmetry between then and now—the material conditions (rapid industrial expansion, large non-capitalist periphery, etc.) that structured this earlier communist horizon are absent, even if the fundamental crises of capitalism remain. There is no question of whether communists today will face the same problems—they won't. Instead, there remains only the question of how communism and communist strategy can be conceived without this horizon.

To today's communists, among whom we are included, the practice, strategy and theory of the CCP (as well as others within this historic communist current) seem at best alien and, at worst, abhorrent. Despite the harsh material limits of the time, we can say clearly that many actions of the CCP are simply unjustifiable. Others are arcane or incomprehensibly over-confident. But these sort of value judgments have little analytic function. Numerous accounts have already been written on the era describing it in terms of "false" communists betraying "true" ones, or simply as the product of zealous and greedy leaders. The history we review is not a history of morals. For our materialist approach, questions of betrayal or rectitude have only the most miniscule relevance. The Chinese communist project was a collective phenomenon, created by the effort and support of millions. We attempt to write a history of this collective project and its ultimate demise.

To these ends, our goal is also to explain the *Chinese* socialist era, rather than addressing questions of 20th century socialism in general. Comparative studies of different revolutionary projects would certainly be worthwhile, but such studies require fair units of comparison. Today, the literature on China and other socialist states tends to be strongly shaped by the Russian experience. One of our fundamental theses is simply that China is not Russia. Though influenced by the Russian experience, the Chinese attempts to emulate it were never complete, and were nonetheless being applied in a

fundamentally different context. More importantly, the Russian reference point was itself constantly moving, and the Chinese often drew from divergent periods in Russian history when designing their own forms of enterprise management and industrial planning.

Beyond this, the geography of Russian influence was uneven. Outside the northeastern industrial heartland, Chinese production was more strongly shaped by other systems of enterprise management, economic planning and state administration. If the Chinese took Russia as one model, they also inherited numerous others—from the imperial era, the Nationalist regime of the Republican period, the Japanese, and the Western enterprises in coastal cities. All of these influences were combined in conscious attempts to create a distinctly "Chinese" nation, complete with a unified national economy. The result was a far more decentralized, uneven system than is visible in the era's propaganda.

Another of our fundamental theses is that there was a stark difference between what socialist China said and what it did. Too much of the current literature (both academic and that produced by the left) uses untrustworthy data drawn from shaky sources.[4] It is founded on outdated evidence gathered in a time when there were political gains or losses at stake in one's "line" on things like the Cultural Revolution. The basic methods used in such literature are idealist. Propaganda is examined as if it were matter-of-fact description of the industrial system. Model factories are described as if they mirror the real thing. The mythos of Chinese socialism is expected to match up, one-for-one, with the actual composition of Chinese society. China again becomes a sort of mirage, this time reformatted for the new coordinates of the Cold War. The result is a Potemkin Village version of socialist China, by one side vilified and by the other held up as one of the only flickering lights in the darkness of a century lost.

Today, we have no money riding on either. The only stakes we see are those posed by our present moment: a China that is central to the global economy but also stricken by its crises, its growth slowing, its population torn between an absent future and an unreachable past. If these are the real stakes, then they merit an historical analysis worthy of them. Our goal is to use the most concrete and reliable measures available in order to narrate a materialist history of China. The socialist mythology represented in propaganda, popular ceremony and everyday custom is not ignored but instead relegated to its actual significance: that of an ideological project ultimately taking

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4   For the most widely read recent examples of this, see: Chino, "Bloom and Contend: A Critique of Maoism," *Unity and Struggle*, 2013, and Loren Goldner, "Notes Toward a Critique of Maoism", *Insurgent Notes*, Issue 7, October 2012.

on the resilience of a religion, capable of expressing certain hopes, fears and social truths, but incapable of describing the actually-existing economy. Our focus is on hard numbers, newly unclassified evidence, and an array of more reliable ethnographies and archival research projects.

The result, we hope, is a picture of socialist China as it actually was, neither a totalitarian wasteland nor the kingdom of heaven. The nation we illustrate below was not "Mao's China" in any meaning of the phrase. It was a project constructed by millions of people, and its ultimate (though not historically determined) result is the China we see today—a China that holds the global economy together at its disintegrating roots. A China that, we hope, will also finally be undone by more millions of Chinese people, alongside billions of others destroying their thousand nations and, with them, this monstrous economy that yokes each to all and all to none.

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Precedents

The Last Dynasties

Development in the imperial era does not begin with the stasis of a so-called "traditional China." The imperial state, often in competition with members of the landowning elite, periodically intervened in rural society, each time reshaping its social character. In one of the last significant interventions (inaugurating the late imperial period), the Ming Dynasty (1368-1644) attempted to create an independent peasantry in order to eliminate rivals vying for control over the rural surplus product and to stabilize society. In order to do this, peasants were given land, although not as equitably as originally intended. At this time, as in much of the region's history, peasants were not just farmers: they farmed but also produced handicraft items, in particular silk or cotton cloth. And the Ming state, as with earlier ruling dynasties, encouraged this dual production by requiring tax payments in grain, cloth and labor.

The dual nature of rural production was to last into the early socialist period, when collectivization would bring it to an end. Notably, handicraft production remained rural to a greater degree and much longer than in Europe.[1] The urban nature of production in Europe made it more capital-intensive over time. Whereas production in the Ming and Qing had a rural and labor bias, over the same time period Europe had an urban and capital bias.[2] This meant that the rural-urban divide was weaker in the Ming and Qing, and production was more diffuse. In fact, from the mid-13th until the 19th century, the urban population actually shrank relative to the rural population. In Europe the reverse was true.[3]

In the rural-urban continuum common to mainland East Asia, numerous villages would surround a market town (*shi*). On market days, peasants, merchants and gentry would go to these towns which, by the Ming and Qing, had become linked to the global economy. Larger administrative and intermediate marketing towns (*zhen*) developed alongside Ming commercialization. A sharp rural-urban divide would emerge only in the 20th century, largely a result of socialist-era policies.[4]

As production grew in the late-imperial period, so did rural surplus and regional and empire-wide trade. This developed into a Ming commercial revolution that brought increased inequality in rural landownership. With commercialization, the tax system became too complex to maintain, and the state shifted to tax payment in silver instead

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1   Jean-Laurent Rosenthal and R. Bin Wong (*Before and Beyond Divergence: The Politics of Economic Change in China and Europe*. Harvard University Press, 2011, p. 101) argue that this was because warfare in Europe pushed this type of production into protected urban areas, whereas in China, warfare was more sporadic over the last millennium. Only in the long run did this benefit Europe, setting it on a different, capital-intensive path much earlier. We use Rosenthal and Wong here not for their grand Europe-China comparison, but to provide a long-term view of the relationship between production and the rural-urban split in China.

2   Ibid. pp. 101 and 110. They argue that, in general, labor is cheaper in the countryside than in the city, and for capital the reverse is true. European warfare drove more capital-intensive production into the city. For a more peaceful China, the calculus was different, and handicrafts remained more rural because of the cheaper cost of labor (106-7).

3   Ibid. p. 111.

4   Jacob Eyferth, *Eating Rice from Bamboo Roots: The Social History of a Community of Handicraft Papermakers in Rural Sichuan, 1920-2000*. Harvard University Press, 2009; Jeremy Brown, *City Versus Countryside in Mao's China: Negotiating the Divide*. Cambridge University Press, 2012.

of in kind. Rural Ming society became dominated by the landowning gentry, which was particularly strong in the developed south. This gentry either rented out land or engaged in large-scale managerial farming, often using bonded labor from peasants who had lost their land and could no longer survive independently in the commercializing economy. With the commercialization of the rural handicraft industry, the control of female bonded labor became increasingly financially important to the managerial farms. A form of "patriarchal landlordism" developed, in which the estates managed female labor along with their marriage and sexuality.[5]

With commercialization, tenancy contracts became more and more impersonal, and tenants grew poorer. The Ming gentry increasingly moved into the cities as absentee landlords, especially in the south. Rural poverty led to more migration and a general breakdown of the Ming state's control over rural society and rural revenue collection. The early Ming system essentially disintegrated under the pressures of commercialization, and its experiment in creating a small-scale peasant economy ended in failure.

As the Ming state weakened in the late 16th century, peasants began resisting rent and in many regions this led to rebellion. New radical and millenarian critiques of "profit-seeking" arose alongside egalitarian and communal ideals.[6] These peasant struggles forced the rural landowning gentry into a weaker position and led to expanded tenant rights in many areas of China, transforming landlordism from the Ming into the Qing Dynasty (1644-1911). It also largely ended bonded labor and patriarchal landlordism. As a result of the tenant peasantry's stronger position, investments in rental land brought lower returns for landlords, rarely above 8% before taxation by the 19th century, according to some estimates, and certainly lower than could be made by investments in commerce or usury.[7] Farm size decreased from the late Ming, and by the early 20th century few managerial farms existed. Patriarchal landlordism transformed into the patriarchal peasant household.[8] Peasant household patriarchy was mainly concerned with the control of household labor, and the economic logic of these household production units aimed at satisfying household subsistence. As labor could not be laid off from the household, the tendency was to keep adding labor inputs until

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5   Kathy Le Mons Walker, *Chinese Modernity and the Peasant Path: Semicolonialism in the Northern Yangzi Delta*. Stanford University Press, 1999, pp. 37-39.

6   Ibid. p. 41-7.

7   Philip Richardson, *Economic Change in China, c. 1800-1950*. Cambridge University Press, 1999, p. 69.

8   Walker 1999, p. 10; Philip Huang, *The Peasant Family and Rural Development in the Yangzi Delta, 1350-1988*. Stanford University Press, 1990, p. 60.

consumption was met, even as the marginal productivity of those inputs continued to drop. Under these conditions peasant rationality "was the rationality of survival, not of profit maximization."[9] Agricultural labor productivity was largely stagnant, and increased production was the result of labor intensification. Instead of increasing labor productivity and economic development, as production increased labor productivity dropped, a process called "involution."[10]

The rural gentry shifted strategies in response to peasant resistance and rebellion at the time of the Ming-Qing transition, profiting more from commerce and usury than from land rents. In other words, rural labor was controlled by the patriarchal household instead of the gentry, while surplus was extracted by elite control over rural markets. This shift transformed the ways in which the rural gentry and the late-imperial state attempted to control rural surplus extraction during the Qing. Instead of focusing on land rents, the gentry would buy the surpluses produced by peasants and sell them to households that processed them, then buy them from those households in turn and sell them into the urban and mainly regional markets with a small amount ending up in international markets. This was not a putting-out system as was seen in Europe.[11]

Earlier in the Ming, most rural households had not produced commodities for sale on markets, but had instead produced a variety of goods for subsistence and then sold a small surplus to the rural gentry, who would then re-sell those products as commodities. But with increased commercialization and specialization, more households began to focus on commodity production without abandoning subsistence production for their family units: a situation of commercialization without development.[12] Over time many began to satisfy their reproductive needs through market purchases as well, with areas that produced higher-end goods buying food through regional markets from more peripheral areas. And it was the rural gentry that controlled those markets.

In this situation, gentry landlords rarely intervened in the production or labor process itself, instead buying low and selling high. They controlled access to markets and capital, but not the production process. Surplus was extracted by a gentry, in other words, that cared little about the relative productivity of the production process, and thus did not invest in transforming production. Furthermore, under this labor-intensive system,

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9   Huang (1990), p. 105.

10   Ibid.

11   Timothy Brook, *The Confusions of Pleasure: Commerce and Culture in Ming China*. University of California Press, 1998, p. 199.

12   Huang 1990.

almost the whole economy remained rural in nature.[13] The late imperial Chinese economy lacked an urban entrepreneurial class comparable to the one in Europe that turned the rural surplus of the agrarian revolution into capitalist development.[14] Whatever rural surplus existed—the exact amount a point of much debate[15]—that surplus was not easily directed towards increasingly capital-intensive development that significantly raised labor productivity.

From Household to World Market

The late 19th century until the 1930s marks the period in which most developed areas of Chinese agriculture became formally subsumed[16] within the global capitalist market. At that time, rural China, in particular coastal regions, was tied into the new global price-setting market for agricultural commodities known as "the first global food regime." Foreign merchants, their Chinese agents, and Chinese merchants reached into the rural-urban continuum, transforming markets and squeezing peasant producers. The wave of commercialization since the Ming together with the subsumption of rural markets within global capitalism meant that, by the 1930s, in many areas up to 40% of agricultural production ended up on the market, the number reaching 50% in the most developed regions.[17]

While merchants and gentry-merchants often did well with the integration of Chinese and international markets, the results for peasants households were more mixed. Nonetheless, rural consumption levels were not far below that of urban residents, estimated at between 81 and % of average urban consumption in the 1930s, ratios

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13   See Richardson 1999, p. 26; Rosenthal and Wong 2011, chp. 4.

14   Ho-fung Hung, "Agricultural Revolution and Elite Reproduction in Qing China: The Transition to Capitalism Debate Revisited," *American Sociological Review* 73(4), August 2009, pp. 569-588.

15   Richardson, 1999, chp. 6; Daniel Little, *Understanding Peasant China: Case Studies in the Philosophy of Social Science*. Yale University Press, 1989, chp. 4.

16   Formal subsumption is a moment in which a pre-existing labor process is brought within the capitalist market but the labor process is not yet transformed. The example from the text points to a moment in which Chinese agriculture is subsumed within the global capitalist market via the domestic market system, but the way people work is not significantly transformed in the process. What does change is the prices that farmers and merchant receive for the agricultural products that they are selling, even if they still produce them in the same way.

17   Richardson 1999, p. 73.

that probably lasted until the mid-1950s, although this perhaps says more about the weakness of the urban economy than the strength of the rural.[18] The effects of integration depended on the product one specialized in. Tea producers, for example, suffered from the 1880s onward once the British tea plantations in South Asia were producing at full swing. In the cotton textile industry, spinners of yarn had a hard time competing with foreign, machine-spun yarns. In contrast, the cheap imports of such yarn initially allowed cloth weavers to do well, and only over time did they, too, have increasing trouble on the new market. Foreign-owned industrial weaving facilities along the coast—mostly built since the turn of the century—began to cut into the handicraft market. Sourcing much of its yarn from abroad, the industry led in part to the initial disintegration of the rural-urban continuum.

The emerging international market in agricultural commodities began to break up following World War One due to the war itself and shrinking trade during the Great Depression. This led to the first attempts to construct a national capitalist economy in China. By the 1930s, the industrial sector (manufacturing, textiles, mining, utilities and construction) still constituted only 7.5% of China's economy, agriculture employed about 80% of the working population, personal consumption accounted for about 90% of national income, and international trade was still quite small.[19] During this new phase, the Nationalist Party (*Guomindang,* hereafter GMD) that had taken over much of China by the end of the 1920s attempted to complete the capitalist transition and build a national economy by creating a stronger link between industrial facilities in the coastal cities and the raw materials produced in rural China. By the early 1930s, factions of the GMD consciously looked to an Italian Fascist model of economic independence and productivism to reintegrate the rural and urban spheres. This implied strong government control over internal markets and state-private cooperation in industrialization. Yet these policies were sidelined by administrative weakness, GMD leader Chiang Kai-shek's focus on military development, and the subsequent Japanese invasion of the Chinese coast in 1937 that inaugurated World War Two in Asia.[20]

Despite its problems, agriculture probably still produced a surplus above consumption levels in the 1930s, although most likely a very low one. Yet the economy was structured

18   Mark Selden, *The Political Economy of Chinese Socialism*. M.E. Sharpe, 1988, p. 159.

19   Richardson 1999, pp. 26-27. These figures are rough estimates. Some have argued that growth rates up until the 1937 Japanese invasion were higher, but those figures have been heavily criticized (see Richardson 1999 for discussion).

20   Margherita Zanasi, *Saving the Nation: Economic Modernity in Republican China.* University of Chicago Press, 2006.

in such a way that this surplus was not "mobilized for investment" in an industrialization process.[21] Uneven subsumption of preexisting regional markets within global capitalism had led to a disintegrated economic landscape, and no real "Chinese" economy came into existence. The GMD attempt to build a national economy in the 1930s had failed with the descent into war. Creating a national economy together with increasing the absolute surplus produced were problems that the socialist developmental regime would aim to overcome with the institutionalization of a new rural-urban relationship that began to emerge in the 1950s, one that would break the rural-urban continuum for good.

Party, City and Peasant

By the time of the Japanese invasion, the GMD found its main opposition in the form of a peasant army mobilized by a reinvented Chinese Communist Party (CCP). But the CCP itself had begun decades earlier, born out of the same tumultuous intellectual milieu as the GMD itself, both of which began as largely urban affairs. The CCP's 1921 founding congress was originally intended to take place in Shanghai. Disrupted by police, the meeting was moved north to Jiaxing, where twelve delegates founded the CCP as a branch of the Communist International. As this early CCP grew, it remained a mostly urban project, staffed by intellectuals and skilled industrial workers. Six years after its founding, it was again in Shanghai that this first incarnation of the CCP came to its violent end. In a Russian-backed alliance with the GMD, revolutionaries seized control over most of China's key cities in a series of worker-staffed insurrections. After victory was secured with the success of the 1927 Shanghai Insurrection, the GMD turned against the communists, arresting a thousand CCP members and leaders of local trade unions, officially executing some three hundred and disappearing thousands more.[22]

The "Shanghai Massacre" initiated the nationwide destruction of the urban communist movement. Uprisings in Guangzhou, Changsha and Nanchang were crushed. In the space of twenty days, more than ten thousand communists across China's southern

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21   Nicholas R. Lardy, *Agriculture in China's Modern Economic Development*. Cambridge University Press, 1983, p. 12.

22   For a review of the role of the communists in Shanghai's labor movement, see: Patricia Stranahan (1994). "The Shanghai Labor Movement, 1927–1931". East Asian Working Paper Series on Language
and Politics in Modern China.

provinces were arrested and summarily executed. All in all, in the year after April 1927, it is estimated that as many as three hundred thousand people died in the GMD's anti-communist extermination campaign.[23]

The only surviving fragments of the CCP were its rural bases among the peasantry. By the conclusion of the Long March seven years later, the Party had recomposed itself by recruiting peasants, expropriating land and focusing its agitation on the long-standing tensions in the commercialized countryside, thereby expanding this rural base. Transformed into a peasant army, the new Party ran only a marginal, underground urban wing even after regaining national influence. As more and more territory fell under communist control in the fifteen years between the Japanese invasion and the expulsion of the GMD via Civil War, the CCP found itself taking control of urban areas in which it had little, if any, organic influence—its linkage to its own urban past having been thoroughly severed by the nationwide massacres twenty years earlier. By this point the Party itself had been transformed, its organizational apparatus fundamentally fused to the operation of a peasant army and the requirements of rural administration. Having travelled its long road from city to countryside, the Party now returned as a stranger.

Foreign Capital and the Port Cities

The cities to which the CCP returned in the course of the war were hardly the same as those it had left. Between 1902 and 1931, foreign investment had quadrupled.[24] Prior to the Sino-Japanese war, in "1936, foreign capital was estimated to constitute 73.8% of China's total industrial capital."[25] The vast majority of large-scale enterprises were funded by foreign investment. But even this amount of foreign investment did not initially amount to much. Surveys conducted by the GMD government found that "between 1929 and 1933, only 250 units could be registered as modern factories," and "in 1933, of the 18,708 private-owned factories, only 86 were enterprises of more than a thousand workers […] 16,273 had less than thirty workers."[26] Not only did these

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[23]   *Zhongguo gongchangdang lishi, 1919-1949* (History of the Chinese Communist Party, 1919-1949), Beijing: Renmin chubanshe, 1991, vol. 1, p. 216.

[24]   C.F. Remer, *Foreign Investments in China*. New York, MacMillan, 1933. p. 76.

[25]   Chu-Yuan Cheng, *Communist China's Economy, 1949-1962: Structural Changes and Crisis*. Seton Hall Univeristy Press, 1963. p. 4

[26]   Ibid. p. 4-5. For more detail, see Cheng's own citation [not transliterated into pinyin]: Wu, Chiang, "Certain Characteristics in the Economic Developments of China's Capitalism," *Ching-chi*

"modern" factories represent a small portion of employment in China prior to the war, they also represented a modest fraction of industrial output despite their large share of industrial capital: only accounting for some 28%, with the remaining 72% produced by the small, often rural, handicraft workshops that composed the bulk of the country's pre-war industrial structure.[27]

This is not to say that pre-war Chinese industry in the cities was necessarily inefficient or outdated. Despite not being organized into large, centralized industrial conglomerates, China's own decentralized urban business networks composed of small enterprises and handicraft producers excelled in their ability to both be smoothly incorporated into foreign business ventures and to out-compete foreign goods in the domestic markets of the country's interior (as well as, in select instances, in international markets). Though dating back in some places to the Southern Song and revived significantly under the Qing, these city-based production networks were by no means resistant to technological transformation.

Handicraft production in the cities of the Qing and Republican periods was able to absorb new machine techniques while retaining its decentralized, small-scale and networked character. Both the official GMD government and *de facto* independent warlords such as Guangdong's Chen Jitang engaged in campaigns of industrialization in cities such as Guangzhou, Nanjing and Chongqing (the Nationalists' wartime capital), but these campaigns seem to have mainly reinforced and expanded pre-existing production networks, bolstering them with new technological inputs rather than simply replacing them with more "modernized" factories.[28]

This networked, administratively distributed and flexible industrial fabric was the basic building block of China's port cities, where "coolie" labor had become a central feature of both production itself and the myriad services required to keep the export industries

Yen-chiu (Economic Research), Vol 1., No. 5 (Peking: December 1955) p. 64.

27   Ibid. p.5

28   For detail on how this took shape in port cities of the time, see: Linda Cooke Johnson, "Shanghai: An Emerging Jiangnan Port, 1638-1840," in Linda Coooke Johnson, ed., *Cities of Jiangnan in Late Imperial China*. Albany State University of New York Press, 1933. pp. 171-4.
For details on the textile industry, see: Feuerwerker, "Handicraft and Manufactured Cotton Textiles 1971-1910," *Journal of Economic History*, 30:2, 1970, pp. 371-5.
For details on Chen Jitang's industrialization campaign in Guangzhou, see Alfred H.Y. Lin, "Warlord, Social Welfare and Philanthropy: The Case of Guangzhou under Chen Jitang, 1929-1936," *Modern China*, 30:2, April 2004, pp.151-198
For an overview, see Giovani Arrighi, *Adam Smith in Beijing*. New York, Verso. pp. 336-344.

functioning smoothly—this coolie labor was in many cases little more than slavery, similar to the forms of bondage used in capital's other frontiers. Early Chinese labor markets were especially adept at facilitating the deployment and sale of this labor, both into cities like Guangzhou and overseas, where coolies could be found cutting sugarcane on Cuban plantations, building railroads across the Rocky Mountains, and mining silver in Peru. Practices such as this clearly marked China's early transition to capitalism. This transition took a quasi-colonial form, with only small portions of the country directly subordinated to capitalist imperatives, even while international demand began to exert a strong gravitational pull on domestic production. The disciplining and selling of labor was integral to this process.

But this did not take an immediately "modern" form. Instead, the Republican period had inherited the system of "official supervision and merchant management" (*guandu shangban*). Designed for an era when merchants were distinct from the formal Confucian-scholar ruling class, the *guandu shangban* system subordinated the economic interests of merchants to the political interests of scholar-officials. In the Republican period, the collapse of the imperial officialdom and the rise of significantly more powerful merchant-entrepreneurs disrupted but did not entirely overturn the practice. Numerous officials had since become entrepreneurs, while the bureaucracy of the GMD provided a new, albeit much transformed, official sanction for industrial development in an era of "bureaucratic capitalism."[29]

This meant that the formal owners of factories and workshops (including Chinese capitalists) were rarely that interested in the details of their investments, so long as they continued to turn a profit. It was therefore common to hire third parties to act as technical and administrative managers. But even these managers were not directly responsible for production:

> Managers, hired to produce profit, were evaluated for results regardless of the means used to obtain them. They were the middlemen between workers and owners and their government allies. Loyalty to the owner was far more important than competence. Administrators, therefore, had to delegate primary authority for operations to skilled, experienced workers known as gang bosses.[30]

Much of the day-to-day labor in the factory or on the docks was in many ways self-

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29   See: Stephen Andors, *China's Industrial Revolution: Politics, Planning and Management, 1949 to the Present*. Pantheon Books, NY. 1977. pp. 32-33.

30   Ibid.

managed by workers on-site. These workers were organized into loose units which themselves were yoked together in a decentralized hierarchy, with the "gang-boss" (*batou*) or labor contractor acting as the nodes in this network that were directly accessible to administrators. These administrators were foreign to the technical details of the work itself, not to mention that many were literally foreigners, incapable of even speaking to the workers at the bottom of the chain. All of this was of course embroidered with the predictable brutality, in which rich managers would come to oversee their factories on velvet-cushioned sedan chairs carried by coolies, the managers paid monthly wages some three hundred times those of the workers themselves.

Alongside the gang boss and labor contractor there were also guild masters and secret societies. Though often initially founded under the Qing as rebel organizations of one kind or another, under the Nationalists the guild and secret society took on the character of criminal rackets. Each also helped to shape the forms of labor deployment that would develop in this early period of capitalist integration. Guilds deemphasized the art of the craft in favor of seeking lucrative contracts. They "became fledgling capitalist construction companies whose managers, the guild masters, hired people for wages that were quickly returned to the guild in the form of membership fees […] Brutality in enforcing the guild's monopoly over hiring and construction was common."[31]

Secret societies, outlawed under the Qing, had helped staff the 1911 Republican revolution and, in return, were permitted to operate openly for the first time. This fundamentally transformed the function of the secret society and ended the period in which they could be understood as "primitive revolutionaries." Some "remained faithful to their 'social bandit' origins" and joined the Communist Party. But the rest became run-of-the-mill reactionaries:

> They bore, for the remaining decades of the republican period, a close resemblance to the Sicilian Mafia, operating as terrorist syndicates, and shedding what elements of 'social banditry' they once possessed. Their continued and mutually profitable liaison with the Kuomintang during the 1920s and 1930s earned them the reputation of hired assassins of the government (used against unarmed workers in Shanghai, 1927), and agents of the most corrupt and reactionary elements of the Nationalist Party.[32]

31   Ibid. p.33

32   Fei-ling Davis, *Primitive Revolutionaries of China: A Study of Secret Societies of the late Nineteenth Century*. University Press of Hawaii, Honolulu. 1971. pp 171-172.

The influence of such groups grew in the vacuum created by the destruction of the communist labor unions and Party cells after 1927. The result was a city in which labor contractors, the gang boss system, the guilds and the secret societies all formed a complex mesh of labor deployment defined by both the dependence on the wage and the threat of direct violence common in colonial regimes of accumulation.

Aside from these port cities, China had only limited urban industrial projects in its interior, "confined to isolated islands within the huge agricultural economy."[33] These were usually established as attempts by government officials in the Qing and Republican periods to build military infrastructure capable of strengthening their respective provinces. Such industrial "islands" were largely self-sufficient, as were the few interior projects built by foreigners. The vast majority of industry was light industry located across the rural-urban continuum. It was not until the Japanese invasion that a truly "modern" industrial structure was constructed on the Chinese mainland.

Rural Revolution

As the revolution moved into the rural sphere starting in the late 1920s, the CCP found it hard to organize in southern villages. The Republican state was able to intervene into rural social relations in the southern countryside in a way that it could not in the north.[34] As many southern landlords had moved to the cities as absentee landlords in the late-imperial period, the state played a much bigger role in mediating class relations in southern villages, allowing it to "penetrate local society, and to coordinate the activities of different social groups and classes for its own purposes, without employing a despotic, coercive force."[35] In the north, however, villages were less divided by class and more unified against state intrusion, especially since late-Qing attempts to increase taxes on them. This geographic difference in state-society relations created more opportunity for the CCP to organize in the north during the war, where it worked with unified villages against the Nationalists and the Japanese. Exacerbating class differences, in other words, was not the most effective strategy for the CCP, and the village became

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33   Andors 1977, p. 34

34   Chang Liu, *Peasants and Revolution in Rural China.* Routledge, 2007.

35   Ibid. p. 47.

the "basic unit" of mobilization efforts. [36] This relationship was strengthened by the land and taxation policies of the CCP during the war.

This success in the relatively unified northern villages became a model for the revolution. The Party's new populism developed out of the social contradictions produced over the preceding decades by the uneven subsumption of the rural sphere within global capitalism. These conditions helped to create two contradictory political tendencies: a politics of class struggle, which responded to increased rural inequality and the gentry's tightening control over rural surplus and markets, and a politics of national unity, which faced foreign invasion, imperialism, and subservience to foreign powers. While there were many moments of sharp class antagonism that played out during the revolution, the politics of national unity dominated in the revolutionary and much of the post-revolutionary periods. In this sense, the conditions of CCP politics mirrored that of the GMD, with its focus on national unity, although the CCP was better able to bridge the contradiction between these two politics with the concept of "the people." A focus on national unity was incomplete and one sided. "The people," by contrast, was defined neither solely by national citizenship nor by one's class. Instead, one's subjective stance towards the revolution placed one within or outside of "the people." Thus even the national bourgeoisie (Chinese capitalists who did not collaborate directly with foreign powers) and patriotic rich peasants and landlords could become members of "the people," so long as they threw their weight (and resources) behind the revolution. This focus on subjectivity would remain a strong component of CCP politics from that time on.

The progress of land reform—entailing a series of campaigns and grassroots movements for the redistribution of land—ebbed and flowed with the politics of the Party. In northern areas under Party control before 1949, land reform began in 1946 as the Civil War with the GMD was reignited. Initially the Party only gave "approval" for peasants who took land from landlords, but by 1947 it turned the "egalitarian redistribution of land" into "a guiding principle." [37] This initial process was ended in 1948 when the

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36   Ibid. p. 98; Alexander F. Day, "A Century of Rural Self-Governance Reforms: Reimagining Rural Chinese Society in the Post-Taxation Era," *The Journal of Peasant Study* 40(6), 2013, p. 937.

37   Li Fangchun, "Class, Power and the Contradictions of Chinese Revolutionary Modernity: Interpreting Land Reform in Northern China 1946-48," PhD Thesis, University of California, Los Angeles, 2008, p. 3.

Party decided it had been carried out in too radical a fashion. A more radical land reform process that eliminated the rural gentry only restarted after the CCP took power nationally, leading to a large-scale redistribution of land.

Though often growing out of repeated peasant rebellions that had occurred independent of the Party, the process itself involved Party cadre[38] identifying key active elements among the poor peasantry to lead the struggle against the landlord and rich peasant classes. This aimed to eliminate the rural exploiting classes while at the same time cultivating an active group of local supporters. Such a two-pronged approach was crucial to building state power within the villages, since it gave the new administrative structures a local mandate. This process would also provide the seeds of a new class structure that would develop over the course of the socialist era, since the process entailed publically categorizing villagers into five class categories, depending on their relationship to exploitation prior to the communist seizure of the territory. In North China, this process was more violent as class divisions were aggravated in the previously more unified villages. Once the process was complete, a new village power structure emerged. In the South, the process was milder, with only surplus land redistributed from rich peasants. Most pre-war landlords were absentee, and thus did not live in the villages once land reform began. The guiding principles in the post-1949 land reform process were to increase production while also knocking out classes that could compete with the state for surplus.

Despite the variation in methods, land holdings were largely equalized within villages across China. The vast majority of peasant families benefited, and the Party obtained critical support. Officially, 300 million peasants gained land and over 40% of landholdings were redistributed. The landholdings of those designated landlords dropped from 30% to 2%.[39] This strengthened rural household production, with many peasant families now having direct access to the means of production for the first time. Land reform was basically completed by 1953, creating landholding equality at the village level, strengthening Party control over the villages and eliminating the rural gentry, a state rival in the extraction of rural surplus. By facilitating the process, the Party had won

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38   "Cadre" here translates the Chinese term "*ganbu*," which designates party and state functionaries. The term can be used in the singular or plural. Though often unclear for English-language readers, the translation has become standard throughout the literature, so we use it throughout to maintain consistency with our sources.

39   Carl Riskin, *China's Political Economy: The Quest for Development Since 1949*. Oxford University Press, 1987, p. 50.

a widespread popular mandate. Meanwhile, the rural economy recovered from a long wartime slump, producing a surplus that the new state now aimed to extract.[40]

Japanese Manchuria

The Japanese invasion had contradictory effects on the Chinese economy. First, it brought with it unparalleled destruction. The national transportation infrastructure built in the Qing and Republican periods was bombed to pieces. The newly-created banking system, which had stabilized prices for the first time since the American silver-buying program, quickly collapsed under the occupation. This resulted in desperate attempts to print banknotes to support war expenditures, initiating an inflationary crisis that would ultimately devastate the Republican economy. Faced with the destruction of the southern rice belt, food commodities became scarce and the country's one million industrial workers and ten million handicraft workers were faced with unemployment and hyper-inflated food prices. Much of this economic chaos continued into the Civil War era in zones under GMD control, and all of these problems would then be inherited by the CCP after its victory.[41]

But destruction was not the only inheritance. With the Pacific War looming, the Japanese made enormous investments in Manchuria and Taiwan, essentially constructing an entirely new industrial structure from the ground up in the space of a few years, the scale and scope of which far exceeded the investments made by foreign capitalists over the century prior. Combined, these Japanese-built manufacturing belts were twice as large as the entirety of China's pre-war industry.[42]

The productive geography of the East Asian mainland was thereby reformatted, with less dependence on ports and export-zones and much more of the new inland heavy industry producing for domestic (primarily military) consumption. Meanwhile, the entire Northeastern region saw a spate of urbanization that would not be matched in scale or speed until the 1980s. In 1910, Manchuria's city-dwellers composed only 10%

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[40]   Victor Lippit (*Land Reform and Economic Development in China: A Study of Institutional Change and Development Finance*. Routledge, 1975) sees the facilitation of industrialization as the main benefit of the CCP's rural policies.

[41]   See Cheng, pp.6-7.

[42]   For the exact numbers, see: Ibid. p.8.

of its total population. By 1940, the urban population had doubled.[43] Many of these new residents were themselves migrants from other parts of North China and would frequently return to their villages after completing a work assignment, facilitated by the Japanese railway and steamship networks.[44]

In contrast to the decentralized, small-scale industrial networks of the port cities, the Japanese manufacturing zone was large-scale, vertically-integrated, and thoroughly incorporated into the bureaucracy of wartime production. The factories' structure attempted to mimic the massive Taylorist conglomerates of the US industrial belt, with capital-intensive enterprises based on the most advanced machines, all operated by "cheap Chinese labor and almost feudal labor management."[45] Early on in the region's development, more skilled Japanese labor was also used, but even this soon gave way as the Japanese trained cheaper Chinese technicians to take their place.

These Chinese workers were, in Manchuria as elsewhere, procured by gang-bosses or labor contractors, who would receive the total sum of wages from the Japanese employers and distribute them to the workers as they saw fit, reserving a large cut for themselves. But whereas the gang-boss system used in the southern port cities saw gang-bosses, in competition with guilds and other contractors, commanding smaller networks of labor recruits who were dispatched to much smaller enterprises, these modern Japanese factories required labor deployment on an entirely different scale. Many used only "a small number of *batou* who supplied and managed several thousand workers."[46] This management was distributed down a vertically-integrated hierarchy of gang bosses, with "Number 3 *batou*" at the bottom commanding squads of "about fifteen workers." At the same time, the gang-boss hierarchy was itself buffered by an extensive bureaucracy, with "other functionaries as well, such as a *xiansheng* or *sensei* (who was clerk, accountant, and paymaster), cooks, and runners."[47]

Below all of this were the workers, seen as temporary, and the even worse-off "casuals" who didn't have the protection of a gang boss. The non-casual workers were paid

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43   David Tucker, "Labor Policy and the Construction Industry in Manchukuo: Systems of Recruitment, Management, and Control" in Paul H. Kratoska, Ed., *Asian Labor in the Wartime Japanese Empire*. ME Sharpe, Inc. , 2005, p.28.

44   The similarity to China's current system of rural migrant labor based on *hukou* classification is notable.

45   Tucker, p. 28.

46   Ibid. p.29

47   Ibid.

wages, often daily, and were provided with certain additional handouts by the gang-boss, including food, housing, medical care, protection and recreational activities. Wages themselves were often scaled according to the workers' origins, with migrants being paid only two-thirds what local workers received.[48] In some instances, such as at the Fushun coal mines, workers were hired and paid by the enterprise directly, but the work was still supervised by gang-bosses operating in the capacity of labor administrators. At a higher level, the management of the entire region had a Taylorist character, with experts such as Wada Toshio, director of the Daitō Psychology Institute of Hiroshima, shipped in to test workers' aptitude, increase their efficiency and standardize production.[49]

Faced with a labor shortage toward the beginning of the 1940s, the Japanese soon turned to more coercive means of recruitment. This included forcing students, prisoners, vagrants and the floating population of unemployed or casual workers into largely unpaid and compulsory labor service, all formalized by the April 1940 National Army Law which sought universal conscription into the military and industrial development projects. Those not pulled into the army itself were sent to the national labor corps "between the ages of twenty and twenty-three [to] work in military construction, essential industries or local production."[50] The brutality of this labor regime is not to be underestimated, and has been quite fairly compared to the European holocaust in the scale and scope of its devastation.

Throughout this period, then, attempts to rationalize and modernize labor deployment through the implementation of Taylorist methods and the use of hourly wages co-existed with and were ultimately superseded by regimes that relied, in the last instance, on the threat of violence, whether this be at the hand of the gang-boss or through the revival of systems of *corveé* labor and "tributary" methods of production and trade. This bore degrees of similarity to various forms of pre-capitalist accumulation seen throughout Eurasia, and authors writing on the Manchurian labor system have sloppily referred to it as "feudal." More importantly, these "feudal" aspects of the labor regime are often portrayed as being *in tension* with the properly "rational," Taylorist system of labor deployment through the wage relation.

But this opposition is not so clear. Despite its allegedly "feudal" elements, the Japanese industrialization of the Chinese mainland can well be seen as the initiation of a transition

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48   Ibid. p. 36

49   Ibid. pp. 31-32

50   Ibid. p. 49-50

to an explicitly capitalist mode of production dominated by value production. Rather than seeing the build-up of the Japanese wartime complex (or its German, Italian or American counterparts) as driven by simple military madness, we must understand these military expansions as necessities of accumulation posed by states facing limits to their growth and mired in a crisis of value production. The Japanese colonization of the mainland was a response to a crisis of global capitalism. In one sense, this can be understood as a process of "primitive accumulation," but only if we sever the term from its connotations of an expanding *commercial* capitalism, circa the European gestation of the capitalist mode of production in its Genoese, Dutch or British sequences.

Japanese entry into Manchuria marked an attempt to move from the simple colonial practice of "capitalist firms operating mainly through archaic ('precapitalist') modes of labour-organisation at low and generally stagnant levels of technique"[51] (a slight simplification for China, but largely consistent with how things worked in the port cities) into large-scale, highly mechanized and coordinated industrial enterprises capable of increasing productivity and thereby generating relative surplus value, rather than simply harvesting more absolute surplus value from more workers. The proceeds of this process were intended to be exchanged and invested across the growing domestic and international markets, both of which the Japanese were actively (re)constructing.

The Japanese scaling-up of the gang-boss system and the implementation of forced labor were not, then, in any way a form of backsliding into pre-capitalist modes of production. They were instead a capitalist logic of production taken to its extreme— literally a last-ditch effort to preserve the capitalist social relations that ensured the continued accumulation of value on the East Asian mainland. Compounding growth rates, the increasing circulation of commodities across the domestic market and the beginning of the urban demographic transition all followed, alongside the mass proletarianization of ex-peasant migrants. These forms of labor deployment were in fact the ultimate complement to the Taylorist "rationalization" campaigns, because, in the face of labor shortage and military defeats, it was only these forms of labor deployment that worked, or, more accurately: *got people working*.

The Industrial Inheritance

After this Japanese military complex collapsed under Soviet and American offensives in 1945, the capital fixed in Manchuria was transferred to GMD state ownership. This

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51   Jairus Banaji, *Theory as History*. Haymarket, Chicago IL, 2010, p.62

industrial structure was predominantly geared toward the production of electricity (63% of the country's electrical industry was state-owned by the GMD after the Japanese defeat, produced by plants seized from the retreating Japanese) and primary industrial materials (steel and iron: 90%, tungsten: 100%, tin: 70%, cement: 45%). The total value of state industrial capital had increased a hundredfold in ten years, from 318 million yuan in 1936 to 3,161 million yuan in 1946, when it composed 67.3% of the total industrial capital.[52]

The GMD was utterly unable to manage this vast new bureaucracy. Incapable of reining in inflation, the dire economic trends initiated under the Japanese continued under the Nationalists, who were ill-suited to restart the project of imperial expansion begun by their predecessors. The middle class that had started to form prior to the invasion was now all but liquidated. A new bureaucratic warlordism arose alongside and within the collapsing GMD, creating nearly perfect conditions for the growth of the communist armies in the countryside.

As the GMD began to cede territory to the CCP in the Civil War, this Japanese-built state-industrial structure was the most intact component of non-agricultural production that the communists inherited. Manchuria was conquered early on with substantial military assistance from Russia, which gave significant amounts of ammunition, artillery, tanks and aircraft to the communist army while also assisting in the reconstruction of the Manchurian railroad system. But this assistance also came at significant cost, as Stalin ordered Russian troops to partner with the GMD and loot Manchurian factories in order to recuperate the USSR's own war-strained industry.[53]

It was in Manchuria, then, that the CCP first confronted the questions of industrialization and urbanization that would become increasingly central to the socialist era. This meant not only that the Party had to find ways of overcoming technical hurdles, since its "urban wing could not supply the necessary trained cadres to deal with getting urban production going again,"[54] but also that it had to fuse its urban and rural wings, which had previously operated with relative autonomy. The urban wing, headed by Liu Shaoqi, had been engaged in clandestine activity during GMD control and Japanese occupation, necessitating that their organization stressed secrecy, highly-regulated chains of command and tight discipline.

52   Cheng, pp.8-9.

53   Dieter Heinzig, *The Soviet Union and Communist China, 1945-1950: The Arduous Road to the Alliance*. East Gate, New York City, NY. 1998. p.101

54   Andors 1977, p.45

When the urban wing was given responsibility for wartime production and the first stages of communist-led industrialization, it was still operating under an extensively regimented command structure designed for clandestine activity. The problems with this were recognized, but there was no alternative at hand. Even where workers themselves could step in to keep the machinery running after Japanese and GMD managers had fled, the urban wing of the Party was the only remaining force capable of coordinating production across factories and managing distribution of this product beyond the geographically concentrated belt of heavy industry in Manchuria.

The decisions confronted there, more than anywhere else, cut to the root of the communist project. If the Party were to simply seize the industrial infrastructure built by the Japanese, they risked reigniting the brutal expansionary process for which these industries were built and reconstructing the bureaucracy necessary to keep them running. Even if the Party devolved direct control of these industries to the remaining workers trained to run them, this would have done nothing to solve the structural problems inherent in how these large-scale factories functioned, nor the challenge posed by their geographical concentration. The gang-boss hierarchy could be filled with elected representatives, but this would have simply replaced a more Darwinian bureaucracy with a democratic one.

In other words: the industrial infrastructure of Manchuria was not a politically neutral engine of production that could simply be seized and driven to better ends. On the contrary, the entirety of its logistical networks, its uneven geography and its basic factory-level organization (ranging from physical construction to administration), were designed precisely to suck migrant laborers into the new urban-industrial core, severing them from their own means of subsistence and forcing them to rely on various strata of management for their own reproduction, whether through wages or gang-boss-provided housing and medical care. This doesn't mean, of course, that this infrastructure was inherently bad or inherently useless for a communist project—but simply that the gains of modern technology and increased productivity were closely alloyed with these limits.

The problem was how, precisely, to utilize the productive capacity of this inherited infrastructure while simultaneously transforming society's relations of production—a transformation that can only occur at a scale much larger than the individual enterprise, and which is in no way produced by a linear agglomeration of small changes made in individual workers' relationships to individual workplaces, though these are obviously important and occur at every stage in the process. It was only in confronting this larger

problem, then, that the Party's own theories of industrial organization would become relevant. These top-down theories, meanwhile, were often paired with the bottom-up activity of workers in these industries, whose own opinions on these questions contributed to the overall heterogeneity of the communist project, which was by no means reducible to the CCP. The next three decades would be marked by struggles over the transformation and expansion of this industrial inheritance, with the Party absorbing many of these heterogeneous positions in the securing of its strategic hegemony—a hegemony premised on the potentials of production.

The Urban Divide

Despite the country's peasant majority and its rural revolutionary base, it was the cities that became central in the attempt to expand the gains of modernization beyond the borders of Manchuria and the southern ports. This would knit together the industrial archipelago into a true "national economy" for the first time in the region's history, while simultaneously creating a major beachhead in the hoped-for transition to a global communist society. At the Second Plenary of the Seventh Central Committee of the CCP in March, 1949, Mao declared that "the centre of gravity of the Party's work has shifted from the village to the city."[55] But the "industrial islands" of the cities proved to be serious obstacles—not so much to the construction of the "national economy" (in fact, they would prove to be dangerous accelerants), but instead to the construction of anything approximating a communist project in the 20th century.

The socialist era was indeed a time of transition, in which a "national economy" was gradually sewn together out of disparate economic sub-regions and various methods of labor deployment. But the most fundamental characteristic of this "national economy"—the one feature that could be said to span city and countryside, determining the relationship between the two—was the implementation of the grain standard and the net funneling of resources from countryside to city. In other words, the lynchpin of the entire development project was the widening of the urban rural divide, despite the increase of the country's total social wealth.

The basic riddle posed by the existence of the city was as follows: How was it possible to implement an agrarian revolution to cheapen the basic costs of life, allowing for an equality that was not equality-in-scarcity in the world's poorest country, without also undermining the basis of that egalitarian project by privileging geographically

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55   Andors 1977, p.44

concentrated industrial zones and generating new hierarchies through urbanization? To put this in perspective, we need only remember that the East Asian mainland, at the time of its revolution, was one of the most underdeveloped regions in the world. Compared to China in 1943, Russia in 1913 (itself a largely undeveloped agrarian country on the eve of its revolution) already manufactured three times as many tons of steel, twice as many tons of iron, had twice as many kilometers of railways and produced thirty times as much petroleum.[56] All of this is in absolute, rather than per capita, terms, not taking into account the strikingly larger Chinese population. Of this population, very few people were employed in modern urban industries. Up until the early 1950s, less than 2% of China's population were "workers and employees."[57] The vast majority were peasants.

Urbanization is no simple problem. Theories of the city are often unabashedly saturated by ideology. The most popular is the "commercialization model" of capitalist development, which portrays capitalism as an inevitable outgrowth of human nature, and also generally assumes "that cities are from the beginning capitalism in embryo."[58] This implies "that towns were by nature antithetical to feudalism, so that their growth, however it came about, undermined the foundations of the feudal system."[59] This model also tends to infer that cities are, in fact, antithetical to any mode of production other than capitalism and that all forms of urbanization are inherently capitalist.

In reality, capitalism has not been the only mode of production that saw major processes of urbanization. Nevertheless, it is often simply assumed that the abolition of capitalism entails the abolition of the city and the explosion of industry into a "garden city" of fields, factories and workshops," in which population itself must be roughly equalized across inhabited territory. Marx and Engels' own work exacerbates this confusion. The "more equitable distribution of population over town and country" is one of the ten measures advanced in the *Communist Manifesto*. Though this can be understood as a response to the particular rural-urban inequalities that had arisen in Europe at the time, it is then made ahistorical in *The Origin of the Family*, where Engels claims the city as a basic "characteristic of civilization," and thereby an origin-point for all early class structures.[60]

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56   See Table 1 in Cheng, p. 14

57   Cheng, p.14.

58   Ellen Meiksins Wood, *The Origin of Capitalism: A Longer View*. New York, Verso, 2002. p.13

59   Ibid. p.15

60   p.201

In the early years of the Chinese socialist era, a similar principle would quickly be enshrined in official documents, mirroring the language of the *Manifesto*. Little attention was given to the fact that, contra the European standard observed by Marx and Engels, the East Asian mainland already had a highly equitable distribution of population over town and country. The policy was written to respond to a problem that only barely existed, and the result was that every attempt to create the conditions whereby the distinction between town and country might be abolished tended to widen the inequality between the two. But the recognition of the problem also ensured that urbanization itself would soon be halted—effectively doubling the divide by fixing more of the population in the under-funded countryside. The urban divide was therefore exacerbated by all attempts to escape it.

New Democracy, Old Economy

Though confronted early on in Manchuria, the question of the city was only foregrounded with the end of the Civil War, as all of China's major urban areas fell to the revolutionary army, save those in Hong Kong and Taiwan. Previously, the problems posed by urban industry had been either partially solved or temporarily postponed by the war. The cities of the North and Northeast became hubs for wartime production, necessitating both high levels of employment and a more complete take-over of these industries from their previous owners, be they private capitalists or Japanese and GMD bureaucrats. In these earlier-liberated areas "many private enterprises were in fact run by workers after being abandoned by their former owners and all or most of their management personnel."[61] The same was largely true of the state-owned industries in the early stages of wartime production, prior to the import of Soviet managers and technicians.

The situation changed, however, upon the completion of the Civil War. In the later-liberated southern port cities, many owners and managers remained present, leveraging precious technical skills and access to foreign credit in exchange for favorable treatment by the Party. More importantly, victory in the war meant that the communists had seized several of the country's largest urban areas precisely when the wartime stimulus to these cities' industries was faltering and the US-backed economic blockade had just

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61   Jackie Sheehan, *Chinese Workers: A New History*. London, Routledge, 1998. P.17

begun. The number of workers and wartime refugees skyrocketed, but many of the industries in the coastal cities had been bombed by the Japanese or sabotaged by the retreating GMD. In Guangzhou alone, "it was reported in December 1949 that less than a quarter of the city's enterprises were operating at full capacity, while nearly a third of the entire workforce was unemployed."[62]

These unemployed workers had themselves contributed significantly to the communist victory. Rather than being the unwilling subjects of a new regime, the toppling of the Japanese and then the GMD had been actively pushed for by many workers. Throughout the 1930s, periodic strike waves had rolled through occupied territory, the result of both clandestine communist activity and of a wide-ranging, if disorganized, workers' movement. After the Japanese transferred power to the GMD, the strikes only increased, "with more than 3 million workers taking part in strikes in 1947 alone."[63] Hearing of the communists' land reform programs in the countryside and factory seizures in the north, many workers were inspired to action against the GMD in the hopes that the brutal management techniques, low wages and arrogant hierarchies with which they were familiar would be overturned through the direct takeover of the southern industries.[64]

But while the Party concentrated on land reform in the countryside, the immediate task in the city became the revival of production. If they could not get the factories running again, there would be no way to modernize agriculture, leaving the peasantry to its historical cycle of population growth pockmarked by famine and mercantile expansion. More pressingly, there was the problem of the urban unemployed, who were themselves underfed and housed in abysmal conditions—with many urbanites literally living in the rubble left by twenty years of almost constant war. An outflow of population from rural war zones had both bloated the urban population and undercut the country's capacity for food production.

The result was that the heavily populated cities were, in 1949, reliant on imports of consumer goods and food, and many residents were housed in informal slums. As the international blockade of the victorious communists began, the country was quickly starved of these necessary imports.[65] If people in China were to rebuild their cities, they would need to produce their own concrete, steel, electricity, and, most importantly, grain to feed the workers at every stage of this process.

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62   Ibid. p.18

63   Ibid. p.15

64   Ibid. p.16

65   See Andors, 1977, pp.44-45 for an overview of these problems.

If, on the other hand, the cities were to be partially abandoned in favor of resettling the countryside in an attempt to build some sort of agrarian socialism, it was unclear how the war-torn country would escape immediate famine, a renewed expansion of commercial activity leading to another era of warlordism or its direct counterpart, foreign invasion—a threat that loomed large as the Americans began to occupy much of the territory that the Japanese had seized decades prior. Maybe more importantly, such an option would likely have led to the severing of freshly renewed ties with the USSR, one of China's only sources for international aid and technical training, not to mention the largest military threat bordering China.[66]

Nonetheless, attempts at agrarian forms of socialism were not without precedent, as anarchists, republicans and communists alike had advocated and even attempted to build such egalitarian rural projects in the past, particularly in the New Village, Rural Reconstruction and Village Cooperation movements of the early 20th century. Some, such as the Tolstoyan anarchist Liu Shipei, envisioned the end goal of any egalitarian project in China to be anti-modern in character, returning the country to its agrarian heritage.[67] Many of the CCP's earliest members had emerged from the anarchist movement and retained more than a little fidelity to decentralized models of development that mixed industrial and agricultural activity and thereby encouraged out-migration from urban cores.

Though this latter option may seem absurd, given the Party's intellectual dedication to a truncated Marxism and some of the worst features of High Stalinism, it should be remembered how greatly the communist program had already diverged in the countryside from the Soviet path. The Chinese attachment to Stalinist practices, and especially the theoretical justifications for these practices, was more the product of an expedient pragmatism than any naïve belief in the infallibility of the Russian model. Readings of Chinese socialist history often unduly privilege the role of theory and ideology in the decisions of an era that was in fact marked by immense unevenness and continual, if failed, experimentation.

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66   A review of the literature on Manchuria in wartime shows that there was great fear among many Chinese communists that the Russians would simply seize Manchuria and possibly the entire Korean peninsula for themselves after pushing out the Japanese.

67   See Arif Dirlik, *Anarchism in the Chinese Revolution*. University of California Press, 1991. pp100-109.

Here, however, we emphasize that a society's basic material conditions and the objective limits posed by them are primary to any Marxist understanding of history. This isn't to say that the ideological inheritance of the Chinese communists was irrelevant—we will see only how crippling it was—but simply to point out that the limits facing the Chinese communist project in the 20th century were not primarily limits of imagination. To return to the example above: Had there been strong material pull-factors offering people a better life in a peacetime countryside, it is likely that there would have been outward population pressure back into rural areas—not at all unprecedented in the history of the region's cities—and the Party would have had to either somehow restrain or accommodate this tendency.

The preeminent fact, however, was that agrarian abundance was not forthcoming. The cities were in ruins. The industries of the Northeast were slightly more intact, run in this period by workers more or less directly. But the majority of these workers had never been allowed access to the higher-order technical skills needed for complex repairs, modernization or inter-factory coordination. On top of this, there was little to no infrastructure designed to bring the gains of this Northeastern heavy industry to the rest of the country. The railway system was severed in thousands of places, there were no national highways, and the Party had inherited little in the way of a merchant marine—with the US threatening to sink outbound Chinese ships regardless.

In the port cities, many enterprises had been severely damaged, but their owners and managers had often not fled with the retreating Nationalists. This "urban bourgeoisie, whose members possessed the literacy, technical knowledge, and business experience vital to urban production," were the CCP's "chief urban political rival."[68] The smaller average size of the port city enterprises also meant that the local elite were not at all a class of even consistency, with small owners, administrators and technical experts distributed along a complex, decentralized hierarchy of production. Some were little more than skilled workers, while others had been influential gang-bosses aspiring toward their own dockside fiefdom. A much smaller segment were unambiguously domestic capitalists, often retaining access to restricted streams of credit from the West. The repair of factories, mobilization of worker networks and day-to-day running of production was entirely dependent on the technical and managerial skills spread across this hierarchy.

The restructuring of the economy was coordinated by three main actors. First, there was the military, "which sent representatives (who were also Party members) to

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68   Andors, 1977, p.45

individual factories where they claimed the authority of the new government."[69] But these military representatives were not particularly familiar with industrial production and, therefore, had to rely on the hierarchy of technicians and administrators already in place. Secondly, there was the urban wing of the CCP itself, many members of which were skilled workers. Nonetheless, the Party's urban wing was small and accustomed to operating within a rigid command hierarchy necessitated by secrecy. Whereas the rural Party's experience mediating between simultaneous social conflicts and administering large swaths of production had made it a flexible and adaptable organization, the urban Party's experience had been far more limited.

Finally, there were "the skilled, literate workers who, with the blessings of the Communist Party, were quickly promoted to positions of leadership in the factories by the trade unions."[70] But these workers were sparse, due to widespread illiteracy among both urban residents and the majority of CCP cadre: "In Shanghai alone […] the illiteracy rate for all employees, including clerks and white-collar workers, was estimated at 46 percent." Meanwhile, "among blue-collar factory workers, this figure was much higher, probably near the 80 percent figure for industrial personnel in the whole country."[71] By contrast, "in 1949 almost all of the students in Chinese universities and higher level technical schools were from the urban middle and upper middle classes." And these students were no longer simply elites educated in the Confucian classics. Instead, "well over half (63 percent) of the members of this group who were university and technical school graduates in 1949 had majored in subjects that were essential for industrialization."[72]

The Party's response was to launch a recruitment drive, hoping to bolster its ranks with loyal intellectuals and skilled technicians. The risk of careerism and corruption was clearly noted, but these were considered necessary evils that could later be uprooted. Meanwhile, new unions were formed alongside the new Party organs, intended to simultaneously rationalize production and provide workers with some oversight over the new, less trustworthy Party recruits. At first, the Party had attempted to weed out former gang-bosses, GMD-union thugs and secret society members from its restructured industrial system, but this proved to be nearly impossible and the attempt

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69   ibid, p.48

70   Ibid.

71   Ibid.

72   Ibid, p.49

only further stalled the recuperation of industry. Local cadre were instructed to open recruitment in the new unions, hoping that workers' own political perceptiveness combined with state-sponsored reform campaigns would be sufficient to prevent these lower-tier elites from regaining power.[73]

Higher up the chain, however, the Party's policy was conciliatory. There was a need not only to retain the technical knowledge of mid- and lower-level elites, but also to acquire new fixed capital investments in order to rebuild and expand industrial production. With the economic blockade restricting the import of fixed capital and access to international lending, only the remaining urban bourgeoisie had the type of connections necessary to acquire the key imports and credit necessary for rebuilding. The result was a managerial system that, in certain ways, greatly resembled that of the port cities prior to the war: "By 1953 approximately 80 percent of the managerial personnel were of bourgeois background and 37 percent of these were pre-1949 graduates, returned overseas Chinese students, or factory owners." One key difference was the widespread presence of the Party, but its numbers were still small. Though recruitment had expanded, "by 1953 only 20 percent or so of managerial and technical personnel was made up of urban Communist Party members, promoted workers" or directors and trade-union officials appointed directly by the Party.[74] Meanwhile, strikes had risen to an all-time high and many capitalists had responded by simply closing any of their factories that still functioned, firing the workers and waiting to see whether they should take what they could and flee.

The Party developed a two-pronged recovery policy. First, it signed onto the Sino-Soviet Friendship, Alliance and Mutual Assistance Treaty in early 1950, giving the Russians certain privileges in Manchuria and securing a $300 million loan for the rebuilding of industry. This was considered unambiguously necessary: "the Soviets provided a relatively strong and absolutely vital international ally" given the US embargo and military blockade of the eastern seaboard and the complete absence of any overland routes between China and other industrial nations. Of equal importance, perhaps, was the patronage of the world's only nuclear power outside the US in an era when General MacArthur was reported to be threatening China and Korea with nuclear attacks. Soon after the treaty was signed, the USSR began sending the first wave of technicians into China—particularly to the Northeast—tasked with getting production up and running again as well as training a new generation of Chinese engineers.

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73   See Sheehan, pp.25-26.

74   Andors 1977, p.49

The second component of the recovery plan was the "coexistence policy" laid out in the "Common Programme." Formulated in late 1949, the program was solidified in the years of war and political consolidation that followed. It aimed to complete the "bourgeois revolution" in the cities, utilizing the elements of capitalism "that are beneficial and not harmful to the national economy." In other words, to "control, not to eliminate, capitalism."[75] What this meant was effectively the appeasement of the remaining urban capitalists, who would be gradually bought out of their own industries by the state in exchange for offering their technical expertise to the project of industrial recovery and development.

The size of the private sector in this period was significant. Though it composed only 55.8% of the gross output value of industry as a whole, private production was some 85% of total retail sales—making it central to the circulation of goods. At the same time the Party sought to cultivate and utilize the productivity of the private sector, however, it also sought to contain its volatility: "communist policy in this stage was to fight against speculative activity on the one hand, while at the same time aiding the development of normal private business." The Shanghai stock exchange was closed and all government funds were concentrated in the state banks. This slowed production, causing the closure of private banks and "one out of every ten commercial establishments."[76]

The Party responded with a massive stimulus, with the state placing orders at guaranteed prices for privately produced goods and giving special wholesale price differentials to large commercial enterprises in order to encourage the flow of goods across the domestic market. The outbreak of the Korean War secured this relationship, as the demand for military supplies skyrocketed. Business was so good that "many leading industrialists, who had previously withdrawn their capital from China, now gained confidence in Communist policy and returned,"[77] bringing with them new capital and technical staff.

Of the revenues generated by the new industrial boom in the port cities, the state took an increasingly large share in the form of taxes, which would soon be used as the basis for new waves of state-led industrialization. The growth in the private sector in this

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75   The phrase comes from Mao's principles of New Democracy, quoted in Maurice Meisner, *Mao's China and After: A History of the People's Republic*. The Free Press, New York, 1977. p.59

76   Cheng, pp.65-66

77   Ibid. pp.66-67

period was robust enough to reignite fears about an uncontrollable continuation of the transition to capitalism already underway, in which commercial energies would overspill the Party's attempts to control them. Therefore, after land reform was complete and the banking system fully nationalized, the state began to restrict private industry with the launching of the "Five Anti-" campaign in January 1952, which attempted to unleash pent-up worker rage against their employers in a way that would facilitate the beginning of industrial nationalization.

Channeling Unrest

Many urban workers had felt disappointed or betrayed by the continuation of capitalism in the port cities, and the early 1950s saw a slow increase in industrial agitation. The new state responded to this dissatisfaction in several ways. First, concessions were given to many workers. Wages increased and most urbanites' livelihoods were significantly improved—not necessarily a difficult task, since peace alone was an improvement on two decades of war and occupation. Second, new mass organizations were created, including new unions and a national Labor Board, in an attempt to provide less economically disruptive means to solve workplace grievances.[78] Though these new organizations often proved clunky and unresponsive, they were still initially seen as an important tool for the reorganization of industry and for the devolution of more power to workers.

Finally, when wages and other concessions could no longer be increased and the new unions risked sparking another explosive seizure of power by the workers, the Party responded with the "Democratic Reform Movement," followed by the Three- and Five-Anti movements, intended to begin the reform of industry and scour the new industrial system for traces of corruption and infiltration by old gang-bosses, secret society members and Nationalist sympathizers seeking to restore the power they had lost by becoming incorporated into the developing Party-state.

At the height of the Five-Anti campaign, "millions of workers and employees were mobilized to denounce their employers [and] one result of the many public denunciations of capitalists was the great increase in suicides of businessmen."[79] This was essentially an extension of land-reform methods to the cities, conceding to worker anger and at

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78   See Sheehan, pp.23-34.

79   Cheng, p.67

the same time providing windfall profits to the new state, which seized over US $1.7 billion in the form of fines on private enterprises for having engaged in "various illegal transactions." This also meant that the working capital of private enterprises dropped accordingly until "private enterprises were largely reduced to empty shells."[80]

While successful in restraining the workers from a direct seizure of power and in crippling the influence of private capital, these programs led to a dip in production as workers and union cadre were constantly mobilized in attacks against their employers and enterprises were stripped of their working capital countrywide. The Five-Anti movement, at its height, "cause[d] a number of enterprises to cease operations and interfered with production in many others"[81] while also setting a dangerous precedent of giving workers power over their managers and enterprise owners. Fearing economic stagnation and renewed demands for a seizure of enterprises by workers, the Party began rolling back the reform movement.

At the same time, it reoriented the economy around the state, creating an entire commercial infrastructure to replace the curtailed markets of the private sector. This period saw a massive increase in the number of state corporations and retail stores. "By the end of 1952, there were over 30,000 state-stores throughout the country, or 4.7 times that of 1950."[82] The Party fused the rural supply and marketing co-operatives with new urban consumers' co-operatives, state-stores and other co-ops into a single "socialist commercial network," tripling the total retail sales controlled by state commerce and increasing the sales of co-operative commerce five-fold between 1950 and 1952. The effect was as pronounced in retail as it was in wholesale trade, with the influence of co-ops and state-owned enterprises tripling in each sector. Foreign trade, meanwhile, was almost entirely handed over to the state, which, by 1952, controlled 93% of all international commerce.[83]

In all of this it's important to remember that the gains of the early '50s were widely accepted. Despite disappointment and agitation, most workers limited their attacks to the enterprise level. There were few true strike-waves in these years and the Party retained the trust of a vast majority of the population. The Five-Anti campaign in 1952 is "generally regarded as the high point of the influence of both workers and unions

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80   Ibid. p.68

81   Sheehan p.42

82   Cheng, p.68

83   Ibid.

in private industry,"[84] since workers' direct control of their own enterprises increased alongside comparable increases in wages, social welfare and general livelihoods. Per capita food consumption in the cities hit a peak between 1952 and 1955, with 241 kg of grain consumed per person per year in 1952 and 242 kg in 1953. These numbers dropped off slowly for the rest of the 1950s, then catastrophically during the Great Leap Forward (1958-1960; hereafter GLF), after which per capita food consumption would not rise above 240 kg again until 1986.[85]

The era of "New Democracy," then, was not primarily caused by, or even significantly defined by, the mechanical ideology that the Party leadership used to justify it. It was a pragmatic response to several simultaneous material limits in the communist project, in which collaboration with remaining capitalists was seen (correctly or not) as necessary. Meanwhile concessions were made to workers in exchange for their limited endorsement of the policy—concessions that included workers' own involvement in the expulsion (and often suicide) of many of their employers.

This period of urban industrial development, paired with the land reform era in the countryside, can therefore be seen as the momentary continuation of the transition to capitalism that had been abandoned and restarted several times over in the country's recent history. The Party understood it as such, designating this period as the completion of the "bourgeois revolution" in the port cities. This gave the phenomenon a neat fit within the determinist mythology of High Stalinism, but this fit was simply the use of available theoretical resources to justify pragmatic action as it was underway. Theoretical fidelity to Stalinism was, if anything, the result rather than the cause of the industrial trends seen in the immediate years following the end of the civil war.

Nations to State

The first few years after 1949 were also a period in which the Party was allowed time to experiment with its own forms of industrial administration and prepare for the halting of the capitalist transition, the expropriation of the urban elites and the implementation of a nationwide educational system open to people regardless of class background. The Northeast had fallen under the control of the revolutionaries early on and much of its industrial structure was transferred directly to management by

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84   Sheehan, p.42.

85   Mark Selden, *The Political Economy of Chinese Development*. M.E. Sharpe, New York, 1993. p.21, Table 1.3

workers (followed by Soviet technicians) paired with ownership by the state. It was, therefore, one of the first regions in which experiments with non-capitalist forms of production were initiated.

At the same time, Manchuria was the name for a problem of geography. Industrial goods had to not only be produced—something that worker self-management was certainly capable of—but also distributed countrywide to reconstruct war-ravaged cities, build housing for millions of slum-dwelling urbanites, and modernize agriculture. The electrical system had to be extended to the rest of the country, railroads and highways had to be constructed, and schools and medical facilities had to be built, staffed and stocked nationwide.

The Party and the military were the only two nationwide organizations still in existence after the completion of the Civil War. This meant that they were the only available means of coordination, distribution and day-to-day facilitation of production. These problems would ultimately lead to the complete fusion of the Party and the state over the course of the socialist era. But this was by no means the only possible outcome. In fact, the path of least resistance seemed to point in a very different direction. Historically, holders of power in previous dynasties had found it much easier to govern at a distance. For a region as large and diverse as mainland East Asia, this strategy proved for millennia to be both cheaper and more effective than its alternatives. Former dynasties had overseen military activity, cultivated the upper tiers of the bureaucracy and ensured the construction of large-scale infrastructural projects, but, beyond this, the reach of the state rarely extended all the way down.

It was precisely this phenomenon of local quasi-statelessness that had made anarchism seem, early on, to be the "most promising revolutionary path," since it "corresponded most closely to the actuality of social existence." Previous states, though technically enormous in terms of geography and population, were in most ways only minimally connected to the places and people under their domain:

> The vast majority of the population, after all, lived their lives with next to no relationship with the state, whose functionaries almost never reached the village level, and whose levies and regulations were for the most part administered by members of the local elite, with ties to their communities that were many and varied. Peoples' lives were marked by various forms of community and solidarity—self-help, religious, ceremonial, clan-based, labor-cycle, and market-network related—and these forms of solidarity had made many com-

munities capable of resistance and mobilization in the face of external threats, including imperial authoritarian overreach.[86]

Many anarchists had hoped to strengthen these local forms of resistance into an egalitarian revolutionary movement aimed at expanding the potentials of statelessness already present in Chinese village culture. These attempts, however, were systematic failures. Several of the most prominent anarchists in China, including Li Shizeng, Wu Zhihui, Zhang Ji and Zhang Jingjiang, ultimately joined and had leading roles within the Nationalist Party, sitting on its central committee and forming close relationships with Chiang Kai-Shek and other members of the GMD's right-wing. Those that retained their belief in an egalitarian and essentially communist revolution, faced with the failures of anarchism, flocked to the newly-founded CCP.[87]

The failures of the early 20th-century anarchist movement and the long history of quasi-stateless forms of exploitation led many of these young radicals to adopt strategies aimed instead at breaking the dynastic heritage through the construction of a strong state. Unlike the imperial state's hands-off approach to local government, however, the new state would extend all the way down to the common people, who would become its basic constituents. This state would thereby become increasingly transparent and porous, its activities visible and accessible at the local level. Anarchist ideals were marginally preserved in this vision, which would see local self-organization incorporated into the basic functioning of a new form of government. The populist category of "the people" would be made concrete via its immediate fusion with this administrative apparatus, making the state itself communal.

At the same time, the USSR was taken as an emblematic, if deeply flawed, example of a non-capitalist system that had been capable of surviving in relative isolation, warding off both military invasion and economic embargo. The bureaucracy and brutality that accompanied internal changes of power within the USSR were by no means invisible to the Chinese communists—many had, after all, pleaded with the Comintern to support them in breaking ties with the Nationalists in the 1920s, only to have their pleas first rejected and then horribly vindicated, as they were forced to watch their friends and loved ones be systematically slaughtered. Nonetheless, the USSR was the only worldly

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86   Christopher Connery, "The Margins and the Center: For a New History of the Cultural Revolution." *Viewpoint Magazine*. Issue 4: The State. September 28, 2014.

87   Again, see Dirlik, 1993 for an overview, particularly Chapter 7. Also see: Peter Zarrow, *Anarchism and Chinese Political Culture*. Columbia University, New York, 1990.

example of a modern society that was also substantially non-capitalist. Maybe more importantly, it was also the only industrial nation with which China shared an accessible overland border. This made it both a military threat and basically the only option for international aid to assist development. This relationship would become increasingly important as the US instituted its embargo of the Chinese seaboard.

Questions of the construction of a national economy and an accompanying national state were also one of the few places where the theoretical and empirical resources at hand did have an earnestly distorting effect on the Party's strategy. Growing out of the material failure of anarchist and liberal projects, the only alternative revolutionary path was increasingly seen as entailing the construction of a national economy that would act as an early beachhead in the global communist revolution. But the connection between the national development project and the subsequent global revolution was dim at best. Though a strategy began to form around the construction of a new Chinese national polity, no strategy was immediately forthcoming for how an embattled and embargoed China might assist in the spread of global revolution.

There were plenty of material factors hemming in decisions during this period. The Chinese population was underfed, under-armed, and had been surrounded by nearly constant war for an entire generation. A continuation of that war to liberate more territory beyond pre-existing national borders was not immediately feasible. The Korean War was, in fact, a test of this capacity, as the Chinese came to the aid of the Koreans and fought the US military to a standstill. Though China's half-starving army of illiterate peasants was able to hold off the most advanced military in the world, the risks of the military endeavor were enormous and its outcome basically precluded further international expansion.

On top of this, the CCP had itself been reformatted by its years in the Chinese countryside. Previously, the leading minds of the Party, such as Chen Duxiu and Wang Ming, had been unambiguously internationalist, and had leveled critiques against rising nationalist trends within the Party itself. Many of the Party's rank-and-file were, in this period, laborers and trade unionists in the port cities, their everyday lives marked by cosmopolitan contact with workers, technicians and revolutionaries of various leanings from all over the world—but especially Europe and the colonies of Southeast Asia. At the same time, leaders like Chen and Wang were obstinate dogmatists, over-attached to the decisions of the Russian-dominated Comintern, blind to the failings of the USSR, firm believers in the universality of its path to revolution, dismissive of the pre-existing, large-scale social conflicts of the Chinese countryside, and dedicated to the most mechanical and naively optimistic Marxism. The result was that their attempts

at urban insurrection failed, their willing subordination to the Comintern resulted in an unpopular and ultimately disastrous alliance with the Nationalists, and the first incarnation of the Party was essentially destroyed.

An ancillary result of this, however, was that the Party's leading internationalists were discredited, demoted and replaced by figures whose strategy envisioned a much more primary role for the project of national development relative to international expansion of the communist revolution. This is not to say that Mao or others were purely interested in Chinese national development or that they had no international strategy. But, whereas the old CCP was formed in an era of international revolution when the overturning of regimes in the heart of Europe still seemed plausible, the new CCP emerged into a world crushed under the heel of reactionary empires, in which the most hopeful revolutionary movements had been dismembered and the militaries of the imperial countries were bloated with war.

The nationalist leanings of the new CCP cannot, however, be purely reduced to the theoretical or strategic inclinations of its leadership. Mass support for the Party's hegemony of the communist project transformed the project itself. Based among an illiterate, largely land-bound peasantry speaking often incommunicable "dialects," there was no inherently cosmopolitan or global vantage innate to the Party's new base of support. At the same time, no ancient, distinctively "Chinese" culture or political entity extended back into the murky depths of history. The egalitarian project was understood as the linking together, for once, of regionally distinct, disparate nations into an equitable political entity of greater scale and interconnection than most people had ever experienced in their everyday life. The next stage of this—global expansion— would have seemed only a distant possibility, entirely dependent on the former.

In addition to this, it must be remembered that the CCP's strategy of state construction was popular not so much out of some supposed cultural attachment to a strong state, but precisely because of the Party's promised reinvention of the functions of the newly extended state. Again, the Chinese peasantry had, traditionally, lived a quasi-stateless life marked by various forms of community and solidarity. But the quasi-statelessness of the village was in reality more an amalgamation of micro-states, and each form of community and solidarity (familial, religious, commercial) was in fact the designation of territories controlled by overlapping micro-monarchs (patriarch, priest, merchant). This balkanized confederacy of minor regimes was in some ways linked upward to the *de jure* bureaucracy of the governing dynasty. Local thugs associated with particular clans might gather taxes from villagers, taking a cut for themselves before delivering

the rest to higher-order governors. Similarly, priests or gentry trained in Confucian scholarship might act to quell dissent against the larger regime. But for the most part, everyday life saw little contact with the state as such, while regular contact with these micro-states was not understood as contact with a state at all, but was instead rendered in terms of ceremony, tradition, Confucian self-governance, etc.

After the anarchist attempts to utilize indigenous forms of solidarity and community failed, both communists and republicans turned to the strong state as an alternative. But, whereas the Nationalists, in practice, emphasized the state's disciplinary force against the populace, the communists emphasized both its redistributive power and its capacity for coordination. The state to be constructed was not just one that extended all the way down, but one that, when rooted to the local, would also connect that locality to the general social wealth. The creation of China was, therefore, an economic project. It was this promise, above and beyond any nationalist mythology, that amassed support for the CCP's program among the country's peasant majority.

2 Development

Early Nationalization

The creation of China as an economic entity was to take place in a series of nested stages, which would culminate in collectivization in the countryside and nationalization in the cities. Once complete, collectivized agriculture and nationalized industry would become the basic developmental seeds for the growth of a national economy. In the mythology of the era, these institutions would be the atoms that composed the new type of state, both communal and extensive. Ideally, they would form roughly consistent, standardized units of administration responsive to both local initiative and top-down planning. In reality, however, they would transform into inconsistent, autarkic nodes in a highly uneven production network.

Nationalization in the cities was originally to be completed in five stages. The first was in the seizure of so-called "bureaucratic capital" and foreign enterprises. This was already largely completed in the Northeast with the acquisition of the Japanese-built infrastructure from the GMD. These were considered to be "state-monopoly enterprises," and they would go on to become the heart of China's new heavy industrial sector.

In 1949, long before the First Five-Year Plan, "the new regime's state industrial enterprises accounted for 41.3 per cent of the gross output value of China's large, modern industries." The new state sector, helmed by the CCP,

> owned 58 percent of the country's electric power resources, 68 percent of coal output, 92 percent of pig iron production, 97 percent of steel, 68 percent of cement, 53 percent of cotton yarn. It also controlled all railways, most modern communications and transport, and the major share of the banking business and domestic and foreign trade.[1]

But these enterprises, despite being under state monopoly, were still yoked to the capitalist imperatives of value accumulation, and were therefore understood as "state capitalist," rather than "socialist." Nonetheless, the conciliatory strategy of New Democracy's controlled and ultimately curtailed transition to capitalism was essentially skipped in the Northeast.

In the port cities, many similarly large firms were not immediately nationalized. Instead, even those owned by foreign capitalists were allowed to continue operations. Over time, restrictions on firms owned by American, British or French interests were gradually increased via rising taxes and dictates "that Chinese employees could not be dismissed." This essentially forced the enterprises' foreign investors to continue "pouring money into China in order to keep their firms afloat, instead of to reap profits." Because of this, the value of these firms' shares quickly withered to worthlessness on the Western stock markets, and they either filed requests to close their enterprises and repossess whatever fixed capital the CCP would allow, or they simply abandoned their property to the communists.[2]

After this transfer of "bureaucratic" capital, the next stages of nationalization were: "(2) nationalization of the banking system; (3) transfer of private firms and factories; (4) co-operativization of handicrafts and peddlers; and (5) the establishment of urban communes."[3] Stage two was passed through quickly. The nationalization of the banks began immediately after the completion of the Civil War and entailed the massive liquidation of most of the "446 private banks in six major Chinese cities," as the state withdrew all public funds from private financial institutions, transferring them to the

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1   Cheng, p.60-61

2   Ibid.p.62

3   Ibid.p.60

People's Bank. Within less than a year, "233 banks, constituting 52 percent of the total, were closed." Those that remained were quickly merged into larger "joint" operations which were, in reality, administrative units of the central bank. The nationalization of the banking system was complete by 1952.[4]

The third and fourth stages of nationalization—the transfer of private firms and factories—were the most drawn-out and also the most crucial. The nationalization of private enterprises "involved three million private firms and factories and directly affected an urban population of seventy million,"[5] basically restructuring the industrial organization of all major Chinese cities, though the large, commercially-oriented port cities bore the brunt of this. This was also the phase of nationalization that aimed to curtail and ultimately halt the transition to capitalism unleashed in the New Democracy period, since it targeted the larger private enterprises perceived to be the vanguard of that transition.

Private enterprises first passed from fulfilling state contracts to becoming official joint (state-private) enterprises, in which production was no longer guided by contracts but instead by state-planned targets, and ultimate authority in the enterprise was transferred from the investors and owners to the state. Government orders as a percentage of total private industrial output rose from a mere 12% in 1949 to 82% by 1955. In order to soften backlash by the former owners of these enterprises, the state agreed to reimburse them at a fixed rate of interest out of future revenue.[6]

In private commercial enterprises (those specializing in the distribution of goods) the transformation was slower. Meeting production targets was easy enough, but replacing the complex market structures created by value-seeking firms with a functional state-directed distribution system was another task entirely. As we have seen, state commercial networks were piloted in the countryside and the northeast. But it was not until 1953 that the state began to transform wholesale trade into "state commerce," even then transferring only the largest private commercial enterprises to state ownership, retaining the same merchants and employees, each largely doing the same work.

Whereas the third stage of nationalization saw the complete restructuring of most medium-to-large urban industries, the fourth aimed at a complete reinvention of Chinese industry as such, beginning at its rural roots. In most of China's major cities,

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4   Ibid. pp.63-64

5   Ibid. p.64

6   Ibid. p.69

and in nearly all of its rural areas, production was dominated by small enterprises. Loosely understood as "handicrafts and peddlers," these small workshops or retailers constituted the decentralized backbone of Chinese day-to-day production, and were primary to the distribution of basic goods across China's rural interior. According to government statistics, even by 1954 there were still "about twenty million people […] engaged in handicrafts on an individual basis and the value of their production was about 9.3 billion *yuan* […] accounting for about 17.4 percent of the country's gross output value."[7] In handicrafts, the tools and other means of production were owned by the individual producers.

Private handicraftsmen were encouraged to join "small supply and marketing groups," then "supply and marketing co-operatives," and, finally "producers' co-operatives," all of which would fill orders for the state commercial establishments. In these co-ops, handicraftsmen would first retain legal ownership of their tools and products, then begin pooling labor to obtain cheaper raw materials and to market products, and, finally, pool their own profits and collectively manage reserve and welfare funds. This transformation spanned the New Democracy era and the beginning of the First Five-Year Plan, with handicraft co-op membership increasing from 89,000 in 1949 to 250,000 in 1952. By the end of 1955, this number had increased to about 2.2 million, but still only encompassed "29 percent of the total handicraftsmen in the country." Finally, in 1956 a nationwide campaign was launched to systematically organize artisans into larger co-ops, and the membership jumped from 29% of all artisans to 92% by the end of the year.[8]

Origins of the First Five-Year Plan

The completion of the third and fourth stages of nationalization undercut all previous mechanisms for the distribution of goods by destroying both modern capitalist markets and the mercantile networks of the region's (largely rural) handicraftsmen and peddlers. Without the law of value guiding the distribution of goods, the location of investment and the movements of people, the Party and the new state were seen as the only alternative forces capable of large-scale coordination. As the transition to capitalism was intentionally slowed, the Party directed the skeleton of the central

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7   Ibid. p.74.

8   Ibid. pp.75-76

state to take over the basic functions of production, initiating a new round of national development guided by the planning structure piloted in the Northeast. This began the fusion of Party and state, and it is here that the class structure of the socialist era begins to take root.

In the Northeast, there had initially been wariness over the turn to comprehensive economic planning. Though planning was possible earlier, the regional leadership "relied upon a loosely co-ordinated contractual relationship to manage the economy"[9] until 1951. Gao Gang, one of the regional Party leaders, expressed considerable wariness at the lack of expertise and statistical data available, as well as the absolute limits inherent in the very idea of a national plan. He maintained that "we are not God, and we cannot work out a perfect plan."[10]

Nonetheless, he had strong trust in the Russian system and spearheaded the effort to develop a more comprehensive economic planning infrastructure, directing the regional Party to collect industrial statistics and reshape the top-down administrative system to include "frequent consultations and exchanges of information at various levels in the hierarchy,"[11] resulting in plans that were centrally developed, but also kept in check according to what enterprises were actually capable of. The work of planning was rationalized with the invention of a standardized accounting system during the New Record Movement, and administration was standardized through the implementation of the "responsibility system" and "one-man management," which created interlocking hierarchies headed by the factory director.

These new systems, despite consultation among administrative levels, however, were not enough to prevent the irrationalities that came with the incentive to report false production numbers in order to satisfy a distantly-mandated plan. Waste and inefficiency became commonplace. As early as 1951, the Northeast regional leadership "began to introduce the mobilizational approach, which allowed workers to participate in the formulation of annual plans and the supervision of their enforcement."[12] Even with widespread worker involvement between 1951 and 1953, however, overtime was extensive, with workers suffering and machinery being worked to its breaking point. A better-rationalized planning infrastructure, even one with high levels of direct worker control, was in no way a solution for the basic problems of poor equipment and lack of trained personnel.

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9   Peter N.S. Lee, *Industrial Management and Economic Reform in China, 1949-1984*. Oxford University Press, 1987., p.22

10   Quoted in Ibid.

11   Ibid.

12   Ibid, p.24

In the same period, new wage systems and technical training were devised with the help of Russian technicians, and the machinery was modernized. The methods of industrial organization piloted in the Northeast would later become known as the "Soviet Model," in competition with the "Shanghai" or "East China Model" common in the port cities. But what scholars often classify as the "Soviet Model" actually covers two alternating tendencies in industrial organization and enterprise management, the first influenced by High Stalinist methods of mass mobilization campaigns alongside "crash production drives and close supervision by Party committees," and the second more in line with the USSR's five-year plans of the 1930s, a method of organization "encapsulated in one-man management" which "in effect imposed a strict hierarchical and bureaucratic order over enterprises that was antithetical to the mobilizational impulses of High Stalinism."[13] The "Soviet Model" built in the Northeast, then, was itself riven with contradictions, each opposing tendency theoretically justified by different periods of Russian industrialization.

The experiment was not only based on prevailing theories of non-capitalist industrial development drawn from the USSR, it was also built with the direct participation of thousands of Russians. The Northeastern province of "Liaoning alone was the location for over one-half of all the Soviet aid projects [and] a minimum of 10,000, perhaps as many as 20,000, Soviet experts and industrial advisers worked in China during the 1950s." Meanwhile, "At least 80,000 Chinese engineers, technicians, and advanced research personnel were trained in the USSR."[14] This placed such technicians in a *de facto* position of central authority, and raised the question of what role the CCP should play in the workplace.

Early on, each enterprise's Party committee remained formally separate from the technical management, tasked mostly with "supervision and guarantee" of the work. This entailed leading mobilization campaigns, supervising the enforcement of policies, promoting the relatively democratic forms of management common at the time (usually in the form of "a congress of workers and staff or a factory management committee"), as well as overseeing training and promotions. Factory directors were often not members of the Party. "One-man management" was therefore never practiced in its purest form, as numerous checks existed against the directors' executive decisions.

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13   Mark W Frazier, *The Making of the Chinese Industrial Workplace*. Cambridge University Press, 2002, p.17.

14   Andors, 1977, p.53

This meant that, instead of the "one-man management" laid out in Party handbooks of the time, most enterprises had a dual power structure, divided between Party and technical leadership, each deeply rooted in widespread practices of worker self-management and each offering its own new form of upward mobility. The very theory of one-man management would quickly become a point of contention as the Northeast's experiment was extended to the rest of the country in 1953.[15] The resulting industrial structure, though inflected with various Soviet characteristics, quickly took on a character of its own.

Extending the Soviet Model

Not wanting to slide back into capitalist transition, many saw the forms of centralized economic planning, Taylorist rationalization and promotion of heavy industries advocated by the Russians to be the only feasible option. The "East China Model" of industry in the port cities, though functional at the level of individual enterprises, had developed no method for larger-scale coordination short of value-based mechanisms such as markets. The Northeast offered the only experiment in an ostensibly non-capitalist direction, despite a general wariness of over-reliance on Soviet theory, aid and technical expertise.

In 1952, Gao Gang, already one of six chairmen of the State Council, was promoted from the Northeast regional Party leadership to become head of the State Planning Commission, where he was given responsibility for completing the design of the First Five-Year Plan. The plan was intended to extend the gains of the Northeastern industries nationwide by founding new industrial centers outside of either the port cities or Manchuria and by knitting together the fragmented, multinational country into a unified and standardized economic fabric.

The new state's planning infrastructure was composed of a complex tier of nested ministries and bureaus, overseen by the State Council or ever-changing variants of state planning commissions. The ideal planning hierarchy was optimistic, at best. In reality, its upper echelons underwent nearly constant administrative changes throughout the First Five-Year Plan, while the lower ministries and bureaus were tasked with yoking together productive units of myriad sizes and structures, each using various forms of labor deployment. At the same time these bureaus were somehow expected to quantify and rationalize the productive output of this industrial miasma. The period

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15   Lee, 1987, p.28-p.29

was marked by "twin peaks" of activity, one in 1953 and another in 1956, in which such organizational change was especially rapid.[16]

Nonetheless, in these years it is arguable that, in certain regions, the CCP managed to operationalize the "Soviet Model" to an extent unprecedented in either Manchuria or the USSR. But this does not mean that we can take the theory behind the original Soviet Model or its variants as accurate descriptions of how Chinese industry functioned. This is the major error of existing literature on the subject, whether laudatory[17] or critical.[18] The truth is that even when the Soviet Model was ascendant the deployment of any such model was deeply uneven and contradictory.

It is partially correct to argue that the Soviet Model, with its base in the Northeast, was in constant contest with the East China Model based in the port cities. Over time, each mutually transformed the other, and both were challenged and periodically revolutionized from the bottom-up by worker revolts, reaching high points in the mid-1950s and late 1960s. Even this bipolar model, however, is too clean-cut, failing to account for the novel divisions that arose from the collision of these two systems. Even the term "model" attributes too much intent to the development of these systems which were in reality haphazard adaptations cobbled together from the materials at hand.

Nonetheless, this division provides a workable framework, if we understand the two "models" as the material cores of two industrial systems with different gravities, each

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16   Barry Naughton, *The Chinese Economy: Transitions and Growth*. MIT Press, 2007, pp.65-67.

17   See: Phillip Corrigan, Harvie Ramsay and Derek Sawyer, *Socialist Construction and Marxist Theory: Bolshevism and Its Critique*, "Chapter 4: Mao," Monthly Review Press, 1978. Also typical is the work of Charles Bettelheim, particularly *Cultural Revolution and Industrial Organization in China*, Monthly Review Press, 1974. And these errors among supporters are not limited to the 1970s, but continue among some communists today, as is visible in a recent interview by Alain Badiou: "The ancient Alain Badiou responds to the dashing Laurent Joffrin," *Verso*, 29 October 2014; and in Hongsheng Jiang's work on the Cultural Revolution, *The Paris Commune in Shanghai: The Masses, the State, and Dynamics of 'Continuous Revolution,'* Dissertation in the Program in Literature, Duke University, 2010.

18   Two typical recent examples would be the pieces by Goldner and Chino, cited in our introduction. The Goldner piece is basically a negative-image of the Maoist ones, agreeing on most of the basics when it comes to the functioning of the Chinese economy, using a basically Maoist method of textual exegesis and proof-through-quotation-of-Mao, but then arguing that this fictional system was not communist. Chino's account is more thorough, but ultimately makes the same error, confusing the contents of the Shanghai Textbook with the functioning of Chinese industry, and conflating Maoist political philosophy with actual politics in China.

pushed along a separate trajectory by its own inertia, though also affected by the pull of its sibling system. These systems had gravitational cores in their respective cities and regions, but these cores could only exert any "pull" because they operated across the field of China's agricultural "ocean," from which they drew their grain surplus. The gravity of these systems, then, was not purely metaphorical, but took shape in the very real ratios at which grain was siphoned from the countryside into the industrial cores.

In the Northeast, the Soviet Model's center of gravity, the inheritance of large-scale heavy industrial infrastructure built by the Japanese required high-level management, strict divisions of labor, extensive data collection and standardized forms of administration to be applied to standardized factories and logistics networks. The influx of Russian technicians and Soviet assistance for the modernization of these factories only exaggerated these features, and the Party's focus on this model in the mid-1950s amplified its gravity.

Prior to this, the East China Model had been more dominant in national policy, due to the Party's focus on rebuilding the port cities through international investment. This model had inherited a diverse mesh of industrial enterprises, with several large-scale firms afloat amidst a mass of medium and small workshops coordinated via markets and networks of lineage, patronage and more amorphous forms of fraternity. It had also inherited stronger vestiges of the imperial era and the subsequent period of warlordism, including powerful local elites, violent street gangs, arcane labor guilds and millions of peddlers, handicraftsmen and other micro-units of production and distribution. This required more nuanced, localized forms of management, the ability to cope with fluctuating demand for labor, the accommodation of older traditions, the creation of organs capable of coordinating production among units of varying sizes and styles, and the simple ability to account for what was being produced and what was not.

The First Five-Year Plan (1953-1957) marked the tentative ascendance of the Soviet Model against the East China Model, which had predominated during the New Democracy era. In purely economic terms, the result was one of the most profound and extensive phases of industrialization ever seen. National income doubled between 1949 and 1954 and more than tripled by 1958.[19] Each year between 1952 and 1957 saw industrial production expand by an astounding 17% as "virtually every sector

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[19]   Cheng, pp.109-112. Note that variation in the income numbers comes from the divergence between state statistics and independent estimates, as summarized by Cheng. In this text we provide this divergence in the form of a range from the lowest to the highest estimates for the period, wherever such a range exists.

of the economy was rehabilitated, and the groundwork for sustained future growth was laid by massive investments in education and training." This made possible "rapid social mobility, as farmers moved into the city and young people entered college." For decades after, the period would be remembered nostalgically as a sort of golden age for urbanites, marked by peace, progress and prosperity. [20]

In allocating investment, the Plan entirely replaced price incentives with "quantity" measures decided by the planners themselves in a process called "material balance planning." Though prices, profits, wages, banks and money still nominally existed, "the financial system was 'passive,'" meaning that "financial flows were assigned to accommodate the plan (which was drawn up in terms of physical quantities), rather than to independently influence resource allocation flows." Features of the old financial system, such as prices and profits, were now "used to audit and monitor performance, not to drive investment decisions." In its ideal form, "material balance planning" would allow a planner to "use an input-output table to compute the interdependent needs of the whole economy." [21]

In reality, however, the system's complexity and unevenness prevented planners from ever approximating this ideal. Planners

> [...] divided blocks of resources among different stakeholders, drew up their own wish lists of priority projects and the resources they needed, and then allocated anything left over to the numerous unmet needs. The foreign sector could be used as a last resort to make up for scarcities and sell surpluses. [22]

The plan's focus on industry at the expense of agriculture, then, was fully intentional. Between 1952 and 1958, "of the total capital investment, 51.1 percent went for industry and only 8.6 percent for agriculture," [23] with the total investment in "capital construction" [24] increasing from 1.13 billion *yuan* in 1950 to 26.7 billion in 1958. The

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20   Naughton 2007, p.68

21   Ibid, pp.59, 61

22   Ibid, p.61

23   Cheng, p.115

24   The term is used loosely here, in order to be consistent with our sources. As used by liberal economists "capital" is an ahistorical category defining both quantities of money and those quantities as invested into physical things like buildings, machines and even land. Though we use this here

net output value of consumer goods saw a similar shrinkage relative to industry in the same period.[25]

This disproportion was also geographical, with the plan designed to "move the industrial center of gravity away from the coastal enclaves," by dictating that nearly all of the 156 planned large industrial projects were to be "built in inland regions or in the Northeast,"[26] with 472 of all 694 industrial enterprises, large and small, "to be located in the interior."[27] Severed from global markets and limited to a small slew of socialist trading partners—namely the USSR, which accounted for half of all international trade during this period[28]—the focus on the interior also aimed to "build new industries closer to sources of raw materials and to areas of consumption and distribution."[29]

At the same time, the elimination of the handicrafts industry and the market networks that had undergirded relations between city and countryside ensured that most of China's industrial activity was now urban, and that the population would be more strictly concentrated in urban industries or dispersed across the agricultural collectives being created at this time. Most importantly: the divide between urban and rural was now becoming a clear geographic divide between grain-producing and grain-consuming regions, with the grain-consumers as the primary targets of industrialization.

Much of this industrial build-up, however, was ostensibly geared toward the production of agricultural producers' goods. The state "bought agricultural commodities […] cheaply from the countryside […] and exchanged high-priced industrial goods."[30] The goal was as much to modernize agriculture as it was to build a powerful industrial base. But, having culled the countryside of much of its independent industry and the trade

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for consistency with the primary sources, it needs to be emphasized that "capital" in the Marxist sense did not exist in socialist China, either as a coherent class or as a mass of state investment funds and physical infrastructure. Capital returned only with China's transition out of socialism and integration into the global economy.

25   Cheng, pp.116-119

26   Naughton 2007, p.66

27   Meisner, p.112

28   Naughton 2007, p.379

29   Meisner, p.112

30   Selden 1993, p.77

networks that accompanied them,[31] the First Five-Year Plan failed to provide the rural sector with a fully workable infrastructure capable of replacing what was lost.

Lacking road, rails, electricity, and access to petroleum products, much of the Chinese countryside required enormous national investment just to make modern technologies such as tractors and electrified food-processing or fertilizer plants functional. But this presented central planners with a catch: in order to invest in this sort of infrastructure, urban industry needed to be built up, but in order to build up urban industry, agriculture needed to be modernized to feed the growing industrial workforce, largely composed of new migrants from the countryside.

The central planners' solution to this aporia was not to slow the process and implement modernization piecemeal—a politically unfeasible option when the possibility of renewed global war was still a salient fear—but instead to intensify extraction of surplus from the peasantry, force more workers from former handicrafts into agriculture and introduce "intermediate" technologies to agricultural production that required less infrastructural support and less technical prowess. Ultimately, this would also entail constraining rural-to-urban migration through the implementation of strict administrative controls on population movement.

Tiers

During this same period, the state and industrial bureaucracies swelled, job titles and wage-grades proliferating even while *de facto* hierarchies rarely matched the official plan. Enveloping the growth of industry itself, the bureaucracy of the Party and the new state (still marginally separate) was the top growth sector between 1949 and 1957. Large state bureaucracies had been hallmarks of both the Japanese industrial structure and the GMD's own state-led production, but the scale of the new state far exceeded its predecessors. Whereas the GMD's bureaucracy had peaked at 2 million state functionaries in 1948, the new state saw cadre numbers skyrocket from 720,000 in 1949 to 3.31 million in 1952. And this was only the beginning: "Within less than a decade, from 1949 to 1957, the cadre corps increased tenfold both in absolute number and in percentage of the population—to 8.09 million and from .13 to 1.2 percent of the population."[32]

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31   See Selden 1993, pp. 77-79 for more detail on the process.

32   Yiching Wu, *The Cultural Revolution at the Margins*, Harvard University Press, Cambridge,

The state's own reproduction became increasingly expensive: "by 1955, government cadres were eating up nearly 10 percent of the national budget, almost twice the 5 percent ceiling the national leadership had originally planned."[33] This direct cost was largely in the form of wages paid to cadre, and these wages both increased and became more stratified according to rank.[34] The increasing costliness and complexity of the state bureaucracy was paralleled in the industrial sectors, as workers' own wages underwent a series of reforms. As national investment poured into heavy industry, the already existing divergence between rural and urban incomes became solidified into state policy. At the same time, urban wages were themselves cut into numerous grades, though it was rare that actual wage distributions matched the grades laid out in the plan. While high-ranking cadre clearly took in the highest incomes, technicians and intellectuals were supposed to be given significant privileges in this period relative to other urbanites.[35]

Among urban workers, there was an attempt to implement a wage hierarchy that emphasized the priorities of the central state's investment strategy. In this plan, workers employed in heavy industry would see the highest wages for manual laborers, with the highest-grade workers in these categories making slightly less than the pay of mid-level cadres such as bureau section chiefs, and basically on par with the pay of university lecturers and assistant engineers. Lowest-grade heavy industrial workers, however, would only make slightly less than the average for primary school teachers. This signals that the wage tiers designed by the Party were intended to exist not only between industrial classifications within the cities, but also within the factories themselves.[36]

The actual income of urban workers did, in fact, increase some 42.8% between 1952 and 1957, but this increase was not distributed evenly across occupations. Production line workers saw the implementation of "a complex series of individual bonuses and rewards paid in addition to salaries." In "joint" enterprises (i.e., newly nationalized enterprises, mostly in the port cities) wages actually fell, as in Shanghai, where "workers in newly nationalized textile mills saw their real incomes drop by 50 to 60 percent," a

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MA, 2014. p.24

33   Ibid.

34   Ibid, pp.25, also see Table 1 in Ibid, p.26

35   See Cheng, pp.123-124 for wages of workers, technicians and intellectuals, and Wu 2014, Table 1, pp.26-27 for wages of cadre.

36   Ibid.

loss only partially compensated for by an increase in welfare benefits.[37]

Many industries, plagued by poor production statistics and chaotic practices on the ground also implemented piece-rates for individual workers: "By 1952 over one-third of all industrial workers were on piece-rate systems and by 1956 the percentage had climbed to 42 percent." Aside from wage grades for factory level cadre, there were additional ranks for "service personnel," eight ranks for "technical personnel," and five for "technicians," four for "assistant technicians" and an entire host of "bonus payments to managerial and technical personnel at all levels of the industrial system when targets were met or overreached."[38]

These wage grades, bonuses and piece-rate hierarchies corresponded to the attempt to rationalize Chinese industry, building new model factories along the lines of the Soviet Model and force-fitting pre-existing practices in the port cities into industrial units that would parallel those of the Northeast. But, again, the ideal form of the Soviet Model never materialized. Not only were there tensions between the dual hierarchies of those with technical versus political privileges within the factory, there was also the simple absurdity of trying to coerce the port cities' industrial miasma into a single, rationalized model designed originally to fit the needs of heavy industry.

Toward the end of the 1950s, Chinese planners began to realize that "the system did not suit Chinese conditions technically, economically, or politically." The amalgamation of tens, if not hundreds of thousands of small handicraftsmen, workshops and factories into large-scale industrial enterprises created a logistical nightmare in many cities, causing wide-ranging "conflicts over value assessment and compensation" as well as "problems concerning personnel and managerial authority," in which the "managers, owners, and technical personnel" from the old plants competed to see who "would have what responsibility and powers in the new set-up."[39]

More importantly, the intricate wage hierarchies based on skill, industry and relation to the state never materialized. Though the grades were laid out in perfect detail, they never corresponded to the actual trends in wages and benefits observed in the period. Some of the divisions incentivized by the central state did, in fact, deepen, as was the case with the privileging of workers in state-owned heavy industries, versus underfunded collective enterprises, which employed more temporary and contract workers. But other hierarchies, such as wage grades based on technical skill, were never implemented in their intended form, despite propaganda to the contrary. What

37   Frazier, p.142

38   Andors 1993, pp.55-56

39   Ibid, p.56

did materialize were chaotic new hierarchies, new relations to the state and new forms of subsistence, many of which, though novel, could trace as much of a lineage to pre-revolutionary Chinese institutions as they could to Soviet ones.

In these new hierarchies, certain regions were privileged over others. The port cities suffered from inadequate funding and an industrial structure that bore little resemblance to the one presumed by central planning directives. This resulted in a need for numerous, short-term fixes, many of which inadvertently became the foundation for new, long-term configurations of power and methods of production. Among the most pressing problems was the risk of inflation. As wages increased, the CCP feared the rise of a new inflationary cycle similar to the one that had crippled both the Japanese and GMD regimes—and the first "peak" of rapid investment in 1953 did, in fact, begin to reignite inflation.[40] In response, local governments were encouraged to provide alternatives to monetary wages. This resulted in many enterprise managers reviving practices initiated by previous industrializers, be they warlord, Nationalist or Japanese, all of whom had sought local fixes to inflationary chaos during wartime by internalizing the reproduction of labor within the factory through the direct provision of things like food, housing and medical care without recourse to the market.

Labor Without Value

The CCP's new welfare institutions, then, actually traced their histories to previous short-term, local, and often independent solutions more than to any central state directive for the provision of benefits: "workplace welfare as an institution had developed independently in Chinese cities, during the hyperinflation of the 1940s. CCP efforts to stamp out inflation were facilitated by continuing the practice of having factories provide food and other basic necessities to workers."[41] This was the beginning of the *danwei,* or "work-unit," system, which would soon expand to the entirety of Chinese industry. In this system, "the new regime exercised power through the penetration of basic units in society, including factories and other enterprises,"[42] simultaneously reducing labor turnover, staving off inflation, and making workers directly dependent on the central state's enterprise-level allotments of resources, rather than monetary wages.

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40   Naughton 2007, p.66

41   Frazier, p.129

42   Ibid, p.128

This relationship between workers and the state would become one of the most definitive features of the socialist developmental regime, which increasingly managed labor as if it were a component of the factory itself. Resources for labor reproduction, rather than being packaged in the wage, were instead drawn from so-called "Capital Construction Investment" (CCI) funds originally intended for the purchase of new machines and the construction of factory complexes. Total CCI "rose from 2.9 billion yuan in 1952 to 10.5 billion yuan in 1957," consistent with the Five-Year Plan's focus on the expansion of industrial facilities. But over the course of the 1950s increasing amounts of these investment funds began going to "nonproductive CCI," which entailed "projects such as the construction of residential units, hospitals, and other facilities that did not directly contribute to economic output." Between 1951 and 1954, such nonproductive (or, more accurately, reproductive) projects ate up more than 50% of total CCI.

The First Five-Year Plan, then, was deceptive. In reality, the construction of new reproductive institutions was just as integral as the prioritization of heavy industry. These institutions created new interfaces between workers and the state and facilitated new methods of social control. Meanwhile, the reproduction and control of workers was, in practice, treated as contiguous with or identical to investment in factories as such, with welfare not managed or distributed at the national, provincial or even local government level, but instead at the level of the industrial enterprise, just like investments in plant and machinery.

This arrangement effectively forced the state to draw an absolute surplus from industry, if only to sustain these welfare payments. But it also ensured that this surplus could never evolve into *surplus value*, due to its increasing detachment from the wage and the near-total lack of anything resembling a labor market, preventing labor-power from constituting itself as a commodity even while labor as such was treated by planners like any other producers' good.[43] Meanwhile, this absolute surplus in industry was in fact a surplus drawn from a surplus, with the product of industrial workers always only a secondary derivation of the surplus extracted from agricultural laborers. Grain was always the primary productive engine of the socialist regime of accumulation, and its alchemical transformation into steel was the surplus product of the system's net grain consumers—the industrial workforce.

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43   There is also the not-insignificant fact that neither the investment nor the methods nor the product of industry was integrated into global circuits of capital accumulation.

Other novel hierarchies formed within this industrial workforce, as well as within individual *danwei*. Proximity to the central state and the prioritized heavy industrial sector was one such hierarchy, with those "at the periphery of industrial employment, in the vast urban handicraft sector" receiving "the lowest pay and only meager welfare benefits, if any."[44] But all were effectively hierarchies in the distribution of the absolute grain surplus extracted from the peasantry or from non-human environmental processes (in new waves of deforestation and frontier settlement, for instance).

In contrast, the hierarchies based on technical skill intended by central planners never actually took shape. During the 1950s in industrial centers such as Shanghai, "there was little distinction in pay between skilled and unskilled workers."[45] The state could not determine wages for workers, even at state-owned enterprises, due to the sheer enormity of the task. Over the course of nationalization, "PRC officials gained control of the wage bill for over 7 million industrial workers nationwide,"[46] forcing the state to allow individual ministries to determine their own pay rates and enterprises to implement them.

But this implementation was rarely consistent with the rates determined by these ministries. Enterprises were given a set wage bill by planning authorities, and workers in the enterprise were frequently allowed to wield considerable influence in the distribution of this sum. Here the High Stalinist aspects of the Soviet Model were in strong evidence, with wages not set by factory directors, per the "one-man management" system, but instead set in mass mobilizational wage adjustment "campaigns," in which "workers openly discussed and debated among themselves who was deserving of wage promotions and who was not." The result, in the vast majority of cases, was that these meetings "tended to steer wage hikes toward relatively older workers with larger families to support," thereby creating an "informal seniority wage system" which would persist throughout the socialist era, reinforced by the cultural affirmation of older workers who had suffered in the pre-revolutionary labor regimes, and who often considered younger workers to be spoiled by the relative prosperity of socialism.[47]

In addition to the growing division between old and young workers within the factory, the family network resurfaced as a prominent form of labor allocation and surplus distribution. With the breakdown of the labor market and the fixing of workers

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44   Frazier, p.141

45   Ibid, p.144

46   Ibid, p.145

47   Ibid, p.148-149

through the *danwei*, and, later, the *hukou*, system, enterprises had to turn to central industrial ministries to expand their workforce. The problem of labor turnover was effectively solved by constraining workers' ability to migrate to different cities and by tying pension eligibility to years worked at a given enterprise—again reinforcing the hierarchy of seniority. The difficulty of acquiring new workers encouraged enterprises to hoard labor, even during economic downturns, but the inability to recruit "from society"—i.e., to freely hire unemployed urbanites or rural migrants—put strong geographical constraints on the available labor pool.[48]

The easiest solution to this problem, adopted as a local fix by enterprises across the country, was the practice of "replacement (*dingti*)," in which the enterprise would hire relatives and children of current employees into the same work unit. Because of the constraints on hiring, "the Chinese government inadvertently promoted an intensely localistic practice of work-unit occupational inheritance."[49] In so doing, the CCP revived the family unit as an integral source of social privilege, fusing it to the *danwei* and thereby to the state itself. Families that had poor placement or little clout in their enterprises held little bargaining power and therefore saw their family members deported to far-off cities (often in the interior) by the demands of national labor allocation. This created a financial and emotional stress that further prevented such families from ascending the distributional hierarchy.

Even the inter-enterprise coordination developed later in the 1950s did not correlate to the structure laid out in the Five-Year Plan. Outside of the Northeast, industrial ministries were forced to devolve significant amounts of power to local officials. In Shanghai and Guangzhou, this resulted in the inflated importance of Industrial Work Departments (*gongye gongzuo bu*) relative to their assigned functions. Ostensibly a minor institution under the direction of the Municipal Party Committee, these departments ultimately "played a critical mediating role in the translation of central political and administrative directives into actual practice within industrial plants […] and would eventually take over most supervisory functions of certain factories within their cities," despite their having been assigned no such role in the smooth hierarchy envisioned by planning authorities.[50] In the late 1950s, this decentralization would take on extreme forms.

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48 Like many other official policies, this too would soon break down during the Great Leap Forward—after which it was only enforced via strict administrative controls on migration and registration status.

49 Ibid, p.157

50 Ibid, pp.164-165

Collectivizing Rural Labor

All of these changes in the cities, however, were undergirded by monumental transformations in the countryside. At the same time as the implementation of early nationalization and the first Five Year Plan, rural production was collectivized in four stages stretched across the 1950s. The first two stages involved the formation of "cooperatives," while the latter two would involve the formation of "collectives." During the land reform movement, mutual aid teams of six or more households had formed with the aim of assisting in production on individual farms. Although guided by the Party, this was largely a local and voluntary response to the fact that farm implements, most notably work animals, had to be divided between households as they were taken from landlords. These mutual aid teams were seasonal, usually coming together at times of harvest and planting, and they allowed the smallholding economy to be "economically viable" by sharing scarce resources.[51] Supply and marketing cooperatives were also set up, this time by the Party, as it competed with local merchants in the drive to gain control over surplus output. A mutual aid team, for example, could receive inputs such as fertilizer from one of these cooperatives in return for a specific amount of grain. In turn, the supply and marketing cooperatives put pressure on peasant families and offered incentives to further collectivize.[52] These co-operatives were integrated into the unified purchasing and marketing system beginning in the fall of 1953 as private merchants were forced out of the agricultural market.

In 1954 and 1955, during the second stage of collectivization, most mutual aid teams were converted into "lower agricultural producers' cooperatives," consisting of groups of about 20 households. A view within the Party had emerged that a higher level of cooperation was needed so that it would be easier to organize unused rural labor, especially during the slack season. If the process was too slow, it was thought that new inequalities would take root as some households or mutual aid teams gained resources at the expense of others, and by the mid-1950s reports of inequalities were emerging.[53] These opinions became a major driving force within the Party, both at the center and in the countryside, for further collectivization through the GLF.

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51   Jonathan Unger, *The Transformation of Rural China*. East Gate, 2002, 8.

52   A. Doak Barnett, "China's Road to Collectivization" *Journal of Farm Economics*, 35(2), May, 1953, p. 195.

53   Ibid., pp. 196-7.

Though guided by the Party, the cooperatives were not simply imposed upon the peasantry. Financial credit and technical aid were offered as incentives to join,[54] and there is little indication of major resistance at this stage as peasants still maintained ownership over their means of production and land, both of which were now used collectively but still technically owned by the households. Crops were divided according to contributed labor and land. The exact method of calculating this remuneration was difficult and varied by place, although the Party preferred systems that stressed the contributions of labor over property.[55]

Individual labor contribution was counted in "workpoints." Lasting until decollectivization in late 1970s, the workpoints system was complex and constantly changing. Different numbers of points were assigned to different jobs, usually averaging around 10 points for a man's full day of labor, and 8 for a woman's. Under the cooperatives, a peasant's total workpoints were exchanged with the collective at the end of the year for grain, other products and cash. Their "value" was "arrived at by dividing the collective's total net product (after collective funds and accumulation) by the combined workpoints of all the members."[56] The complexity of this remuneration problem probably contributed to the demise of the cooperatives.

While only 2% of rural households were members of cooperatives in 1954, by the end of 1956, 98% had joined. This year marked a rapid acceleration in the re-organization of rural life.[57] But the production of agricultural surplus was growing slower than expected and, due to this, disagreements within the Party began to emerge concerning the speed of rural transformation. Mao and others pushed for a more rapid shift, despite the lack of an industrial base that could provide for the mechanization of agriculture, since they regarded the slowing growth of agricultural production as a roadblock to rapid industrialization. The majority of the CCP Central Committee seems to have been worried that too rapid an expansion of cooperatives would be disorderly and potentially lose the support of the rural masses. This temporarily slowed the process in early 1955 before Mao pushed successfully for a more rapid process in the summer of that same year. While both sides of the debate used the issue of rising class differentiation as evidence for their own position, they both also shared a primary concern with rural productivity and the state control over surplus. At issue was how to best secure gains in agricultural production.

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54   Ibid., pp. 195-6.

55   Ibid., p. 197.

56   Huang 1990, p. 200.

57   Naughton 2007, 67.

From 1956 to 1957, in the third stage of collectivization, these the "lower-stage" producers' cooperatives were turned into collectives, called "higher agricultural producers cooperatives," in which individual households gave up their ownership of land, livestock and agricultural implements to collectives of between 40 and 200 households.[58] There was more resistance at this stage, though how much is a matter of debate, and the Party was more coercive in pushing this process as well. Under this system, returns were divided solely according to one's individual labor contribution and livestock, implements and land was collectivized. In response, many peasants seem to have consumed many of their livestock as a rational form of resistance. The larger size of these collectives made it easier for the state to procure the agricultural surplus it needed to feed the cities as there were far fewer units from which to extract.

In 1958 the Great Leap Forward (GLF) began with the emergence of even larger collectives called communes—the fourth and final stage of collectivization. These rural communes encompassed a marketing town and its surrounding villages, with tens of thousands of members. The commune form was not planned from the beginning, but emerged in certain areas in response to local conditions and the need to deploy a larger labor force for massive infrastructure works, especially irrigation and reservoirs. Lower-level cadre were a driving force in the process. Peasants were often moved long distances and remained away from their home village for months at a time. Only after the phenomenon had emerged locally was it recognized by the state as part of the GLF. This recognition, in turn, led to the spread of the commune form across rural China. The communes came to be portrayed as part of a quick "transition from a socialist society to a communist one," both domestically and internationally (as part of the growing competition with the Russians). In August of 1958—after the form began to appear in the countryside—the Central Committee passed a resolution on the People's Communes, stating, "The realization of communism in our country is not far off. We should actively exploit the People's Commune model and discover the concrete means by which to make the transition to communism."[59]

In the 1950s, especially during the GLF, the realization of communism in the countryside also meant rural industrialization. A key slogan of the period was "walking on two legs,"

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58   Unger 2002, p. 8. Peter Nolan (*The Political Economy of Collective Farms: An Analysis of China's Post-Mao Rural Reforms*. Westview Press, 1988, p. 49) puts the average size at 160 households.

59   XinYi, "On the Distribution System of Large-Scale People's Communes," in Kimberley Ens Manning and Felix Wemheuer, eds., *Eating Bitterness: New Perspectives on China's Great Leap Forward and Famine*. University of British Columbia Press, 2011, p. 132.

meaning that large-scale capital-intensive urban industries should develop alongside labor-intensive low-capital primarily-rural ones producing for the agricultural sector.[60] While the traditional system of rural handicraft industry had constituted an "organic link between growing and processing agricultural product"—much of which would then be sold into the urban market—this "organic link" had been cut by the state purchasing system.[61] Household incomes in areas that had specialized in handicraft production dropped as collectivization began.[62] Yet collectives and especially communes during the GLF maintained and even expanded rural industrialization. Agriculture was to be technologically modernized not by the import of urban industrial inputs but instead by low-tech local production, a process of self-reliance. The countryside had to mobilize its own labor for its own development, all while much of its surplus was being extracted by the state for urban industrial development.

This also meant mobilizing and diverting rural (primarily male) labor into non-agricultural production, supplanting many of the old handicraft industries that still operated within rural households. Seven and a half million new factories were set up in less than a year at the beginning of the GLF.[63] In the winter of 1957-1958, as many as 100 million peasants worked in irrigation and water conservancy projects.[64] Most famously, backyard iron and steel factories sprung up all over rural China in response to a call to have industrial production surpass agricultural production—a call that was taken as a target for all localities, not just a national target. This diversion of labor did not only occur during the slack season. Farm labor declined as a share of total rural employment during the GLF, and output soon followed. While initial estimates showed that agricultural yields in 1958 were double that of the year before, these turned out to be false, and by the summer of 1959 they were revised downward by one third.[65] With the diversion of workers out of agriculture, harvests were neglected and food rotted.

The distribution system (*fenpei zhidu*) was again modified so that what little was left of the private economy was completely suppressed. Up until the GLF (and throughout all three early stages of collectivization) peasant households had maintained private plots adding up to about 10% of total arable land. These were abolished during the GLF, though they would soon return in the retrenchment of the 1960s. Although absent for

60   Riskin 1987, p. 116.

61   Naughton 2007, p. 272.

62   Ibid., p. 272.

63   Riskin 1987, pp. 125-6.

64   Ibid., p. 119.

65   Ibid., pp. 125-127.

only a few years, the suppression of these private plots had a crucial importance, since they acted as a last buffer against famine. Likewise, the last of the private markets in grain and agricultural goods disappeared. A "free supply" system (*gongjizhi*) overtook remuneration according to labor (*gongzizhi*), with basic necessities provided to all commune members in many, but not all, communes.[66] Communal dining halls, which became a key component of distribution, emerged from below in many communes even though it was against Central Committee regulations.[67] With the Party playing catch up, Mao stated in August 1958, that "when people can eat in public dining halls and not be charged for food, this is communism."[68] The practice of free distribution spread from commune to commune, with Mao mouthing support. The resulting system, however, spread unevenly and, eventually, it was unstable as well. Communes ignored regulations and adopted different levels of free supply, from grain, to meals, to all basic necessities.[69] Poorer communes adopted mixed distribution systems, with some goods being linked to labor and others not. Most retained some degree of payment in workpoints.

Like the patriarchal family farm, a gendered division of labor was central to the management of rural labor under the communes. As male labor moved into sideline work, women increasingly took over farming, where their labor was usually allocated fewer workpoints than male agricultural labor.[70] At the same time, women's reproductive work was never fully remunerated. Under the higher agricultural producers cooperatives, women worked in the fields during the day for workpoints and at home producing clothing for their families at night, for which they were allotted no additional workpoints. Women's handicraft labor, which had brought in money for the household in earlier times, was now more invisible than ever.[71] During the GLF there was some socialization of women's reproductive labor, most notably in the form of the collective dining halls, but the state did not put resources into these changes nor push communes to do so, and women continued to work more hours, much of it unpaid.[72] This unpaid labor was foundational to the state accumulation strategy.[73]

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66   Xin 2011, p. 130.

67   Xin 2011, p. 133.

68   Quoted in Xin 2011, p. 132.

69   Xin 2011, p. 133.

70   Gail Hershatter, *The Gender of Memory: Rural Women and China's Collective Past*. University of California Press, 2011. p. 153.

71   Ibid., p. 138.

72   Ibid., pp. 246-7. See also Riskin 1987, p. 130.

73   Hershatter 2011, p. 265.

As the system of dining halls spread from commune to commune, so too did the competition for production. With "politics in command" and planning replaced by decentralized targets, claiming higher production was a way to show one's good politics, and the incentive to lie about production grew. But as communes inflated their production figures, the state increased its extractions and it also moved more rural labor into the cities. Compared to 1957, state grain procurements rose by 22% in 1958, 40% in 1959 and by 6% in 1960.[74] Combined with the diversion of rural labor into sideline production of steel and other non-agricultural projects, agricultural production no longer met demand.

The collective dining halls and the huge size of communes made it almost impossible for peasants to see how their labor affected their own subsistence. The accounting and workpoints systems had basically broken down. As crop yields dropped in 1959, food began to run out in the dining halls and peasants stayed home to conserve energy.[75] Collective control over labor disintegrated. Most free dining halls only lasted three months, and in the fall of 1958 even commune cadres' salaries were stopped.[76] Meals in the dining halls that continued to exist in 1959 had to be purchased with meal tickets given out according to work.[77] By the spring of 1959, the Central Committee tried to push the communes back into a system of remuneration according to labor: "The principle of distribution according to labor means calculating payment according to the amount of labor one does. The more work done, the more one will earn." And summer harvests were to be distributed with 60 to 70% according to labor.[78]

While the initial rollback had already begun, famine began to strike that spring. It wasn't until 1960 that the free supply system was again put on hold, this time permanently. In June, regulations on commune distribution stated that "production teams must conscientiously implement a system of distribution according to labour, with more pay for more work, in order to avoid the egalitarianism currently found in distribution to commune members."[79] Grain production dropped, with the 1962 output at just

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74   Riskin 1987, p. 138.

75   Unger 2002, p. 74.

76   Xin 2011, p. 135.

77   Ibid, p. 139.

78   Quoted in Xin 2011, p. 137.

79   Quoted in Xin 2011, p. 140.

79% of that of 1957, and other agricultural products fell even more dramatically.[80] Tens of millions died in the countryside during these years.[81] As discussed in "Gleaning the Welfare Fields"—in this issue—survival and resistance went hand in hand as the GLF and rural institutions fell apart.[82] Cadre lost control of the rural population, which took matters into its own hands by stealing from communal stores, scavenging for food, eating the green shoots of plants before grain could ripen and fleeing the countryside. Resistance was punished, in turn, with violence and the withholding of food rations, potentially a death sentence at the time. In the wake of famine, rebuilding state institutions and Party power in the countryside would prove a very difficult task.

The Rural–Urban Relationship

The intention of the Party's transformation of rural society and production in the 1950s aimed at building an economic foundation for the industrial development of China. This necessitated the construction of a new rural-urban relationship. The institutions of this new relationship, put in place in the mid- to late-1950s, were created to extract rural surplus, primarily through control over the grain market. As the urban population grew due to both natural increase and the free migration allowed in the early 1950s, prices rose for basic foodstuffs, at the time still primarily controlled by private merchants. This demand growth led to a rapid increase in peasant incomes through 1954.[83] Though this signaled relative prosperity, it also generated constraints on national development. While the state controlled 72% of marketable grain surplus in 1952, the next year it managed to purchase only 52% as merchants piled into the market, essentially siphoning off the tax base.[84] As the cities paid more for grain, the state's ability to invest in expanding industrial production was restricted.

Grain-merchant profits constituted a secondary claim on rural surplus production (after that of the rural gentry) that the state aimed to eliminate. The means of eliminating

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80   Nolan 1988, p. 49.

81   The exact number of deaths is unknown, and unimportant to the general argument of this essay. It should be also noted that natural disasters played a role.

82   See also Ralph A. Thaxton, Jr., "How the Great Leap Forward Famine Ended in Rural China: 'Administrative Intervention' versus Peasant Resistance," in *Eating Bitterness: New Perspectives on China's Great Leap Forward and Famine*, Kimberley Ens Manning and Felix Wemheuer eds. UBC Press, 2011.

83   Nolan 1988, p. 65.

84   Selden 1988, p. 121.

this competing claim was the "unified purchasing and marketing" (*tonggou tongxiao*) system instituted in the fall of 1953—a crucial institutional building block of the new social formation, and the funding mechanism that made the First Five-Year Plan (and all subsequent Plans) possible. Under this system, which lasted into the 1980s, only the state had the right to buy and sell grain, and they did so with fixed prices and quotas. This meant that the state could set "prices" as they wished, controlling rural consumption and extracting rural surplus in the process.[85] Obviously, "prices" here lost the function they held in market economies, instead taking on the character of sheer quantities. Between 1952 and 1983, state purchases and agricultural taxation comprised an estimated 92% to 95% of farm sales.[86] While the amount of grain extracted from the countryside via taxes remained the same throughout the 1950s, the lowering of the price of rural goods relative to urban goods became an increasingly important form of hidden taxation.[87] Over time, the private rural-to-urban market in agricultural goods largely ceased to exist.

A second key institution of the new national economy was the *hukou* or household registration system developed throughout the 1950s. As with the new grain marketing system mentioned above, state concern over food—both for export and to feed the urban population—transformed the *hukou* from a relatively minimal system used to track potential enemies into a wide-ranging institution that divided Chinese into grain producers (holders of agricultural *hukou*) and grain consumers (holders of non-agricultural *hukou*). The uncontrollable flood of migrants into the cities over the course of the 1950s—first pursuing jobs in the new industries and then fleeing the famine in the countryside—provided the impetus to use *hukou* records to fix people in their home villages. This was achieved through the apportioning of state benefits according to one's registration status—effectively preventing rural out-migrants from obtaining jobs in the city. Through the urban *danwei* system, urban *hukou* holders would be provided a quota of grain at a state-subsidized price, while rural *hukou* holders were required to produce grain and would not receive state rations, instead receiving rights to a plot of land, or a direct portion of co-operative, then collective, agricultural output.[88] With the migration crisis that accompanied the Great Leap Forward, the *hukou* system came to be used as the primary tool for controlling migration and the rate of urbanization,

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85   Terry Sicular, "Grain Pricing: A Key Link in Chinese Economic Policy," *Modern China*, 14(4), 1988, pp. 253-4; Wen Tiejun, *Zhongguo nongcun jiben jingji zhidu yanjiu: 'sannong' wenti de shiji fansi.* Zhongguo jingji chubanshe, 1999; Unger 2002, p. 12.

86   Nolan 1988, 54-5.

87   Selden 1988, 119.

88   Brown 2012, 30.

creating a sharp divide between the rural and urban spheres by allowing for mass deportations of new migrants. Unified purchasing and marketing and the *hukou* together with rural collectivization were the basic structuring institutions that enabled the CCP's accumulation strategy during the socialist period, creating a fractured and unstable system that was only held together by successive extensions of the state.

The First Strike Wave

While the GLF was the first period of major unrest in the countryside, conflicts in the cities had begun to gain momentum as early as 1956, finally coming to a head in 1957 in one of the largest strike waves in Chinese history. Geographically, the unrest was centered in the coastal and river port cities, where longer-standing production networks preceded the state's own industrialization and nationalization campaigns, and where the Chinese workers' movement had been strongest.

In the new division of power, many of the port cities were sliding down the political and economic hierarchy. Cities such as Shanghai and Guangzhou were powerful in terms of population and production, but also relatively under-funded in the First Five-Year Plan. Nationalization in these cities entailed smaller amounts of investment than was offered newly industrializing zones and authorities were instead directed to consolidate numerous small-scale enterprises into large-scale, "joint-owned" state industrial complexes. The pre-existing industrial composition of these cities, founded on light industries such as textiles and consumer durables, further ensured their poor position relative to the Five-Year Plan, which emphasized heavy industry.

Workers in such joint-owned enterprises, then, not only found themselves lacking the privileges of their counterparts in state-owned heavy industry, but also saw the benefits they had wrested from factory owners over the past decade gradually stripped away. Under "joint ownership," they increasingly lost their opportunities to participate in management, witnessing the evisceration of the democratic institutions that had been built within the enterprise as a counter-power to that of private owners. Many of these private owners, alongside the management personnel they had employed, were simply transferred to positions of authority within the new industrial structure, making the obliteration of workers' own institutions all the more insulting. Maybe more importantly, the sheer numbers of managers, supervisors and other administrative personnel skyrocketed, composing "more than a third of total employees in Shanghai's

joint enterprises."[89] This increase in administrative personnel was made necessary by the scale of consolidation and the chaotic character of the port cities' pre-existing industrial infrastructure. Nonetheless, the practice appeared purely unproductive from the standpoint of most rank-and-file workers, instigating further resentment.

When nationalization of the remaining private firms was completed in early 1956, many workers in the new joint-owned enterprises saw their nominal wage fall, replaced only in part by new welfare benefits and piece-rate systems. At the same time, there was a sudden push to increase production as the target deadline for the First Five-Year Plan loomed. This entailed "excessive overtime and extra shifts" much of which was unpaid, as "higher-level organs approved the overtime or extra shifts requested but then refused to provide any extra money for wages, so that the enterprise had to cut bonuses and other payments to workers to make up the amount."[90]

In addition, the last-minute rush to fulfill planning targets forced the state to ease hiring restrictions, resulting in the first "loss of control over labor recruitment" (*zhaogong shikong*), beginning in 1956, wherein "the Ministry of Labor decentralized recruitment powers by allowing enterprises to go through local labor bureaus rather than industrial ministries for new hires." The result was that firms were again allowed to hire "from society," and "the number of workers nearly doubled that called for in national plans."[91] This new uptick in urbanization brought fresh rural migrants into the cities, began the further integration of women into the industrial workforce, and increased the strain on expensive urban infrastructure.

To put this in perspective: of the five million workers pulled into the state sector in 1956, "half were rural dwellers migrating to the cities."[92] This trend in urbanization would be briefly reigned in in 1957, alongside the suppression of the strikes, only to explode again during the Great Leap Forward. Though the country's urban population had been growing in increments throughout the early 1950s, between 1955 and 1958, urbanites jumped from 13.5 to 16.2% of the population, with peasants attracted by the prosperity and privilege of the cities, and then to 20% by 1960, as peasants fled the effects of famine in the countryside. After this, the new controls on population movement would see this growth essentially flatline over the remainder of the socialist

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89   Sheehan, p.54

90   Ibid, p.56

91   Frazier, p.156

92   Naughton 2007, p.67

period, only to increase again in the reform era.[93]

In late 1956 and early 1957, sensing the unrest and frightened by recent revolts against Soviet-backed regimes in Eastern Europe, the CCP sponsored a wide-ranging "policy of (limited) liberalization and democratization and increased scope for criticism of the Party," in what was known as the "Hundred Flowers" campaign.[94] In standard portrayals of the period, Mao calls for criticism of the Party, and students and intellectuals follow suit. Once the movement gets out of hand, with heavy critiques leveled at the Party and comparisons being made to the rebellion in Hungary, the Party initiates the Anti-Rightist campaign later in 1957 to reign in the movement and punish those who had spoken too harshly of the leadership. There is often an ambiguity in these accounts about whether or not the Hundred Flowers' movement had been a sort of trick to draw the Party leadership's potential enemies out into the light.[95] But, whether a trick or an earnest attempt at reform, most of these accounts are consistent in their portrayal of the movement as a largely top-down affair, primarily involving students and intellectuals.
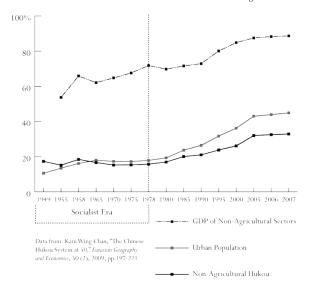
In reality, the Hundred Flowers campaign was a response to the extreme social conflicts that had arisen over the course of the First Five-Year Plan. It merely recognized dynamics already reaching a boiling point across Chinese society and concealed them beneath the complaints of students and intellectuals—figures who could easily be dismissed as vestiges of the old society. Directly acknowledging the antagonism that existed among urban workers would have, in effect, raised the question of whether the Party had lost the mandate of the working class. This also entailed that, after the fact, workers had to be "written out of the Hundred Flowers story as protestors, being present only as defenders of the Party during the anti-rightist campaign."[96] But the reality was quite different.

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93   Kam Wing Chan, "Fundamentals of China's Urbanization and Policy," *The China Review*, 10:1, Spring 2010. pp.63-94.

94   Sheehan, p.48

95   This narrative extends to other historical periods as well, such as the Rectification Movement in Yan'an, and is a fairly common, if somewhat conspiratorial, portrayal of the CCP's exercise of power. See: Gao Hua, *Hong taiyang shi zenyang shengqi de*. Hong Kong: Chinese University Press, 2000. And, for an English-language review of the text, see: David Cheng Chang, "Hong taiyang shi zenyang shengqi de (review)," *China Review International*, 15:4, 2008, pp. 515-521

96   Sheehan, p.49

Data from: Kam Wing Chan, "The Chinese Hukou System at 50," *Eurasian Geography and Economics*, 50 (2), 2009, pp.197-221

- - -■- - - GDP of Non-Agricultural Sectors

———■——— Urban Population

———■——— Non-Agricultural Hukou

The strikes of the Hundred Flowers year began in smaller numbers in 1956, only to explode across the country in 1957. They are put into perspective by comparison with previous rebellions, using Shanghai, the epicenter of this and earlier strike waves, as the unit of comparison:

> In 1919, Shanghai experienced only 56 strikes, 33 of which were connected with May Fourth. In 1925, it saw 175, of which 100 were in conjunction with May Thirtieth. The year of the greatest strike activity in Republican-period Shanghai, 1946, saw a total of 280. [97]

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97   Elizabeth Perry, "Shanghai's Strike Wave of 1957," *The China Quarterly*, No. 137, March 1994, pp.1-27

In the spring of 1957 alone, however,

> Major labor disturbances (*naoshi*) erupted at 587 Shanghai enterprises […] involving nearly 30,000 workers. More than 200 of these incidents included factory walkouts, while another 100 or so involved organized slowdowns of production. Additionally, more than 700 enterprises experienced less serious forms of labor unrest (*maoyan*).[98]

Workers began to draw parallels to the Hungarian rebellion, chanting "Let's Create another Hungarian Incident!" and threatening to take the conflict all the way "from district to city to Party central to Communist International."[99] When demands were not quickly met workers also began creating a new infrastructure through which to organize—one that started to go beyond the bounds of their individual work-unit compounds and which explicitly mimicked forms of organization that the communists themselves had used early on in the protracted revolutionary war:

> […] workers distributed handbills to publicize their demands and formed autonomous unions (often termed *pingnan hui*, or redress grievances societies). In Tilanqiao district, more than 10,000 workers joined a "Democratic Party" (*minzhu dangpai*) organized by three local labourers. Some protesters used secret passwords and devised their own seals of office. In a number of instances, "united command headquarters" were established to provide martial direction to the struggles.[100]

Nonetheless, the composition of the strikers never overcame the divisions imposed by the very industrial restructuring that had contributed to the strike wave in the first place: "some sections of the workforce, such as employees of former private enterprises, apprentices and younger workers, were much more prominent in the unrest." This is despite the fact that "many of the grievances giving rise to protests were common to all enterprises by 1956-7."[101] Within the enterprise itself: "Usually […] fewer than half of the workers at a factory were involved, with younger workers playing a disproportionately active role."[102] Here the "more salient lines of division"

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98   Ibid.

99   Ibid.

100   Ibid.

101   Sheehan, pp.48-49

102   Perry 1994, p.13

were between "socio-economic and spatial categories—permanent vs. temporary workers, old vs. young workers, locals vs. outsiders, urbanites versus ruralites."[103]

In some cases, this intra-enterprise division took on extreme forms and strikes were crushed by more privileged workers themselves, with no need for directives from the central government. During a dispute at the Shanghai Fertilizer Company in May 1957, 41 temporary workers who had been promised regular status but had then been abruptly laid off attacked union officials, demanding to be re-instated as regular workers. After nearly beating the union director and vice-director to death, the union, youth league and permanent workers vowed to solve the conflict themselves, and the permanent workers "even stockpiled weapons in preparation for killing the temporary workers." Before this could happen, however, the municipal authorities stepped in and arrested the temporary worker leaders.[104]

Given the dangers posed by open worker revolt, the Party not only sided with the more privileged members of the industrial workforce—i.e., older permanent workers with urban-based families employed in heavy industries—but also sought, initially, to reform systems of industrial and political management. As early as the fall of 1956, the upper echelons of the Party had realized that the strike wave, still in its infancy, was rooted in deeper conflicts that were themselves engendered by national industrial policy. Events in Eastern Europe further verified these fears. At the Eight Party Congress the Soviet Model influenced by the five-year plans of the 1930s, with "one-man management" at its core, was rejected in favor of the alternate Soviet Model, based on High Stalinist principles, which favored mass mobilization, workers' participation, and direct supervision and management by Party committees instead of technocratic leadership by factory directors and engineers.

Though endorsed at high levels and rendered into socialist mythology via historical comparisons with the USSR, the mobilizational policies that resulted were often more the product of local, practical solutions to factory and city-scale conflicts and, in many instances, would ultimately exceed what central authorities considered acceptable concessions to the workers. In many factories, workers' congresses were founded, "consisting of directly elected representatives who could be recalled by workers at any time," a form of organization that was pushed for by then-chairman of the All-China Federation of Trade Unions (ACFTU), Lai Ruoyu, who "identified democratization of management as the feature which distinguished socialist enterprises from capitalist ones."[105]

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103   Ibid, p.14

104   Ibid, p.13

105   Sheehan, p.71

Because of their local character, the implementation of these reforms was uneven. Workers who had implemented such changes readily accepted the formal recognition, while those in enterprises that saw less self-activity responded with distrust. Some workers refused to elect representatives to the congresses, which often had only vaguely defined powers.[106] Given that the production plans formulated at higher levels of the state remained inviolable, it was unclear how such administrative reshuffling— even if it was a true devolution of factory-level decisions to the workers—would solve the basic constraints imposed upon the enterprises. Though many Party authorities at the time, particularly within the ACFTU leadership, seem to earnestly have sided with the workers in their disputes, it was also clear that attacks on "bureaucratism" and cadre privileges produced, at best, minor improvements to the lives of disadvantaged workers, doing little to remove the concrete strains of joint-enterprise underfunding, temporary work status or production-drive overtime.

These reforms not only proved unable to meet workers' basic demands, but also failed to prevent the rapid increase in strike activity, which dangerously exceeded the Party's expectations. The result was a ramping up of repression against strike leaders, a reshuffling of the ACFTU leadership, and a spate of factory-level concessions that would form the basis of the next period of industrial reorganization during the Great Leap Forward.

In terms of repression, workers suffered far more than students or intellectuals. Though the crackdown on strikes was concurrent with the Anti-Rightist campaign, workers were denied the political status of "rightists." Instead, they were given the classification of "bad elements," implying a simple criminality rather than any sort of principled political opposition. This was no difference of semantics: "workers, and some union officials, were in fact imprisoned and sent to labour camps in the aftermath of the Hundred Flowers movement, and some were executed."[107] When high-ranking ACFTU officials such as Lai Ruoyu, Li Xiuren and Gao Yuan stood behind the workers, even going so far as to advocate for independent unions, the result was vilification, dismissal, and a general purge of the ACFTU.

Unrest among workers continued after the end of the Anti-Rightist campaign, resulting in further concessions and significant anti-bureaucratic reforms during the Great Leap Forward. But, despite its size, the strike wave of 1956-57 never cohered into a true

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106   Ibid.

107   Ibid, p.78

general strike. One of the distinguishing features of labor unrest in the mid-1950s was that it "did not have one central political grievance [...] around which public opinion could be galvanized."[108] The result was that the rebellion remained fragmented, as it was largely limited to local workplace issues. No substantial new forms of organization cohered among striking workers, nor were they able to significantly reform the existing organs of the CCP.

It is untenable, then, to simply attribute the failure of the strike wave to the state's repressive measures. For the most part, the state simply did not have to intervene. Divisions within the workforce—particularly along lines of seniority and regular versus temporary status—were often sufficient to prevent the strikers' demands from galvanizing wider support. The striking workers were often the minority in their own enterprises, and their demands were just as often violently opposed *by other workers*, as in the example of the Shanghai Fertilizer company.

The Party would soon leverage this fact, portraying strikers as "bad elements" with non-proletarian family backgrounds attempting to trick other workers into participation in an anti-communist conspiracy. Despite the exaggeration of this propaganda, the kernel of truth here was simply that a significant bulk of the national industrial workforce was sufficiently satisfied with their positions to be wary of losing them. This was especially true among the older workers, who not only held higher wages and received more benefits, but also remembered the abysmal conditions of work prior to the revolution.

The divisions that prevented the strike from generalizing were also the product of uneven geography. Cities like Shanghai were unique in their high percentage of less privileged "joint-ownership" enterprises, whereas newly industrializing areas and the Northeastern cities had a higher proportion of state-owned heavy industrial enterprises, and therefore received a greater share of the net surplus over the course of the 1950s. Despite Shanghai workers' noticeable decline in wages and benefits, then, national trends were either ambiguous or opposite. At the national level, "per capita foodgrain production and nutrient availability peaked in 1955-56," and a disproportionate share of what was produced during this peak was given to urban industrial centers, rather than the peasants who had produced it. This share dropped slightly in 1957, but it was not until the disastrous policies of the Great Leap Forward that most urban centers would see a true decline in living standards.[109]

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108   Perry 1994, p.24

109   Selden, p.18. Also see Table 1.3 on Selden, p.21.

Origins of the Great Leap Forward in the Cities

The industrial policies of the GLF can be understood as a somewhat haphazard response to several budding crises in the economy. Despite success in pausing the transition to capitalism, the early stages of what would solidify into the socialist developmental regime were ultimately forced into a mechanical mimesis of the dynamics they had sought to overturn. Nearly half a century of periodic war had ended and the average person's livelihood had improved, but the concessions given to the urban workforce were beginning to limit the amount of surplus that could be extracted, second-hand, from grain-consuming industrial workers, thereby hindering the expansion and modernization of industry. At the same time, the 1950s had seen the number of state administrative and technical personnel skyrocket well beyond its planned budgetary restraints, further limiting the surplus available for investment.

All of this had created a situation which, though relatively prosperous, risked the creation of new, non-capitalist forms of extreme inequality through the unintentional reinvention of a quasi-tributary mode of production or simply another collapse into warlordism. At the same time, there was the risk that the patterns of growth and demographic transition evident in the 1950s, through their mimesis of capitalist dynamics, would ultimately lead to a completion of the capitalist transition under the auspices of the state itself. By the late 1950s, it was this second risk that became most salient. In autumn 1956, concurrent with the second "peak" of the Five-Year Plan and soon after power shifts in the USSR signaled the deterioration of Sino-Soviet relations, the First Session of the Eighth Party Congress (the first full Congress since 1949) "charted a program of economic moderation," which "envisioned an economic system with a significant, though subsidiary, role for the market mechanism, and which even contemplated the revival and coexistence of different forms of ownership." The spirit of the congress "was later to find echoes in many of the programs of 1978,"[110] which, of course, did ultimately resume China's transition to capitalism.

By 1957, over-investment had resulted in an industrial bottleneck. Perpetual commodity shortages had already required "strict rationing of essential consumer goods" since 1953, and the inflationary pressure of the second peak of investment (alongside worker unrest) resulted in a reduction of planning targets in 1957. The year soon saw "a rise in unemployment in urban districts and in the countryside," especially severe among the newly-migrated workers who did not hold regular status in their enterprises. Birth

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[110]   Naugton 2007, p.68

control policies were implemented at an unprecedented scale and prohibitions on migration were again tightened.[111] Both the liberal, market-oriented economic reforms proposed at the First Session of the Eighth Party Congress as well as the GLF programs that ultimately took their place must thus be understood as divergent attempts to respond to this same economic bottleneck.

At first, the GLF appeared to be nothing but another, more accelerated version of the "big push" industrialization already attempted during the twin peaks of the First Five-Year Plan. Though many of its basic elements had been formulated over the crises of the previous years and already implemented nationwide, the GLF was formalized at the Second Session of the Eighth Party Congress (in May 1958), in which many of the liberal policies laid out in the First Session—most of which had never been implemented—were roundly repealed.

The progress of the early 1950s had made the Party confident of productive returns on investment, despite the industrial bottleneck, and a new round of heavy industrialization would ostensibly be the focus of a Second Five-Year Plan, with steel production at its core. Rather than moderation and marketization, the goal was to accelerate through the bottleneck in order to escape it. In line with the industrialization of the First Five-Year Plan, the GLF would see "a massive increase in the rate at which resources were transferred from agriculture to industry,"[112] as well as an unprecedented expansion in state employment, as "nearly 30 million new workers were absorbed into the state sector during 1958."[113] Many of these new workers were new rural migrants to the cities, as the recently tightened migration controls were largely abandoned.

The political about-face that occurred between the First and Second Session of the Eighth Party Congress is, in the existing literature, attributed to either the simple whim or idealistic zeal of competing visions among the leadership.[114] In reality, these policy changes were deeply linked to the socialist developmental regime's unsettled nature. With the transition to capitalism effectively paused and China removed from global commodity circuits, there were no stable incentives or social customs guiding accumulation, industrial organization or new rounds of development and investment. The result was a chaotic flipping back and forth between disparate potentials embedded in the country's inherited industrial and agricultural structures, not to mention its

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111   Cheng, pp.137-138.

112   Naughton 2007, p.69

113   Ibid, p.70

114   For typical examples, see: Naughton 2007, pp.62-64, 69-72 and Meisner Ch. 11.

physical geography and land-to-human ratio. No national policy in this period was ever implemented in the form expected, and none were ever completed as planned. But each policy did create a feedback loop, modifying the possibilities within the system by creating new geographies of production, generating new crises and conditioning the array of possible responses to these crises.

The result was that *no mode of production fully cohered during the socialist developmental regime*—and it is precisely because of this that the state itself, increasingly fused with the Party (and, ultimately, the military) played the mechanical role of ordering production, distribution and growth. In some cases this entailed mimicking patterns seen in the transition to capitalism, in other cases importing practices, technicians and entire factories from the USSR, and in still others replicating or reinventing forms of labor deployment, infrastructural development and cultural mobilization that bore significant resemblance to practices found in the region's history.

At the same time, because these methods of accumulation were mechanical, the state tended to ossify into a stiff bureaucracy if any one policy or method was in place for too long. At each point, new practices were adopted not out of ideological attachment or as neutral tools in factional battles, but most often as a bricolage of makeshift responses to an accumulation of myriad local crises. Throughout the socialist era, each policy shift was also a method of re-oiling ossified state mechanisms through modification and reinvention. In extreme cases, these shifts were accompanied by large-scale purges and re-staffing.

Beneath the appearance of a simple industrialization push consistent with that of the early 1950s, the GLF also brought with it significant and lasting changes to China's basic industrial structure. Responding to the unrest of 1956-57, the Party adopted a policy of dealing "harshly with those it considered most culpable, whose words and actions had gone far beyond what was permissible, and [of making] some limited concessions to the rest […]."[115] These concessions came primarily in the form of attacks on "bureaucratism" through public struggle sessions where workers could voice their criticisms of technicians, Party personnel and managers. This had the added benefit of distracting from structural inequalities growing within the new system by focusing almost exclusively on "questions of attitude and workstyle," while conceding greater degrees of participation in management to workers.[116] Simultaneously, it injected new life into state and Party hierarchies, as the ossified structures established in the First Five-Year Plan were broken down and recomposed.

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115   Sheehan, p.80

116   Ibid, p.81

Though the most vocal critics of the state had been silenced in the Anti-Rightist movement, the increasingly forceful occupations, strikes and direct attacks on cadre by students and workers in 1957 convinced many leaders, at both local and national levels, of the need for deep reforms within the Party. The Anti-Rightist movement therefore included a rectification campaign, primarily targeting cadres and technicians at the enterprise level, which was particularly widespread in the port cities that had seen the greatest labor unrest. Mass meetings within the enterprise allowed workers to air their grievances and to target their superiors, many of whom were subsequently demoted or deported to the countryside. In the Shanghai machine industry, the campaign "saw a total of 810 personnel sent to the countryside," of which "the vast majority were cadres and technicians."[117] Many would be returned to their posts after a year or two, since their skills were needed to fulfill the production demands of the GLF. But, once returned, they would just as often find themselves effectively demoted, as the "two participations" policy required workers to participate in management and cadres in physical labor.

Despite this reshuffling of tasks, however, the expansion of the state sector required further growth in the number of Party cadre, which jumped from a total of 7.5 million in 1956 to 9.7 million in 1959.[118] Maybe more importantly, the GLF formalized the devolution of power to Party committees within the workplace, which often operated through mass mobilization campaigns. But the campaigns in this period went beyond the scale of their previous counterparts. Rather than simple workplace meetings or top-down management by the factory director, the methods of labor deployment during the GLF entailed total mobilization. Cadre and technicians participated in physical labor while all members of the enterprise participated in some degree of management. Bonuses, piece-rates and other material incentives were eliminated, even as "laborers at all levels were pushed to work overtime, seven days a week, in a frenzied attempt to do everything at once."[119]

Most importantly, the GLF saw the decentralization of planning authority to provincial, local and even enterprise-level authorities, which was accompanied by a shift of focus from exclusively large-scale heavy industrial projects to the founding of record numbers of new enterprises at multiple scales and in a greater diversity of locations. Called the "general line for socialist construction," the Second Session of the Eighth Congress

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117   Frazier, p.200

118   Wu, p.25

119   Naughton 2007, p.70

adopted a set of policies that explicitly advocated "development of local, small-scale enterprises with indigenous methods of production."[120] This signaled a massive shift from centrally-directed, capital-intensive plans to a model of decentralized planning and labor-intensive production. It also shifted the industrial center of gravity yet again, both dispersing industrial investment back into the countryside and placing port cities in a slightly more favorable position, since they had access to a large, underemployed urban workforce and a rich history of decentralized production networks.

The Great Decentralization

In one sense, these new policies were simply a formalization of practices that had *de facto* been in place for some time. The orderly structure of central planning ministries had always been more myth than reality, and the GLF sought to turn this weakness into strength. Institutions such as the Shanghai Municipal Party Committee's Industrial Work Department, which had arisen as makeshift local structures dealing with all the unaccounted-for complications of the developmental regime, were formally allowed many of the powers that they had already been exercising. At the same time, central planning targets were no longer inviolable, as local authorities were allowed to set— and, in fact, encouraged to competitively speculate on—their own output targets. Enterprises "still had to remit the bulk of their profits to the central government," but now authorities at the provincial level "were permitted to retain a 20 percent share of enterprise profits,"[121] creating competitive pressures at the local level both to mobilize for the highest possible rates of production and to over-report actual production numbers.

The scale of reorganization was astounding. "Nationwide, the 9,300 enterprises under central administration in 1957 were reduced to 1,200 by the end of 1958."[122] The majority of enterprises remaining under central authority were those considered key to national security, such as "heavy industry and machine manufacturing, as well as large-scale mines, chemical plants, power stations, oil refineries, and military enterprises." Much of the production formerly covered by the "Light Industry and Food Industry ministries were to be transferred to local governments," giving the port cities, with their high concentration of light industry, far more local control over production than the Northeast, which remained largely under central authority.[123]

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120   Cheng, pp.138-139

121   Frazier, p.201

122   Ibid.

123   Ibid, p.203.

But this decentralization also caused new forms of competitive chaos, as different segments of local hierarchies competed for control over the new powers devolved to cities and provinces. In some cities, such as Guangzhou and Shanghai, the municipal Party committees effectively took direct control over much of the cities' heavy industry, despite Party directives dictating that these industries be administered by the central planning authorities. Meanwhile, the decentralized enterprises (accounting for more than 85% of all employment in Shanghai) were effectively given over to "direct control by municipal Party committees," which meant that "enjoying as they did ties with local Party officials, enterprise Party committees gained control over production tasks." Down to the most basic units of urban life, the policy was to "guarantee the absolute leadership of the Party in industrial production."[124] Decentralization, then, actually represented a stronger fusion of Party and state, as the tasks of everyday production as well as setting output targets and reporting final production numbers were all roundly handed over to Party committees rather than technicians and managers.

The decentralization of planning also entailed the decentralization of authority over labor allocation, which allowed for an unprecedented increase in the industrial labor force. Enterprises were not only allowed but also encouraged to "recruit from society," as labor-intensive production networks were reconstituted in an attempt "to fulfill utopian production targets set by local officials who had little knowledge of industry, much less macroeconomic administrative capabilities."[125] Between 1957 and 1959, total urban population increased by 19%, peaking in 1960 at 20% of the total population—a trend that would be effectively reversed in the retrenchment following the GLF, with urban population not reaching such a high percentage again until the 1980s.[126]

From the end of 1958 to the beginning of 1959, in the space of several months, roughly three million peasants migrated to urban areas, composing the bulk of the increase in urban population for the entire period. But at the same time "the increase in the industrial labor force was put at twenty million new workers in 1958 alone." Where did the additional workers come from? A significant number of these 17 million new, non-migrant industrial workers were located in the countryside, staffing the expansion of rural industries. But there were also substantial increases in employment across the pre-existing urban population, as enterprises recruited "'lane labor' (*lilong gong*), a

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124   Ibid, pp.203-204

125   Ibid, p.205

126   Chan 2009, p. 203.

semiemployed labor force made up primarily of women who were fixtures in the back lanes and alleys of the city and who took work on a temporary basis."[127]

The total mobilization of the GLF would also see the formation of "urban communes" (ostensibly the final stage of nationalization) in which housework itself was socialized, freeing up more women workers for production, creating new industries out of work previously performed in the household, and organizing the urban population into cellular structures that exceeded the size of the household—as collectivization in the countryside had done. Much of the product of the urban communes' new activities, consisting mainly of handicrafts and the provision of services, would feed directly into increasingly autarkic enterprise welfare structures without being accounted for in any planning directives, and often without being mediated by much monetary exchange in the form of prices or wages. As had happened in previous expansionary investment cycles, inflation was stemmed by widening access to unpriced consumer goods, provisioned by the enterprise and funded by allocations of planning material in lump quantities rather than prices.

To give a sense of the scale involved: the "urban communes" substantially extended *danwei* welfare provisions, with (albeit inflated) statistics from early 1960 claiming that the GLF had seen various cities set up "53,000 dining rooms […] to serve meals to some 5.2 million people." This number, in 1960, would have represented slightly less than 40% of the urban population. The data cited is almost certainly exaggerated, but even half or a third as much would still be a significant figure. Meanwhile, "approximately 50,000 nurseries provided accommodations for some 1.46 million children," and, "in the beginning of March, 1960, there were 55,000 service centers rendering assistance to approximately 450,000 people." These service centers provided "laundry, tailoring, repairing, hairdressing, bathing, house-cleaning and health-protecting services." In Chongqing, service stations were "set up in every street and alley." The result was that "by March, 1960, the urban communes had provided the state-operated enterprises with more than 3.4 million workers, of whom 80 percent were women."[128]

Not wanting to reignite the conflicts between temporary versus permanent, young versus old, or new migrant versus established urbanite, authorities abolished bonuses and piece rates, ensured that higher-ranking supervisors and cadres participated in manual labor, and that workers participated in management, all while incorporating migrants and other new urban workers, particularly women, into regular employment

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127   Frazier, p.206

128   Cheng, p.80

with full (or close to full) access to *danwei* benefits. This entailed massive outlays of time and resources in the construction of new housing, medical and educational facilities, on top of the various services mentioned above. This strain on resources further encouraged enterprises to shift into total mobilization, as workers understood the direct linkage between the availability of various non-wage benefits and their enterprise's performance relative to others.

This also meant that the speculative crisis that would see the decentralized planning apparatus of the GLF accelerate out of control was not simply the product of naïve local officials, but was also the result of bottom-up pressure to maximize competition relative to other enterprises in order to retain larger percentiles of the surplus for autarkic enterprise units—with workers understanding that a sizeable bulk of this leftover surplus would return in the form of welfare expenditures. The crisis of planning speculation had, in many ways, been generated organically from the bottommost units of the industrial structure, gestated through the establishment of basic urban privilege hierarchies in the First Five-Year Plan.

An extreme example of this can be seen in the practice of several factories in Guangzhou, which adopted "an anarchical policy of 'non-management' (*wuren guanli*)." This policy entailed that enterprises "practiced the 'Eight Selfs' (*ba zi*), in which workers arranged their own plans, output quotas, technology, blueprints, operations, inputs of semiprocessed goods, quality inspection, and accounting." The practice became so extreme that banks "distributed cash to any worker who came in with purchase orders. Employees who knew the enterprise's bank account number could withdraw funds to procure whatever items they needed for their factories."[129] Yet, even with the near-complete abolition of enterprise-level management and with workers collectively agreeing upon their own production quotas, all evidence suggests that these quasi-syndicalist factories suffered the same output speculation as factories that retained more traditional management structures. The ultimate effect of the production crisis was not blunted in Guangzhou.

The GLF was largely successful as an attempt at foreclosing labor unrest in the years following 1957. It gave strong new incentives to workers through the expansion of benefits and participatory management, even while incentivizing a form of total mobilization that was, ultimately, disciplinary in character. Meanwhile, the policies of the period were also successful in their attempt to reinvigorate ossifying state and Party hierarchies through decentralization and a reshuffling of power. The most salient

129   Frazier, p.207

tendencies that arose during the GLF years can be seen as a distinctly Chinese evolution of High Stalinism. It was the period in which the Soviet Model and the East China Model met one another with equal magnitudes, the two gravitational cores colliding in such a way that both were fragmented.

But this does not mean that these short-lived experiments tended toward communism, as the propaganda of the era claimed. Instead, they were yet another dimension of the fundamentally unsettled nature of the socialist developmental regime—this time signaling a strong tendency toward a reinvention of traditional productive practices. The GLF saw an attempt to revive rural production networks, now under the auspices of the new state rather than the rural market, gearing them toward its developmental ends. In the cities, the character of the state again tended toward its historical norm, with a hierarchy bloated in the middle as extractive responsibilities devolved from central agencies to provincial authorities, while those at the local level were left to self-manage increasing portions of their own subsistence so long as they delivered a requisite portion of their output to the central state.

Similarly, total labor mobilization in urban industry and rural infrastructure projects bore more than a little resemblance to the corvée labor deployment used in imperial public works projects under the tributary mode of production and the Japanese expansionary regime. More than any continuity with preceding modes of production this resemblance might suggest, however, its main significance is that the socialist developmental regime drew as much from the Chinese historical experience as from foreign practice, whether Soviet or capitalist.

The core dynamics of the period cannot be understood by reducing the era to any one of these dimensions. China between the 1950s and 1970s was neither a replication of Russian socialism, nor was it "state capitalist," nor was it simply a process of government-facilitated, proto-capitalist original accumulation as in the other developmental states of the region, nor was it a continuation of some age-old "oriental despotism." It was also not a period in which lingering tendencies toward capitalism wrestled with nascent tendencies toward communism in a situation of "two-line struggle," requiring a "permanent revolution" to complete, as certain factions within the Party would argue. It was an uneven, constantly changing regime of development cobbled together from inconsistent elements. Its only true unifying factor was the developmental push itself, founded on the siphoning of grain surplus from countryside to city.

3

Ossification

Collapse and Militarization

Though they were enacted to save it, the policies of the Great Leap ultimately undercut the foundation of the socialist developmental regime by disrupting the production and export of surplus grain from countryside to city. By pulling large quantities of workers out of agriculture while simultaneously requisitioning more grain for industrial consumption, total grain output fell far short of requirements. Agriculture, though collectivized, was capable of producing a surplus but still incapable of the kind of productivity revolution that would have allowed such a demographic shift. Grain produced per agricultural worker had not risen substantially, especially when compared to the prototypical agricultural revolutions that initiated European nations' transitions into capitalism. The result was famine and devastating economic collapse.

As grain production plummeted and the state requisitioned increasing portions of what was produced to be exported to urban centers (and a smaller fraction to the USSR to pay off loans for aid during the Korean war), peasants fled the countryside in growing numbers. Much of the spike in urbanization in the later GLF years was caused by these push factors, rather than by the attraction of industrial employment. Investment plummeted from 1960 to 1962 at roughly the same rate it had increased in 1958 and 1959.[1] Smaller factories were again closed and the new rural handicrafts sector collapsed entirely.

This signaled the first truly systemic crisis of the developmental regime, and it was here that the tensions visible in the strike wave of 1957 would expand into a nationwide collapse of the communist project. With the famine, the Party and its policies began to lose their popular mandate among the peasant majority. But, having absorbed much of the heterogeneity of the communist movement itself, the CCP maintained strategic hegemony. No independent opposition could form. As its popular mandate was lost, the communist project was torn up at the roots to feed the developmental regime. The opposing potentials that arose did so within the Party, becoming factional conflicts and, later, purges. If the first step in the dissolution of the communist project was its absorption into the body of the CCP, the second step was the purification of this body in the name of securing development. The desiccated remainder of what had once been one of the world's largest and most vibrant communist movements was, by the 1970s, reduced to little more than a continuous industrialization campaign.

Emergency measures went into effect in 1961, and production was concentrated in "a smaller number of relatively efficient plants," while "control over the economy was recentralized in an attempt to restore order." Rationing of basic necessities became widespread as existing resources were funneled back into agriculture. Additional food was purchased on international grain markets for the first time in the socialist era in an attempt to prevent the deepening of the famine. Meanwhile, limited markets were reopened in the hopes that they would raise rural incomes and increase the supply of food to the cities. All in all, "imports of consumer goods and market liberalization gradually stabilized prices at a new, higher level."[2]

Even while prices for consumer goods stabilized at an inflated level, the retrenchment policies entailed "a drastic reduction in budgetary transfers to state enterprises," and "the

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1   Naughton 2007, p.63, Figure 3.2

2   Ibid, p.73

State Council gave directives to enterprise managers to scale back welfare measures" and to "keep a tight rein on wages." At the same time, the "Seventy Articles" adopted in 1961 limited the workday to eight hours, emphasized "leave policies for illness, childbirth and holidays," and "restored piecework and over quota bonus systems." [3] Though not always popular, the abolition of piece rates and bonus systems during the GLF had meant that "workers paid through such systems suffered a decline in income of anywhere from 10 to 30 percent," despite increases in non-wage benefits. [4] The restoration of this income, alongside the end of unpaid overtime in frenzied production drives, was a notable concession to workers in the midst of the crisis. Paired with the risk of starvation, such concessions helped to ensure that popular unrest would be suppressed for most of the early 1960s.

But another, more extensive means of social control also developed in this period. Unable to cope with the massive numbers of peasants fleeing the countryside—on top of those who had migrated earlier to staff the industrialization drive—the Seventy Articles adopted strict limits to labor recruitment. They "prohibited the unauthorized transfer of labor (including technicians) and the practice of recruiting from the countryside," restoring the stability of the cellular *danwei* enterprise structure. [5] At the same time, the industrial workforce was severely scaled back. In just two and a half years, "between 1961 and mid-1963, state officials succeeded in reducing by 19.4 million workers an industrial labor force estimated at 50.4 million," a decrease of roughly 40%. [6] The vast majority of this reduction came as "some 20 million workers were sent back to the countryside." [7]

Such a massive reduction in urban population would never have been possible if not for the extensive system of household registration—known as the *hukou* system— built up piecemeal over the course of the 1950s. [8] The registration system "was first restored in 1951 to record the residence of the urban population and to track down any residual anti-government elements" in the course of the Democratic Reform Movement. It was extended from an exclusively urban system "to cover both the

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3   Frazier, p.215

4   Ibid, p.214

5   Ibid, p.215

6   Ibid, pp.217-218

7   Naughton 2007, p.72

8   Though ostensibly modeled on the Russian *propiska* (internal passport) system, the *hukou* had its own domestic precedents in various incarnations of pre-1949 registration systems, which were used for tax collection and conscription.

rural and urban populations in 1955." The migration spike that began in the same year, despite taking place at a time when Chinese citizens legally enjoyed full freedom of migration, would see the state attempt to monitor and control population flow "by imposing travel document checks and other administrative measures at various major transportation nodes […] in 1955 through 1957."[9] By 1958, the legal framework of freedom of movement was effectively abandoned, as a wider-ranging *hukou* regulation was adopted. This incarnation of the *hukou* system would become an integral part of labor management in the transition to capitalism, and remains a central feature of class dynamics in China today.[10]

At first this was simply the formalization of the urban-rural split already solidified by state investment strategies. After 1958, however, one's status as an urbanite or a rural dweller was not only fixed in terms of where one could live, but would also be passed on to newborns through matrilineal inheritance. This status could only rarely be changed for the better (i.e., rural-to-urban, a process called *nongzhuanfei*), with "the annual quota of *nongzhuanfei* set by the central government at .15 to .2 percent of the population," though, in practice, local corruption meant that "the actual rate was higher."[11]

The *hukou* not only fixed population, it also facilitated the downward movement of massive segments of the urban populace in periods of crisis. Though resettlement had occurred sporadically under the guise of labor allocation or political reeducation during the 1950s, it had only resembled large-scale deportation in the case of prior GMD soldiers sent to frontier areas such as Xinjiang to staff new construction projects—effectively a continuation of the traditional *tuntian* system of military frontier settlement.[12] During the crisis, however, the *hukou* system would be used to deport 20 million new migrants from the cities back to their official place-of-registration in the countryside. Soon it would also see the deportation of much of the "lane labor" recruited during the height of the GLF and the involuntary "early retirement" of tens of thousands of old workers incapable of keeping up with production.

To take one example: Despite their seniority privileges, some 83,540 old workers, mostly women, in Shanghai were retired in the post-GLF retrenchment, losing their

9   Chan 2009, p.200

10   See "No Way Forward, No Way Back" in this issue.

11   Chan 2009, p.201

12   For a brief overview of the *Bingtuan* in Xinjiang, see: "Dispatches from Xinjiang: The Story of the Production and Construction Corps," *Beijing Cream*, July 3, 2014.

benefits and their urban registration. The majority retained some wages by being shifted to the "small commercial sector," but this was hardly consolation. There were reports of deported workers even returning, *en masse* to their Shanghai textile mills in 1962 to attack cadres and managers, plunder their homes for food and loot rice shops.[13] Within a decade, unrest by returned rusticates would constitute a major base of support for "ultra-left" factions within the Cultural Revolution.

Alongside one's *danwei* or rural collective membership and *dang'an*, a political portfolio that contained pre-Liberation class status (now an inheritable trait) and various records of performance and "attitude," the *hukou* would become one of the most central elements in a caste-like system of social control that would later be fundamental to the construction of China's class structure in the transition to capitalism. This caste-like division of labor was formalized over the course of the 1960s, as the *hukou* was not only used for deportation in times of political or economic crisis, but increasingly as a tool to further divide the privilege structure of the urban industrial workforce in a way that increasingly resembled systems of racial apartheid elsewhere, with rural versus urban locality taking the place of ethnicity.

With benefits too expensive and the cost of producing basic commodities stabilized at an inflated rate, factories that had been forced to retire or deport much of their recently expanded workforces now faced the risk of stagnating productivity. The workday was cut back and benefits decreased. The result was "the spread of edema and other illnesses among urban workers," caused by malnutrition and overwork.[14] Rather than turn to the central state, enterprises were now encouraged to become self-reliant. In coastal cities, some factories started commercial fishing ventures, using the catch to stock their dining halls and selling excess on the newly re-opened local markets.[15]

All of this only increased the need for a source of labor that would put less strain on urban infrastructure. Under the direction of Liu Shaoqi—then apparent successor to Mao—factory managers and local officials were encouraged to solve the crisis by recruiting "temporary workers who could be returned to rural areas during the growing season. Workers hired under this policy, known as 'working-and-farming' (*yigong yinong*), were not entitled to the wages and benefits of their full-time counterparts."[16] These workers

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13   Frazier, pp.218-219

14   Ibid

15   Ibid, pp.220-221

16   Ibid, p.217

were thus "cheaper" in the sense that they did not need to be incorporated into the *danwei,* and since they held rural *hukou* they could be returned to the countryside at any time.

This "worker-peasant" labor force became most widely used at small- and medium-sized enterprises, usually fulfilling contracts for larger enterprises, and rural recruitment was often combined with other temporary forms of labor deployment, such as the use of apprentices, student-workers and "lane" workers. Though these workers were doing much the same work as those employed in large state enterprises, they saw none of the new expansions in welfare benefits between 1962 and 1965. More importantly, "contract workers did not have the right to bring their dependents to the city with them, reducing the pressure on housing, nurseries, etc.," not to mention discouraging them from seeking long-term residency in the city.[17] Over the course of the 1960s, then, the very segment of the workforce that had instigated much of the unrest in '56-'57 was dramatically expanded.

The GLF is often portrayed as only a brief period of overzealous chaos, after which more rational policies approximating those of the 1950s were re-implemented. Total mobilization ends, material incentives for production are restored, the numbers of technicians and cadre again expands, the central state recentralizes planning authority—all to be repealed and then finally reinstituted in another cycle of zeal and retrenchment during the Cultural Revolution. But these trends themselves tend to disguise deeper changes initiated during the GLF that fundamentally shaped the character of the socialist era over the next two decades. The implementation of the *hukou* and, through it, the standardization of the worker-peasant system, was one such change. Another was the persistent decentralization of planning authority and urban production networks.

Despite language of recentralization, planning authority was never returned to the industrial ministries that had, at least in word, wielded it during the First Five-Year Plan. Instead, decentralization was merely reorganized, as "the Seventy Articles and other Central Committee measures taken in the early 1960s recentralized powers within provincial committees that had been devolved to cities, counties, districts, etc. during the GLF." Rather than reconstituting the top-down state envisioned in the early Soviet Model, then, the 1960s instead saw the solidification of a middle-heavy structure for the state, in which "provincial Party committees remained more powerful than central government ministries."[18] This was, again, a reproduction of trends seen in traditional

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17   Sheehan, p.98

18   Frazier, p.216

forms of government in the region, though now paired with an unprecedented, cellular system of social control that extended all the way to the bottom of society.

Similarly, there was no new attempt to "modernize" many of the small- and medium-sized enterprises that had again sprung up during the GLF years by consolidating them into large state-owned *danwei* conglomerates. In fact, these more flexible production networks became the major employers of cheap "worker-peasant" labor, often filling contracts for the large state-enterprises and thereby providing them with another source of cheap inputs. In this way, many cities were allowed to reinvent traditional production systems under new circumstances, with a mesh of decentralized workshops, largely cut off from welfare benefits, agglomerating around cores of large-scale factories staffed by more privileged workers with permanent residence status. These large-scale factories were never further incorporated into top-down welfare structures, but instead retained and expanded the autarkies they had developed during the 1950s.

At the national level, a new uneven geography formed as investment was again directed toward certain regions at the expense of others. By 1964, conditions had improved such that a new investment push was initiated. But international conditions had changed significantly since the first industrialization campaign in the 1950s. The United States, which still had tens of thousands of soldiers stationed in Korea, intensified its proxy wars against socialist countries, staging a failed invasion of Cuba and ramping up military efforts in Vietnam. Meanwhile, Sino-Soviet ties had completely broken. Not only had China lost its primary trading partner and source of international aid, but, by 1969, border skirmishes would even bring the two countries to the brink of war. Over the course of the 1960s, then, China found itself increasingly isolated. With the loss of its major trading partner, the sum of Chinese imports and exports had dwindled to a meager 5% of GDP by 1970.[19]

Industrialization in this period followed military logic. In 1964, a new industrial expansion called the "Third Front," was launched, focusing investment on China's interior. The "Third Front" was a geo-military concept designating the battle front least accessible to potential aggressors (primarily the US at sea and the USSR along the northern border). The goal was "to create an entire industrial base that would provide China with strategic independence" by building factories in "remote and mountainous" inland regions within the provinces of Yunnan, Guizhou, Sichuan (the "First Phase" of

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19   Naughton 2007, p.379

the plan), as well as Hunan, Hubei, Shaanxi, ("Second Phase"), and Qinghai, Gansu and Ningxia ("Northwest" phase).[20]

Ultimately, the scale of the Third Front's investment spike, between 1963 and 1966, would exceed that of the First Five-Year Plan, though falling short of the investment boom seen during 1958. The Third Front peaked as investment reached 30 percent of GDP in 1966, before dropping off during the Cultural Revolution.[21] These numbers are more significant considering that this new industrial expansion had to be undertaken without the Soviet aid and technical support offered in the 1950s, signaling a period in which "self-sufficiency" would become one of the most important watchwords of Chinese socialism.

Over the course of the 1960s and '70s, this logic of self-sufficiency and militarization would saturate even the most basic units of Chinese society. Although the Seventy Articles ostensibly advocated a return to older "Soviet Model" policies, the period actually saw the formalization, in more moderate guise, of the very Party-centric policies of industrial management that had come to the fore at the end of the First Five-Year plan and reached extremes during the GLF. In fact, the Seventy Articles themselves "explicitly endorsed the Eighth Party Congress's doctrine of having 'the factory director under the leadership of the Party committee,'" and while they "did attempt to reestablish and redefine certain duties and powers for enterprise workers' congresses and enterprise unions, […] enterprise Party committees remained firmly in control of both these institutions."[22]

Despite the increase in technicians and administrative staff in this period, power was not devolved back to engineers or managers, and hierarchies based on technical skill never developed as intended. Instead, privileges at the basic level were still distributed according to seniority, employment status and proximity to prioritized industries, while political power and day-to-day managerial functions were increasingly concentrated in the Party branches. The military logic of the time ensured that only those of the proper political persuasion were fit to manage significant industries. This incentivized those within the political power structure to gain technical skills, and those with technical skills to prove their political credentials, creating officials who were both "red" and "expert."

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20   Ibid, pp.73-74.

21   Ibid, pp.57, 63, Figures 3.1 and 3.2

22   Frazier, p.216

First publicized during the Socialist Education Movement (1963-1966) and then expanded in the early 1970s, this policy would see both the direct militarization of production (with the PLA stepping into administrative positions following 1969) and the fusion of technical and political power, as the Party became nearly synonymous with the state. The number of cadres jumped to 11.6 million in 1965, dropped slightly in 1969 at the height of the "short"[23] Cultural Revolution, and then rose precipitously to 17 million in 1973. Though solid numbers are not available for the rest of the 1970s, by 1980 the number had grown to a high of 18 million.[24]

Corruption increased apace, as cadres horded ration coupons, embezzled enterprise funds for "lavish banquets" and ran profitable businesses on the side. Meanwhile, private enterprise was revived even among workers, who often ran small businesses in between official duties.[25] This situation of Party-state fusion, bureaucratic ossification and growing black markets would lead, ultimately, to the formation of the red capitalist class[26] and the collapse of the socialist developmental regime in favor of domestic market reforms and increasing integration with global capitalist production networks.

Rural Retrenchment

The rollback of rural GLF policies came in the early 1960s. It was clear that the problem of scarcity was not solved and that agricultural production had to be a priority: rural industries were shuttered and the remuneration and distribution systems were continually reformed in order to raise production. This meant restructuring control over production decisions and labor management, particularly through devolving the level of accounting from the massive commune to a much smaller scale. While some of the largest communes were shrunk, the most important change took place within the commune itself, which took on a three-tiered structure known as the "three level ownership" system, instituted in 1962.[27]

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23   The Cultural Revolution is periodized in two ways. One focuses on the "Short" Cultural Revolution, covering the period of mass mobilization from 1966-69, while the other focuses on the "Long" Cultural Revolution, considered to stretch the full decade from 1966-76.

24   Wu, p.25, Figure 1

25   Frazier, p.255

26   For an in-depth description of this process, see: Joel Andreas, *Rise of the Red Engineers*, Stanford University Press, 2009.

27   Xin 2011, p. 143, fn 1. Riskin 1987, p. 129.

Villages within the commune were split into production teams (*shengchan dui*) of 10 to 50 households, which were given control over land and production decisions. Team members could choose their own leadership. This became the basic accounting unit in the countryside, the level at which net product was divided by member workpoints to decide remuneration.[28] The commune and the mid-level production brigade (*shengchan dadui*) would take care of various institutional functions like local administration, schooling, hospitals, large-scale infrastructure projects and the like. But control and accounting of production and income distribution would take place at the much smaller production team level. The production team was given the right to refuse labor to the commune and brigade levels.[29] Though often considered a "devolution" of authority, this concept doesn't really get to the root of the changes that were occurring. In reality, commune control over labor and production disintegrated in the GLF, and the collective system in the countryside had to be almost entirely rebuilt from the bottom up. This would become a major goal of the Socialist Education Movement of 1963.[30]

In order to recover from the disaster of the GLF, rural collectives were forced to focus on agriculture and drop most sideline and handicraft activities. A crucial component of the rollback was a directive from 1960 dictating that at least 90% of rural labor had to work in agricultural production.[31] By mid-1960 commune and brigade industrial employment had dropped to 7% of rural labor.[32] But this was seen as still too much by the Party center, "which moved to close down rural industries *en masse* and return their workers to the agricultural front."[33] Rural labor was no longer to be recruited for rural industrial production. This agriculturalization of the countryside wiped out the millennia-old dual nature of the rural economy, and further deepened the rural-urban divide.[34] Most importantly, this makeshift and piecemeal attempt to reconfigure rural production produced an autarkic rural structure, largely self-reliant and self-contained at the local level, though unified at the national level as a single engine of grain output for the state.

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28   Unger 2002, p. 75.

29   Riskin 1987, p. 129.

30   Nolan 1988, p. 50.

31   Riskin 1987, p. 128.

32   Ibid., p. 129.

33   Ibid., p. 129.

34   Eyferth 2009; Naughton 2007, p. 273.

A return to distribution according to work was a key aspect of this rebuilding. Following the GLF, however, the remuneration system underwent continual adjustments until decollectivization in the early 1980s. Despite the fact that the distribution and remuneration systems were blamed in part for the weakening of agricultural productivity during the GLF, it was hard to find a workable solution.[35] Payments remained primarily in kind. In poorer rural areas, "cash virtually disappeared, forcing people to live almost entirely on income in kind derived from collective production."[36] In 1978, average cash payments accounted for less than a third of household remuneration, at about $15 US that year.[37]

The key problem was how to find a way to increase work incentives for agricultural labor, improve economic output and raise quality, on the one hand, while not increasing inequality leading to the breakdown of the collective system, on the other. "It proved impossible to devise payment systems that would produce the same kind of diligent, self-motivated labour for the collective as characterized peasants working for their own family."[38] Before collectivization, of course, household labor had been disciplined within a patriarchal system to raise overall yields even if it meant adding increasingly inefficient labor—the pre-collective system, in other words, was no more natural than the collective system. Collective remuneration systems evolved over time and were often quite complex. In one 1970s brigade, for example, the list of workpoint norms contained over 200 different tasks that called for different accounting. Quality requirements in particular were difficult to set and enforce.[39] Additionally, there was a great deal of regional diversity.[40]

In 1961, the state promoted a system of household contracts, in which each year different communal land plots were contracted to households with specific quotas attached to them. The quota would be turned over to the state for workpoints, which could then be exchanged with the collective for in-kind payments and some cash. Initially households were allowed to keep anything they produced above the quota. This was probably a necessary compromise on the part of the state, which was clearly having a difficult time

35   Xin 2011, pp. 130-131.

36   Selden 1988, p. 161. See also Nolan 1988, p. 57.

37   Naughton 2007, p. 236.

38   Nolan 1988, p. 52.

39   Ibid., p. 52.

40   Jonathan Unger has outlined a general trajectory for their evolution from the early 1960s through to the end of the 1970s using data from Chen Village in Guangdong Province, on which we base this section. Unger 2002, chapter 4; see also Riskin 1987, pp. 129-130.

reconstructing the system of rural extraction. In order to gain greater control over surplus, after the first year the state began requiring above-quota grain to be turned over as well, but for a greater number of workpoints than quota grain.[41]

But the rising inequality engendered by this household contract system led to a decrease in its popularity, and a new task-rate system was tried beginning in 1963. Different tasks were assigned different numbers of workpoints depending on the perceived difficulty of the task. The system was complex to administer and supervise, and still created inequalities—especially between genders. Arguments between workers and recorders were common. Furthermore, the system paid people for the quantity, not the quality of their work, and this led to lower yields, especially compared to the household contracting system.[42]

Around 1966 in one well-studied example (and at different times elsewhere) the new "Dazhai system" was instituted. This was a mutual-appraisal system, in which workers collectively assigned workpoints based on their appraisal of each team member's work and attitude towards work. Initially the system functioned well and production increased accordingly. But the subjective focus on attitudes caused problems between villagers over time, and the system shifted to appraise only the work accomplished. Yet many villagers still saw the system as a subjective value judgment. As acrimony spread, fewer appraisal meetings were held. Finally, leaders gave up on appraisals altogether, simply assigning the same points members had received the previous time, transforming the system in a more fixed regime and again reducing incentives.[43]

As the Dazhai system disintegrated in the early 1970s (when agriculture was in a slump throughout China), many teams reverted to task-rate systems, and eventually task-sharing devolved to smaller and smaller groups. By the late 1970s, production was contracted to small groups of households or even, in the end, to individual households, with payments in workpoints according to quota and above-quota rates.[44] This history provides a sharp contrast to the common argument that there was a sudden shift in the organization of rural production and remuneration in the late 1970s. In fact, the system was unstable and constantly shifting from 1949 up to the early 1980s, when a more stable system was arrived at.

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41   Unger 2002, p. 75.

42   Ibid., p. 76-78.

43   Unger 2002, pp. 79-89; Naughton 2007, p. 236.

44   Unger 2002, pp. 89-90.

Peasants also gained income through private markets, which returned in the early 1960s. Such markets and the private plots supplying them remained small, however, at about 5% to 7% of arable land. Yet peasants would attempt to put more energy into private plots than collective ones, a problem that constantly plagued cadre.[45] This tendency seems to have been exacerbated by peasants' loss of faith in the collective system and rural Party leadership. The continually shifting collective remuneration system, in other words, was a symptom of the breakdown of the rural production and distribution system that always focused on extraction of agricultural surplus and national accumulation instead of local needs. Over the collective period there was only a meager growth in peasant incomes.[46]

Moreover, under the collective system, power took on a cellular structure, increasingly segmented and bordered at each level of the bureaucracy. Rural social and economic life became self-contained.[47] Within this cellular structure, workpoints showed only the in-kind value of work within the accounting unit (the commune or production team depending on the period). Surplus product not sold to the state together with state payments would then be divided by the total workpoints for the year, and individuals would be paid according to their workpoints. But workpoints gave no way of valuing or comparing labor across units, only accounting for differences within them. Here, workpoints do not allow a comparison of the "value" of products of labor, they do not communicate across the social system, and therefore labor as such was never abstracted via market exchange. Workpoints, then, did not express socially necessary labor time as a relationship that could dominate social production. There was no law of value in the Chinese countryside.

Throughout the socialist era, the rural-urban relationship became increasingly sub-divided. Even individual rural units grew disconnected from one another. The web of marketing relationships that had formed the rural-urban continuum before the 1950s was severed by the state's takeover of all marketing. Despite Party rhetoric of abolishing the difference between rural and urban spheres, rural-urban and intra-rural inequalities rose during the collective period, from 1955 onward.[48]

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45   Nolan 1988, pp. 58-9. Riskin 1987, p. 129, for figures.

46   Nolan 1988, p. 65.

47   Vivienne Shue, *The Reach of the State: Sketches of the Chinese Body Politic*. Stanford University Press, 1988, pp. 132-47.

48   Selden 1988, p. 14.

Rural Production and the Collective System

Nonetheless, unlike the more-rigid GLF commune structure, the post-1962 three-tiered commune became a flexible system for organizing rural production and social reproduction and for facilitating the extraction of surplus grain. Agricultural production slowly began to grow again, and some rural industrialization returned as well in the 1970s. The collective system led to a spreading of risk across the collective, reducing the risks to individual farmers inherent in agriculture. Meanwhile, rural living standards increased in terms of health and education.[49] Basic medical care came to the countryside, and even though it was underfunded, it helped cut child death rates dramatically and raised life expectancy.[50] Rural school enrollment doubled from the 1960s into the 1970s.[51] In addition, the rural commune was efficient at accumulating collective welfare funds that ensured a minimum of survival during normal times for disadvantaged families.[52]

Despite often being taken as proof of China's socialist nature, however, rural collectivization should be understood as a state-imposed institution designed to secure the basic rural-urban split that fueled the socialist developmental regime. Its primary role was to facilitate state extraction of absolute surplus, in the form of grain. Rather than a break from the "involutionary" growth of the imperial period, the collective organization of rural labor "was in some respects a mere enlargement of the old family farm."[53] Like the patriarchal family farm, labor could not be laid off from the collective. Likewise, what mattered to those in charge (whether patriarch or planner), "was the absolute level of output, to which state quotas for tax and compulsory purchase were pegged. The higher the output, the larger the state's take."[54]

With an increase in the agricultural workforce and a slight fall in the amount of arable land, farmland per agricultural laborer declined over the course of the socialist era, from 0.58 hectares in 1957 to 0.34 hectares in 1975.[55] In other words, increased yields

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49   Nolan 1988, p. 67.

50   Hershatter 2011, chapter 6; see also Nolan 1988, pp. 67-8.

51   Ibid., p. 68.

52   Naughton 2007, pp. 236-8.

53   Huang 1990, 199.

54   Huang 1990, 200.

55   Nolan 1988, 64.

were derived largely from a massive increase in labor inputs, while the productivity of that labor dropped. Labor participation rates (both rural and urban) grew: more people were working and people were working more.[56] In the 1920s, peasants worked on average 160 days a year, whereas by the late 1970s, the average increased to 200 to 275 days a year.[57]

Much of this mobilization of rural "surplus labor" was used to build low-cost agricultural infrastructure, leading to some real successes, such as an increase in irrigated land from 20 million hectares in 1952 to 27 million in 1957 and 43 million in 1975.[58] Returns on these projects were often low, but that didn't matter to the state, since it was more concerned with raising the absolute quantity of production than labor productivity. The agricultural labor force grew from 193 million in 1957 to 295 million in 1975,[59] but as the population and thus the labor supply grew, the tendency was still to mobilize as much rural surplus as possible, regardless of its productivity.

New cropping patterns also helped lead to intensified land usage.[60] An increase in grain production was brought about at the expense of diversification into other crops. Per capita production of oil seeds, for example, dropped from the 1950s to the 1970s, leading to strict rationing and a "monotonous and austere diet."[61] The state promoted a policy of "taking grain as the key link," meaning that the production of grain was emphasized over other crops. This was enforced by quotas for grain production, such that communes and later production teams had little to no autonomy in terms of diversification of production. The vast majority of land and labor had to be committed to the production of grain, in order to fulfill the quotas. The stress on grain was further strengthened by a policy of increased regional self-sufficiency, even for areas for which grain production was not so suitable, leading to increased regional inequality.[62]

Of course, breaking from involution was not the goal of the CCP's strategy during the socialist period. Instead, the goal was to extract as large an *absolute* surplus as

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56   Selden 1988, p. 161: "between 1957 and 1980 the urban labor force participation rate rose from 30 to 55 percent of the urban population."

57   Naughton 2007, p. 237.

58   Nolan 1988, 56.

59   Nolan 1988, 64.

60   Naughton 2007, p. 254.

61   Ibid., p. 254.

62   Ibid., pp. 239-40.

possible in order to develop the industrial economy. Over time this could have led to reinvestments in agricultural modernization and increased urban employment, producing transformative development. Clearly that was part of the long-term vision, although rural labor productivity probably only began to rise in the mid- to late-1970s. In fact, per capita grain output did not reach the pre-GLF peak again until the late 1970s, increasing sharply into the 1980s.[63]

Some rural industrialization did reemerge during the "New Leap Forward" of 1970, under the name of "commune and brigade enterprises," which were supposed to "serve agriculture."[64] In the 1970s, these industries were supposed to provide producer goods to the agricultural sphere instead of processing agricultural products for the urban market.[65] As capital-intensive industries, these collective enterprises did not employ a large amount of rural labor—90% remained in agriculture[66]—but they would become an important foundation for a broader rural industrialization process in the 1980s and 1990s, which would be integral to the capitalist transition. It did raise the "value" of collective-wide workpoints—in the sense that they were then linked to a larger quantity of product, however.[67]

Integrated by the state only at the top, the national economy was primarily shaped by rural extraction and urban industrial development. Rural residents were largely losers in this relationship. Throughout the collective period, the state focused on restricting consumption and increasing the extraction of absolute surplus, and the accumulation rate soared. Net rural accumulation doubled in the mid-1950s. The total accumulation rate rose from 22.9% in 1955 to 26.1% in 1956, and by 1959 (during the GLF) reaching a peak of around 44%.[68] While the rate dropped to a low of 15% during the following retrenchment, it rose again through the 1960s and 1970s, ranging around 35%.[69]

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63   Ibid., pp. 252-3. See also Nolan 1988, p. 63.

64   Naughton 2007, p. 273.

65   Ibid., p. 273.

66   Ibid., p. 273.

67   Ibid., p. 274.

68   Selden 1988, p. 116; Riskin 1987, pp. 141-2.

69   Naughton 2007, p. 57.

The Role of Ideology

Though the two decades between the end of the GLF and the advent of the reform era are often portrayed as a society-wide struggle between "two lines" held by different factions of the Party,[70] the reality is that these factional struggles were themselves largely epiphenomena of various economic and social crises that arose over the course of the socialist era. The picture of politics and policy in this era as the product of "two line struggle" is largely an illusion reinforced by state propaganda campaigns within China during and after the fact, as well as by the export of these biased sources to various political-academic factions in Western countries over the course of the 1960s and 1970s, when "Maoism" came to designate a distinct political current.

Prototypical of this problem is the example of the *Shanghai Textbook*. Originally published as the *Fundamentals of Political Economy* in Shanghai in 1974, during the peak of state influence during the "long" Cultural Revolution, the book was meant as a summary of Party ideology at the time. Ostensibly describing "socialist political economy" as theorized and practiced in China, the textbook was translated and published, with accompanying essays, by American Maoists under the name *Maoist Economics and the Revolutionary Road to Socialism: The Shanghai Textbook*.[71] The textbook, alongside other collections of state propaganda and reports from foreigners' tours of model factories,[72] has been taken as a common reference point for both supporters and detractors.[73]

The problem, for either political persuasion, is that the data laid out in the *Textbook* is purely mythological. The text's theoretical poverty aside, no system such as that described by the book ever existed. By the same token, the practices observed by touring model factories were often limited to those factories. Though some features were obliquely shared between reality and these Potemkin villages, all the fundamental characteristics were different. The *Textbook* is better understood as a sort of religious

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70   See Sheehan, p.92 for a summary of such a "two-line" theory, also present, with variations, in Meisner, Andors, Naughton, Andreas and Lee.

71   Raymond Lotta, ed., *Maoist Economics and the Revolutionary Road to Socialism: The Shanghai Textbook*. Banner Press, 1994.

72   For the prototypical model factory tour, see: Charles Bettelheim, *Cultural Revolution and Industrial Organization in China*, Monthly Review Press, 1974.

73   For supporters, see Raymond Lotta, "The Theory and Practice of Maoist Planning: In Defense of a Viable and Visionary Socialism," afterword to the original English-Language print edition of the *Shanghai Textbook*; for detractors, see: Chino, "24. The *Shanghai* Textbook and Socialist Transition: 1975", *Bloom and Contend*, 2013.

text rather than a description of the socialist era's economy. Tours of model enterprises became a kind of pilgrimage, reinforcing the holy status of such texts for Western radicals. Scholars basing their studies on policy pronouncements are then engaged in a sort of glyphomancy, pulling apart the minute details of leaders' speeches and rearranging them to fit whatever narrative one wants to tell.

The "two-line struggle," then, was not the determining feature of any phase of the socialist era. Instead, many divergent practices were yoked together by the state, which borrowed and retooled forms of labor deployment, industrial coordination and social control from Russia as well as explicitly capitalist nations, while at the same time reviving and reinventing much older practices that were inherited from the Japanese, Nationalists, Qing and Ming. Meanwhile, new practices were invented, entirely unique to the Chinese socialist experience (though some would later be imitated elsewhere). The result was a geographically uneven system that was pulled in multiple directions at once and which could be forced into any sort of coherence—as a developmental regime—only by the activity of the state, controlled by, and ultimately fused with, the CCP. But this state was not reducible to the leaders at the head of the Party. It was itself only a sort of structured chaos, fundamentally reliant on complex networks of patronage and discipline, as well as faithful support from those who had seen their lives bettered by the revolution and the policies that followed.

Because of this, the Chinese experiment at any given time could accurately be said to be sliding into capitalism, replicating the Russian system, following the Japanese into expansionary, nationalist militarism, reviving ancient forms of government common to the hydraulic regimes of imperial China or inventing some new form of extensive totalitarian system that penetrated into peoples' everyday lives at an unprecedented level. But none of these aspects gives the full picture, and all ultimately disguise the era's long-term tendencies.

As crises in the basic structure of the developmental regime proliferated, the ability to enact policies faltered and the Party-state periodically had to resuscitate itself through mass mobilization. Relatively self-sufficient units of production could only be cohered through the increasingly pervasive presence of the central state, ultimately in the form of the military, as the PLA took direct control of many ministries after crushing nascent opposition movements in 1969. But, as the Party-state grew more pervasive, it also accelerated its own ossification, in the form of increasing corruption, bureaucracy and a swelling of power in its middle tiers at the expense of the center.

The core dynamic of the developmental regime was unstable. Though capable of extracting absolute surplus in the form of grain, the revolution of agricultural production envisioned by early communist leaders never materialized. In the end, the state would become capable of little more than select patronage, the (increasingly limited and decentralized) allocation of abstracted "quantities" of resources, and the doling out of various forms of punishment, quasi-military in character and varying only by degrees. The rest of the daily administration of production and social life was ceded to increasingly autarkic economic units, ostensibly part of the massive, central state apparatus, but in reality allowed significant degrees of autonomy.

This final fact meant that the project was always dependent on the retention of support among significant segments of the population. On one hand, this support was gained by delivering on promises to improve people's basic livelihoods and carefully dividing the new benefits unevenly across the population. Equally important, however, was the creation of a wide-ranging mythological regime that served a similar function as the state—helping to cohere the developmental project through coercive and distributive measures—only here operating across a complex network of social/emotional bonds. This culture or mythos of the socialist era is reflected in everything from basic social interactions at the level of the *danwei* or rural collective, to cultural standards for protests against or in support of the state, such as the use of big character posters, to more top-down mass campaigns, such as the personality cults built first around Liu Shaoqi[74] and then around Mao Zedong.

But this mythological regime was not the sole product of conspiratorial leaders. Though it was heavily shaped by the decisions of the CCP, the Party was itself often simply adapting indigenous traditions to new ends. The most important actor remained contingency and, after that, the people themselves. Regular people placed at various levels in the power structure continued to shape, modify, support and oppose various cultural trends. Even seemingly extreme expressions of the socialist-era mythos, such as the cult of personality, cannot simply be understood as an episode of mass hysteria. The ruling ideology, though ultimately helping to preserve the socialist developmental regime, did so only through its ability to obtain the complicity of large swaths of the population by serving certain spiritual, emotional and social needs, especially when the distributive mechanism of the state was failing to serve material ones.

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74   For an in-depth description of the CCP's use of indigenous folk traditions and the later cultural battles over revolutionary history, including the construction of Liu Shaoqi's cult of personality, see: Elizabeth Perry, *Anyuan: Mining China's Revolutionary Tradition*. University of California Press, 2012.

Like the state, however, this ruling ideology would itself grow more ossified over time, becoming less responsive to regular people's needs and contributions. This also made the culture of the era more limiting, as potentials for the expressions of life under socialism (as well as imaginative frontiers for its future) were themselves foreclosed. As the state became more pervasive and militarized, so too did the ruling mythology. The rise of Mao's cult of personality is the most salient symbol of this. Containing orthodox, heterodox and outright heretical currents, the socialist mythos would become increasingly strained and chaotic, ultimately resulting in explosive challenges to the favored orthodoxy. But these challenges themselves would, in the end, be limited by the very terms of that orthodoxy, just as all heresies are ultimately dependent upon the terms of the religion from which they intend to break.

Though the myths and propaganda of the era cannot be taken as accurate descriptions of life under socialism, they are not at all insignificant. But it is only by reading them as myths that we can perceive their true importance. In times of systemic crisis, it is precisely cultural operators that play an inflated role by determining what seems possible to actors embedded in a particular situation. Though material limits are always final, culture and consciousness condition what limits and potentials are actually perceived. An unperceived limit entails catastrophe. An unperceived potential, tragedy.

Class under Socialism

Rather than a period of mass hysteria or factional struggle, the Cultural Revolution can only be understood as a product of the internal conflicts of the socialist developmental regime. The attempt to articulate these conflicts was itself often a society-rending procedure, as is clear in the period's debates around the definition of "class" under socialism. When called to replay the revolutionary struggles of their parents, the youth who grew up during China's socialist era would produce competing and violently contradictory understandings of the term and where the roots of socialism's internal antagonisms actually lay.

The process would begin among students at the encouragement of the central state. But, as in the Hundred Flowers period, the conflicts that the Cultural Revolution formalized were already present. The GLF and following retrenchment had quieted unrest, but it had also exacerbated the very divides that gave rise to the strike wave of 1957, with far higher shares of the urban population now employed as "worker peasants" or other temporaries. This meant that the "student" movement spread into

the workplace even more quickly this time, as workers launched new strike waves, ousted cadres and factory officials, clashed with opposing rebel factions and, in several cities, seized arms and engaged in direct conflict with the PLA.

Class, however, cannot be understood in any simple terms. The socialist era was a period of piecemeal class formation, capped by the emergence of a unified ruling class as technical and political elites joined forces to suppress the uncontrollable energies unleashed during the Cultural Revolution. This ruling class was also tasked with ensuring that, after the suppression and redirection of popular unrest, the unbinding of the socialist project would not result in the catastrophic collapse and balkanization of the Chinese state and economy—the outcome of many previous dynastic declines. But, given the absence of capitalist accumulation imperatives and the rural-heavy demographics of the country, no truly proletarian class was produced in the socialist era. The formation of a Chinese proletariat would instead be one of the most salient features of the reform years, and the class conflict between this proletariat and the "red" bourgeoisie (with the children of top officials composing 91% of China's millionaires as of 2008[75]) is a defining dynamic of Chinese political crises today.

Class was a deeply chaotic and inherently uneven classification, especially in the early socialist period. In these early years, no consistent class relations yet existed at a society-wide scale. Like the economic structure itself, class underwent a churning process as the previous structures of power and production were dismantled. In the course of the revolutionary war and continuing into the early 1950s, the vast majority of the Chinese population was effectively declassed relative to the previous social order. This is symbolized most strongly by the physical mobility of the population, as millions abandoned their previous social roles to join the revolutionary process. Once the revolution was won, there was no simple return to normalcy. Land was redistributed, breaking the class structure of the countryside. Factories were ultimately nationalized, with managerial functions handed over to a sequence of different institutions. Even where pre-revolutionary technicians retained their positions, the context in which they exercised power had undergone a fundamental change.

This declassing was an intentional result of the revolutionary project, which sought to prevent the rehabilitation of uprooted class structures from the early 20th century. Over the first decade of the socialist period, the revival of old power structures was a concrete possibility, as many had undergone an incomplete transformation, and many beneficiaries of the old system had since found their way into advantageous positions

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75   See: Boston Consulting Group, *Wealth Markets in China*. 2008 Report.

within the new one. The old regime and its elites were considered a major hindrance to the developmental project, bearing both archaic (and unproductive) traditions as well as active animosity to the redistributive endeavors that were the founding act of development. This situation led to the construction of a national class-designation system, used for the purposes of both monitoring those who previously held power and for redistributing resources to those who had lain at the bottom of the old system. Class designations were most detailed for the countryside, where the CCP had years of experience studying the previous power structure and detailing how its privileges were allotted and who exploited whom. Urban designations were slightly more curtailed. At the advent of the class-designation system, the CCP had only recently begun operating again in the cities and the cities themselves were marked by economic and demographic chaos, with significant portions of workers unemployed, homeless, and often in the midst of migration. Urban designations, then, were defined by a relatively simple classification, dividing out handicraftsmen from enterprise workers, for example, but not consistently designating size of enterprise. Other catch-all designations, such as "Idler," were invented to absorb the multitudes not easily accounted for.

Despite its clear inadequacies, this system cannot be portrayed as a totalitarian measure forced upon an unwilling population: "Although the system was imposed through the agency of state power, it enjoyed considerable support during the early years of the PRC among […] significant segments of the populace."[76] At the time, the system was intended to be temporary, and it distinguished "class origin" (*jiating chushen*), or pre-revolutionary family class status, from one's current "class status" (*geren chengfen*). Official policies in this early period acknowledged that even landlords "could change their class labels in five years if they took part in physical labor and obeyed the law, and rich peasants could be reclassified after three years."[77]

But the system would have a staying power that far outlived its popular mandate. In fact, as part of the *dang'an* (one's political "portfolio"), it would become one of the primary administrative measures used for social control as crises grew increasingly widespread. The consolidation of the class-designation system as a permanent feature of the developmental regime occurred "at the same time as the construction of China's ubiquitous *hukou* […] system," and class-designation, like *hukou*, would soon become an inheritable trait as "class origin" was emphasized over "class status," ultimately conflating the two.[78]

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76   Wu, p.41

77   Ibid, p.42

78   Ibid, p.43

Old class categories also quickly evolved new meanings as they came to designate relative positions within the privilege hierarchy. Those at the bottom of the old system found themselves in beneficial positions within the new one. Similarly, entirely new class designations were formed for noneconomic categories. These included both desirable categories, such as "revolutionary soldier," "revolutionary cadre" or "dependent of revolutionary martyr," as well as undesirable political designations. At first, the latter were used to designate active participants in previous repressive regimes, whether GMD, Japanese or warlord, including "military officer for illegitimate authority" and "KMT [GMD] Special Agent." But as the class designation system was mobilized to repress domestic unrest, these were expanded to include "rightists," "bad elements" and "capitalist roaders."[79]

The class structure of the socialist era only began to truly take shape after the declassing effects of the revolution had settled. Over the course of the 1950s, the developmental regime produced a more or less consistent series of divisions in one's degree of access to the absolute surplus produced in the socialist period. Access to this surplus was the core relationship that determined the classes and their relationship to one another.

The class system that finally took shape was marked by a double divide. First, there was the divide between elites and non-elites. These elites, however, were by no means unified. There was an internal conflict within the elite class between the political elites, staffing the Party and the military, and the technical elites such as engineers, scientists, administrators and intellectuals. Throughout much of this period there was also a significant, though shrinking, portion of privileged workers in heavy industries with seniority and good class background who made up the bottom portion of this elite class—making wages equivalent to or higher than low-level cadres, technicians and intellectuals—only to be thrust out of it over the course of the reform era.

Secondly, there was the divide between grain producers and grain consumers. This was the urban-rural divide, designating the class (peasants) from whom absolute surplus was extracted in its primary form (as grain), and the urban working class to whom this surplus was funneled in order to be transmuted into producers' goods. Throughout the socialist era, the vast majority of China's population belonged to the class of grain producers. Despite various re-organizations and catastrophes, this class would remain relatively homogenous, with differentials in livelihood largely determined by

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79   For a more complete list see: Richard Kraus, *Class Conflict in Chinese Socialism*. New York, Columbia University Press, 1981, pp. 185-187.

contingent factors like climate and geography. There was very little mobility from grain-producer to grain-consumer and, after the GLF, rural-urban mobility would be reversed through mass rustication. Urbanization was completely halted by 1960, with population growth in the cities stalled at a roughly 1.4 percent yearly increase for the next two decades, the majority of which was the result of natural population growth as birth rates stabilized after the famine.[80]

Meanwhile, the class of grain consumers would become increasingly stratified as the developmental regime became more unstable and inequalities between elites and non-elites skyrocketed. A growing segment of people settled at the bottom of the class of grain consumers, constituting a proto-proletariat made up of temporaries, apprentices, "worker-peasants" and returned rusticates. This segment was defined by its increasing precarity relative to the privilege of grain consumption. Beginning as a relatively small number of migrants, "lane labor" and apprentices, continuing crises put more and more of the grain-consuming class into such a position. This meant that, over the course of the socialist era, larger segments of the population were thrown into this gray zone between the production and consumption of the grain surplus.

This class was not a true proletariat in the Marxist sense, since its labor was not integrated into global capitalist circuits, and no process of capitalist value accumulation existed domestically. Their subsistence was tied more strongly to the wage than other workers, but was still ultimately autonomous from it, since they were provided for to some degree by rural collectives or smaller urban *danwei*. More importantly: though they were contract workers, labor markets did not exist in the socialist period. Their labor was instead allocated to enterprises by provincial (and sometimes enterprise or central-state) planning authorities in the same way as machinery or resources for the construction of new facilities. Like these producers' goods or resource inputs, even this contract labor was allocated in "quantities," with the wage bill converted into monetary units after the fact.

At the same time, this class can be said to have constituted a proto-proletariat. It represented the breakdown of the grain-producer/consumer divide in a way that tended toward the production of urban agglomerations of workers severed from any means of subsistence other than the wage. This class also contained within its basic structure (as migrant contract labor) a tendency toward the production of labor markets, the reliance on wages and the creation of institutions of private ownership of means of production—which could now begin to be distinguished from labor-power

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80   Chan 2010, p.

since enterprises began to sever the link between non-market reproductive allocations and employment. It was this proto-proletariat that would later act as the core of the new working class over the course of the reform era, and many features of the socialist proto-proletariat were carried over into post-socialist Chinese class relations.

4

Ruination

Class Critique in the Cultural Revolution

But this doubly-divided class structure was not immediately apparent to those placed within it. Instead, the official class designations of the pre-revolutionary era were the primary means by which "class" was conceived in both the Hundred Flowers movement[1] and in the early portion of the Cultural Revolution. This is not surprising, given the category's persistent relevance for one's placement within the privilege hierarchy. But as the Cultural Revolution continued, this definition of class would be challenged, modified and overturned by new, competing understandings of the roots of the developmental regime's crisis. Ultimately, China would see the gestation of a dispersed and inchoate "ultra-left" faction (*jizuopai*), which would begin to articulate class in terms of the power structures actually in place under socialism. Though it developed rapidly, this faction was targeted by the state and dismantled through military suppression, mass imprisonment and rustication before it could cohere.

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1   There were some notable exceptions here, apparent in the articles and speeches of individuals such as Liu Binyan, Zhou Dajue and Lin Xiling during the Hundred Flowers period.

Early on, the predominant understanding of "class" was deeply conservative. The first to respond to the Party's call to "rebel" were the relatively well-off children of the political elites, concentrated in the country's top universities. These students did not intuitively sense the true structure of the class system atop which they sat, and they had very little contact with the country's peasant majority. "Class" was therefore understood in a fashion consistent with official administrative categories. They came from "good" class backgrounds, as the children of cadre, revolutionary soldiers or martyrs, while their surroundings were littered with people of "bad" class background: those who had been petty shopkeepers, workshop owners or capitalists prior to 1949, as well as those who had been designated "rightists," "bad elements" or "counterrevolutionaries" during various rectification campaigns. Just like the privileged students of "red" lineage partook in their parents' glory, so too did the children of these "black" (i.e. bad class background) families partake in their parents' shame. Here "the prevailing interpretation of the issue of class" came in the form of the "bloodline theory" (*xuetong lun*), in which class was understood to designate a caste-like lineage inherited from the revolutionary period.[2]

These first months of the Cultural Revolution, from summer into the fall of 1966, were largely confined to Beijing, a city in which the bloodline theory was easily matched with an urban geography conducive to its growth. The city was largely an administrative center, with a heavy concentration of Party officials and top universities. Even prior to the revolution, it had not been an industrial center, populated instead by "[a]n amorphous aggregation of petty traders, artisans, hired laborers, monks and nuns, fortune-tellers, traditional performers, and government clerks, as well as members of liberal professions, such as teachers and doctors."[3] After the revolution, then, the city found itself split between state officials and various denizens of "nonred" class backgrounds, with a very small population of workers compared to other Chinese cities, and an even smaller cohort of students from peasant families. This created a situation in which Beijing's students were "divided between a minority from cadre and military families and a majority from various nonred categories of urbanites, as well as those from black households."[4] In this atmosphere, the earliest "Red Guard" group, formed at Tsinghua University's attached Middle School (grades 7-12), primarily defended the Party's own class-line policy, criticizing and attacking students and teachers of nonred background.

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2   Wu, p.54

3   Ibid, p.58

4   Ibid

Membership in these red guard groups was tightly restricted, and Beijing's demography ensured that "only around 15 to 20 percent of the middle-school students were eligible."[5] These conservative factions were also notoriously brutal, conducting home raids, setting up makeshift jails in which they beat and interrogated those of "black" class background and requiring students of politically "impure" lineage to "enter the classroom only through the back entrance." There were even demands made in big character posters calling for hospitals to stop blood transfusions from those of red lineage to those of nonred families, and to entirely ban donations from individuals of bad lineage.[6]

Across the city, those of bad class background were refused service at restaurants, on busses and at hospitals. Warnings were given declaring Beijing, as the revolutionary capital, off-limits to those from black families, and the conservative red guard factions facilitated mass deportations: "between late August and mid-September 1977, as many as 77,000 were banished from Beijing to the remote countryside." Nearly half (30,000) of those banished were simply the dependents of those who held a bad class status prior to the revolution. Meanwhile, "scattered killings of black categories occurred daily."[7] The conservative tilt of the Cultural Revolution's early months, however, would soon see a backlash, as students of nonred backgrounds organized for their own defense. Bolstered by the call to attack the "bourgeois reactionary line" within the Party itself, those left out of the privileged circles of the early red guards were now emboldened to attack Party cadre directly and to oppose the conservative students who defended them. These attacks quickly scaled up and "with the abrupt downfall of many high-level cadres as capitalist roaders, those born-reds who had once enjoyed power and privilege found themselves plunging to the status of bastards overnight."[8]

But this still did not provide a climate in which truly alternative views of class could take hold. Now, instead of bloodline, the focus was on "capitalist roaders within the Party," who were, nonetheless, portrayed as conspiratorial capitalists, "KMT agents," or counter-revolutionaries. These outlandish categories were even applied to top officials such as Liu Shaoqi and, eventually, Lin Biao. Class, then, was still tied strongly to pre-revolutionary class status, only now converted into a conspiracy-theory whereby past power-holders had secretly infiltrated the Party all the way to the top and had only to be rooted out by the masses. After the "capitalist roaders" were

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5   Ibid, p.63

6   Ibid.

7   Ibid, pp.66-67

8   Ibid, p.74

ousted, the Party itself would regain its purity. Later, this position would be slightly modified by Mao's faction within the Party, which would oscillate between upholding the conspiracy-theory version of class and a conception that acknowledged that the socialist developmental drive itself was capable of producing new capitalist roaders who were not agents of the old bourgeoisie. Nonetheless, the solution in either case remained the same: sift the good from the bad in order to revive the popular mandate of the Party.

It was not until late 1966 and early 1967 that more radical views of class began to be formulated, as the Cultural Revolution spread from Beijing to other Chinese cities where factional battles between students would be replaced with more widespread social mobilization across both privileged and deprived segments of the urban populace. The first peak of this general mobilization came in Shanghai in the winter of 1966-1967. This process of radicalization would later be referred to as the "January Storm," capped by the formation of the "Shanghai Commune" in early February.[9] But, despite the radical name, the Shanghai Commune was actually the first in a series of defeats that would ultimately lead to the foreclosure of the potentials unleashed in the early years of the Cultural Revolution.

Of all Chinese cities, Shanghai had been a hotbed of unrest during much of socialist history. Utterly unlike Beijing, it was populated by an enormous working class, many of whom had experienced the strike wave a decade earlier. But unlike the late 1950s, when senior workers had spearheaded the suppression of strikes by a minority of temporaries and youth, Shanghai now found a much larger portion of its workforce in even more precarious positions. It is estimated that, by the mid-1960s, temporaries and "worker-peasants" comprised as much as 30 to 40% of Shanghai's nonagricultural workforce.[10] A large portion of these temporaries were women, as the system "channeled women into low-paying and less secure jobs in small-size neighborhood workshops, retail shops, and temporary labor teams," with some 100,000 women employed in such occupations by 1964.[11]

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9   For examples of this common characterization of the January Storm and events in Shanghai, see:
Meisner 1999; Jiang 2010; and Badiou 2014

10   Christopher Howe, "Labour Organization and Incentives in Industry, before and after the Cultural Revolution," *Authority, Participation and Cultural Change,* Stuart Schram, ed. Cambridge University Press, 1974, pp.233-256

11   Wu, p.103

Meanwhile, wages had continued to stagnate and non-wage benefits were constrained as investment shifted away from the "first front" of the coastal cities and into the "third front" of the Western provinces. More importantly, the post-GLF retrenchment policies had seen millions deported to the countryside in rustication programs. In Shanghai alone, the "industrial workforce was downsized (*jingjian*) by about 15 to 20 percent— over 300,000 workers—between 1961 and 1963. About 200,000 of these workers were relocated to rural areas […] and thereby lost their precious urban residential status."[12] Despite their support for the state in 1957, many of those caught in this mass layoff were veteran workers, since their upkeep was more expensive. When investment expanded again in the mid-1960s, a pool of rusticates was also "resettled in the rural suburbs to be rehired as temporary laborers," retaining their rural *hukou.*[13]

This effectively re-created the explosive urban situation that had existed in 1957, but at a much greater scale. Not only did temporary workers begin to slow down production in late 1966, but, when layoffs ensued, they now began to form their own independent organizations. By November of 1966, the first major organization of temporary workers had been formed, called the "Rebel Headquarters of Red Workers." Unlike the Beijing student groups, this was not a small faction organized around one or two institutions, but a massive umbrella network that "soon became one of the largest rebel groups in the city, boasting over 400,000 members." Nor was the trend limited to Shanghai. In the same month, temporaries from all over the country formed the "All-China Red Laborer Rebels' Headquarters," and "the group rapidly expanded, establishing branches in more than a dozen provinces" and staging sit-ins at ACFTU and Ministry of Labor headquarters.[14]

Combined with the agitation of the temporaries, the rusticates—particularly rusticated youth—began to return to the cities from which they had been deported, demanding reinstatement of their jobs and urban *hukou* status. The rusticates also formed their own independent groups, the largest of which was the Rebel Headquarters of Shanghai Workers Supporting Agriculture, with "some 100,000 members and sympathizers." The total number of rebel groups in Shanghai skyrocketed to over 5,300.[15]

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12   Ibid, p.104

13   Ibid, also see: Elizabeth Perry and Li Xun, *Proletarian Power: Shanghai in the Cultural Revolution*, Westview Press, 1997.

14   Wu, p.108

15   Ibid, p.110

Municipal authorities soon caved to workers' demands. The result was that "factories revisited, albeit with far more violence, the pattern found in the GLF, when Party committees flung open the factory doors to outsiders and provided full-time status to scores of new workers." Meanwhile, planning structures were again simplified and further decentralized, with "functional departments being replaced by 'groups' (*zu*) with broad powers over labor, finance, planning and other issues." Centrally-administered enterprises decreased "from roughly 10,500 in 1965 to only 142."[16] This gave enterprises and municipal authorities the power to grant wide-ranging back wage and bonus payments, as well as to transfer temporaries to permanent status.[17]

Factional fighting between workers also increased. The most visible of these conflicts was that between the "Scarlet Guards," made up of "skilled workers, Party activists and low-level cadres and [which] had once enjoyed the support of the municipal leadership," and the Worker's General Headquarters (WGHQ), an umbrella organization of several of the other major workers' organizations. The Scarlet Guards were defeated by the WGHQ, and "the railway linking Shanghai with Beijing was severed." Meanwhile "production declined precipitously, and the city's economy was practically paralyzed because numerous workers walked away from their posts […]"[18] In the city, supply shortages would see shops looted and a run on the banks, as people feared for the safety of their savings.

As this economic and political paralysis spread, a window was opened in which workers were able to take direct, if initially chaotic, control over production and day-to-day life. This process was facilitated by the structures established in their new organizations, which at this point were still independent of the Party. But in Shanghai this phenomenon would be short-lived. The proclamation of the Shanghai Commune represented the Party's ability to divide and conquer these new workers' groups. "Power seizure" took on the contradictory character of central state efforts to restore order when local authorities had collapsed and workers' demands became excessive and "economistic." State agents intervened in the name of the very workers who had disrupted order in the first place, portraying such intervention as if it were a product of the workers' own activity.

The first stage of this restoration, in late January, would see the PLA called in "to take control of communication and transportation facilities, supervise political stabilization

16   Frazier, p.230

17   Wu, p.110

18   Ibid, p.111

and economic production, and conduct ideological education."[19] In effect, the military was seizing key infrastructure nodes to prevent them from falling into rebel hands, all framed in the language of "supporting the left." Meanwhile, this placed the military in alert positions within the urban fabric, readying them to suppress any more dangerous opposition that might arise despite the Party's call for order.

It was at this point that the Party endorsed the formation of the "Shanghai People's Commune," ostensibly a democratic federation of workers' groups that would take on the general administration of the city. In the creation of this new apparatus, the Party explicitly invoked the language of the Paris Commune even while ensuring that actual control was transferred to the occupying PLA. At the time of its inauguration, "reportedly half the city's rebels stood defiantly outside" the "Shanghai Commune," which had been yoked together under the leadership of Party representatives and which had "only a selective federation of Shanghai's mass groups incorporated as its backbone." Among its first declarations was an ordinance that mobilized the military and police to seek out those who would "undermine the Great Cultural Revolution, the Shanghai People's Commune, and the socialist economy" and to "resolutely suppress" them.[20]

Soon even this "Commune" was seen as excessive, and Mao recommended it be replaced by something along the lines of the "triple alliances" (*sanjiehe*) initiated in Northern China. This became the basis of new "three-in-one revolutionary committees," run by military officers, Party cadres and representatives from pre-selected rebel organizations. These committees, "increasingly dominated by the military, [were] to become the main model for constituting the new organ of power and rebuilding the political order." Those regions not yet deemed suitable for such alliances were instead placed under *de facto* military government. By March of 1967, "nearly 7,000 agencies nationwide were under military control," including "ten of the twenty-nine provinces." This began the outright "militarization of Chinese politics," which would be a persistent feature of industrial organization throughout the rest of the socialist era.[21]

It would be wrong, however, to understand this military intervention as the widespread and violent suppression of a politicized population demanding more participatory forms of government. In fact, the vast majority of the rebels held unclear or contradictory

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19   Ibid, p.125

20   Ibid, p.129

21   Ibid, p.128

political positions, if any. They were "just *rebels*, not *revolutionaries*."[22] There was little to idealize in most of these groups:

> They hardly ever thought about structural ways to overcome social maladies that had existed in the pre-CR China; they never questioned whether an old power structure with new power holders would be able to make any fundamental changes; and, they had no idea about what they would do with their power. Instead, they were interested in power for the sake of power.[23]

The socialist developmental regime, put under severe strain, began to lose control. Rather than an ossifying bureaucracy, the revival of imperial forms of rule, or the transition to capitalism, the risk now was complete political fragmentation—a recurrent tendency in the history of mainland East Asia. The Party responded to this threat by deploying the military at a scale not seen since the end of the revolution, effectively forcing the developmental regime back into order. Rusticates were returned to the countryside, "organizations of temporary workers were outlawed and their leaders were arrested," and, most importantly, independent organizations were largely prevented from spreading into rural areas.[24]

The New Trends of Thought

Despite the simple power-politics undergirding much of the rebels' activity, there also arose so-called "new trends of thought" (*xinshichao*), some of which were more coherently communist in nature. These new trends began to reconceive the concept of class under socialism and make tentative proposals for the restructuring of society. When suppressed, many of these trends took up the derogatory label "ultra-left" (*jizuopai*) leveled at them by their opponents. Signs of this trend were visible as early as the winter of 1966-67 in Beijing, as Yu Luoke, a temporary worker of bad class background, helped found a newspaper publishing articles in which he opposed the bloodline theory and the excesses of the conservative red guard groups. Yu was ultimately imprisoned and executed, but his sympathizers would soon form the "April 3 Faction (*si san pai*),"

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22   Shaoguang Wang, "'New Trends of Thought' on the Cultural Revolution," *Journal of Contemporary China*, 8:1, July 1999, p.2 <http://www.cuhk.edu.hk/gpa/wang_files/Newtrend.pdf>

23   Ibid.

24   Wu, p.132

which published the article "On the New Trends of Thought," identifying the nascent tendency.[25]

The April 3 Faction was publishing at a time when the country was pockmarked by armed conflict between rebel factions. In July 1967, the Wuhan Incident would see local PLA division commander Chen Zaidao back a conservative rebel faction in its attack against an opposing faction staffed by students and unskilled workers. Chen's troops laid siege to the city of Wuhan, refusing orders and ultimately taking high-ranking officials hostage. A thousand people were killed in the chaos before Beijing sent in several other military divisions to suppress the mutiny. Nationally, the result was that many rebels were convinced of the need to "attack the handful of capitalist roaders within the army," and, between late July and early August, "mass organizations raided army depots and barracks, and even attacked trains carrying war *materiel* to Vietnam."[26]

But other rebels used this as an opportunity to step back and analyze the situation. Armed conflicts began to subside as the military secured its hold and new organs of power were established. In many cities, "rebel leaders were avariciously scrambling for seats in the forthcoming revolutionary committees," often selling out their own constituencies in order to do so.[27] This phenomenon convinced many within the nascent ultra-left that the committees were a sham disguising the exercise of power by a new bureaucratic class that had been generated by the socialist system itself, as cadres and technicians took *de facto* ownership over the collective property of "the people." This new conception of class led groups such as the April 3 Faction to argue that "the goal of the Cultural Revolution was therefore to redistribute property and power and to destroy the foundation of the new privileged class."[28]

In this lull, various cities saw the formation of "new trends of thought" study groups and journals. Though the distribution of their materials was relatively limited and many such groups were quickly suppressed, the very condemnation of these groups often had the unintended effect of giving them national attention and spreading their literature farther afield. New Trend groups could soon be found in Wuhan, Changsha, Guangzhou, Beijing and elsewhere. The core themes for all such groups were the notion that a new privileged class had emerged in the form of state bureaucrats, that this ruling class exploited the people of China, especially the peasants, and that only a revolutionary

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25   Ibid, p.93

26   Wang, p.8

27   Ibid, p.9

28   Wu, p.93

civil war that overturned this new class could result in a communist society. Beyond this, however, the groups differed widely in the details.

Most remained small, and they held divergent ideas, if any, about the revolution's immediate path forward. Many advocated the formation of a new, truly communist Party—but where and how this might be done was left unclear. Similarly, the "new trends of thought" held a variety of positions (and often changed them) on what their relationship should be toward new organs of power such as the Revolutionary Committees. Most of the groups advocated the "people's commune" as an alternative political model, but, again, the concrete structure of such communes was proposed only in vague terms that differed from group to group: "The Paris Commune became their model simply because it was the only model they knew that was close to their ideal."[29] This meant that, despite the concrete historical reference, "they never asked themselves how the Paris Commune had actually functioned and […] no one ever bothered to elaborate exactly what the future People's Commune of China would look like."[30]

Many scholars portray the New Trends as little more than small intellectual groups with "little experience in life," propounding an "egalitarian utopianism" that was severed from any true organizational practice.[31] But this tends to emphasize the importance of individual theorists over the dynamic that produced them. Yang Xiguang, author of "Whither China" and one of the best-known thinkers of this camp, proposed instead that the function of the new "network of study societies" would both be to "constitute the organizational form of grassroots social and political rebuilding" and to facilitate the "self-education of the youth, *who had to discover the rational basis for their hitherto largely instinctive revolt*. Accordingly, their organizations had to become the center of systematic investigation and study."[32] This hints at an awareness that history is primary to theory, with Yang and those like him but the self-aware outgrowth of the mass struggles surrounding them.

The risk for the Party was that this self-awareness might spread to the rest of the proto-proletarian segments of which Yang and others like him were a part. In a parts of China, the nascent ultra-left appeared to gain a more widespread purchase among organizations of temporary workers and rusticates as the latter ran up against the material limits

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29   Wang, p.19

30   Ibid.p20

31   Ibid, p.19

32   Wu, p.175, emphasis ours.

identified in the ultra-left's writings. These organizations found themselves excluded, due to their "economism," from the new Revolutionary Committees, and then outlawed and attacked by the PLA.

The trend was strongest in Changsha, where a small ultra-left group existed under the auspices of the Shengwulian (an acronym for the Hunan Provincial Proletarian Great Alliance Committee), a loosely structured coalition of rebel organizations including several large groups with broad support in small factories and cooperatives.[33] Among its most active members were tens of thousands of rusticated youth, as well as disaffected PLA veterans, formerly of the "Red Flag Army," which held "ninety columns of reportedly 470,000." In addition, other members of the "Xiang River Storm" coalition joined the Shengwulian, including alliances of apprentices, temporaries, workers in the light industrial and transportation sector, and groups of students and teachers.[34]

The rusticates, as the most mobile segment of the rebel forces, also held the greatest potential to spread information and link up multiple local struggles. Rusticates' familiarity with both city and countryside also created the possibility that this new wave of more militant opposition might spread to the peasant majority. Rusticates affiliated with "ultra-left" groups were documented travelling between Guangzhou, Changsha and Wuhan, participating in various activities in each city and sharing experiences. In late 1967, "delegates from a dozen provinces gathered in Changsha to discuss matters of pressing concern."[35] In Wuhan, Lu Lian of a New Trends group called the "Plough Society," theorized that "a new upsurge of the peasant movement" would come in the winter of 1967-68, and the Plough Society attempted to link up with peasant groups in the surrounding countryside.[36] Similarly, the Shengwulian attempted to send investigation teams out into rural areas in the style of the early CCP.

Suppression, Concessions and Terror

In the end these more active ultra-left currents were crushed along with the others. Among the main reasons for their failure to spread were military suppression and conservative terror. Over the course of 1967 and 1968, one the most extensive campaigns of violent repression carried out since the end of the revolutionary war

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33   Wu, p.159

34   Ibid, pp.156-170

35   Ibid, p.168

36   Wang, pp.12-13

tore across the country as the PLA stifled factional strife and established Revolutionary Committees in each of China's provinces. This was followed, between 1968 and 1972, by several more campaigns, this time carried out by the Committees themselves, representing conservative rebel groups and privileged sections of the population, with the aim to purge "the class enemies who purportedly had instigated factional strife."[37]

Despite the common portrayal of the Cultural Revolution as "ten years of chaos" in which factions of every persuasion clashed violently on the streets, bringing the country to the brink of civil war, there is now good evidence that the vast majority of violence in the era was performed by conservative rebel groups and by the Revolutionary Committees (dominated by the PLA). The timing of the spikes in violence in each province followed the establishment of these Committees, beginning in the cities and ultimately spreading into the countryside in a wide-ranging campaign of state terror:

> Only 20 to 25 per cent of those who were killed or permanently injured or who suffered from political persecution [during the Cultural Revolution] met with such misfortune before the establishment of their county revolutionary committee. This means that the vast majority of casualties were not the result of rampaging Red Guards or even of armed combat between mass organizations competing for power. Instead, they appear to have been the result of organized action by new organs of political and military power. As they consolidated and exercised their power, often in very remote regions, they carried out massacres of innocent civilians, crushed organized opposition, and conducted mass campaigns to ferret out traitors that routinely relied on interrogation through torture and summary execution.[38]

Of those "20 to 25 per cent" who were killed or attacked prior to the establishment of revolutionary committees, there were doubtless victims of factional fighting and other conflicts, but many were also those of "black" family backgrounds targeted by conservative rebels in the early months of the Cultural Revolution.[39]

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37   Wu, pp.199-200

38   Andrew Walder and Yang Su, "The Cultural Revolution in the Countryside: Scope, Timing and Human Impact," *China Quarterly*, no.173, 2003, p.98 For more on the same topic, also see: Yang Su, *Collective Killings in Rural China During the Cultural Revolution*, Cambridge University Press, 2011.

39   According to Wu, such a trend existed in Beijing in the late summer of 1966, where a large spate of sporadic murders was paired with (albeit exceptional) wholesale massacres of those who had been designated "social aliens." Such massacres occurred in Daxing and Changping villages, where hundreds were exterminated by conservative militias operating according to the logic of the

There was a rough continuity between the latter and the more wide-ranging, state-led terror that would follow, since many of the outlawed rebel groups were precisely the "economistic" organizations of proto-proletarian temporaries, rusticates, apprentices and worker-peasants. Among these, it was "new trends" groups who were recognized as the greatest threat, despite their smaller size. Significant state resources were poured first into propaganda decrying their positions as "anarchism" and "economism," and then into the systematic rounding up of all those even distantly affiliated with such groups for interrogation, imprisonment or execution.

This correlation between spikes of repressive violence and the founding of new organs of state power (staffed by cadres, military officials and representatives of the more privileged urban workers) signals that much of the violence that was unleashed during the Cultural Revolution might better be understood as a sort of white terror disguised in red garb, geared toward the suppression of any communist potential latent in the activity of the largely proto-proletarian rebels. The spread of this violence from city to countryside[40] (despite there being such a small density of rural rebel groups), hints that this white terror was also a response to the risk that the conflagration might spread from the urban proto-proletariat (especially rusticates) to the country's peasant majority.

Nonetheless, the failure of the "new trends" in the Cultural Revolution cannot be attributed to the terror alone. Structural factors tilted the odds against them, especially the enterprise- and collective-unit atomization of Chinese society, including restraints on mobility. Only rusticates and worker-peasants truly moved back and forth between the rural and urban zones, and even they often stayed well within range of the city. Most of the country's workers and peasants rarely left their county or city, and even urban workers had most of their basic needs fulfilled within the enterprise itself. Autarky ensured that ties between regions, enterprises and privilege strata were weak. When inter-regional ties began to form as rebel groups sought to "link up," they were often starting from scratch.

Maybe more importantly, the privilege structure of the socialist state was not in a terminal crisis. Many of the privileges associated with working in a state-owned heavy industry would be retained in some form for another thirty years, with mass layoffs in the country's state-owned enterprises not beginning until the 1990s. Though the number of proto-proletarian workers increased in the 1960s, it was not increasing

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bloodline theory.

40   Again, see Walder and Su.

evenly across the country, nor had it grown to incorporate anything close to the majority of the population. Though the number fluctuated, in 1981, after the reform era had begun and more than a decade since the "short" Cultural Revolution, some 42% of all industrial workers were still employed in state-owned enterprises, producing 75% of the country's gross value of industrial output.[41] At the time of the Cultural Revolution, the proto-proletariat was largest in the coastal port cities of the south, with their base of light industry, as well as in certain interior river-port cities such as Wuhan and Changsha. It was smallest in the northeast, in cities such as Harbin and Shenyang, where heavy industries were still dominant.

Those in this proto-proletariat were mostly women, young workers and off-season peasants. This meant that the region's long tradition of patriarchy, the socialist seniority wage structure, and the grain divide had already ensured that any battle against marginalization would be fought on uneven ground, with the proto-proletariat forced to combat not only the Party and the military, but also a large segment of the generation that had fought and won the war for liberation. In other words: the basic problem faced by the rebels was that the Party was able to retain a significant enough legitimacy among the general populace that challenges to it were also challenges to a large section of the working class, who enjoyed a combination of concrete and ideological benefits under the existing regime. The Party-state was not an alien force weighting down on an unwilling population. It was an extensive, clientelist structure based on "vertical networks of loyalty" which were "marked publicly on a regular basis" and reproduced by active cooperation on the part of many workers.[42] Given the ideological authority and real power wielded by older (especially male) workers, the marginalized would find it difficult to fully legitimize what were effectively preparations for a new civil war to be fought against the victors of the last.

The "long" Cultural Revolution would see the violent securing of new organs of power combined with widespread concessions to this loyal segment of the population. Another burst of industrialization came in the new "leap forward" of 1970. Newly militarized industries underwent expansion, planning was again decentralized, and more investment was funneled into the countryside, resulting in a complete recovery of production from the lows of the "short" Cultural Revolution. The next years would see a moderation of these policies, but there was always an emphasis on retaining the support of loyal segments of the population, despite austerity. One of the most important concessions was the massive extension of basic education, especially to rural children: "the rapid

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41   Walder 1986, p.40

42   Ibid, p.12

expansion of basic education during the Cultural Revolution decade allowed—for the first time—the great majority of Chinese children to complete primary school and attend middle school."[43] Similar concessions were made in healthcare and in Party, military and factory recruitment practices.

At the same time, the country's high-end universities were effectively shut down and the privileged children of both "red" and "expert" elites were sent to farms and factories to participate in manual labor. Though these reforms were firmly planted in the conservative framework of attacking individual "capitalist roaders within the Party," they were, nonetheless, highly visible attempts at reform that brought non-negligible benefits to many people—especially the peasant majority, who could now hope for at least some chance at upward mobility for their children via education.[44]

In the factories, attempts were made to curtail the corruption of local officials and renewed emphasis was placed on participatory decision-making. This limited the authority of engineers and cadre, but ultimately resulted in the re-concentration of power in the hands of supervisors, work-team leaders and "activists," all of whom controlled key links to official patronage via the factory's Party committee. Similarly, the limits placed on material incentives and technical or managerial pay-grades did not result in a flattened wage hierarchy so much as a return to the seniority system that resulted from the wage reform over a decade earlier—benefiting senior workers at the expense of technicians, cadre, temporaries and apprentices.

Such concrete gains were paired with widely-publicized promotions and demotions that helped to mythologize the era's progressive character. The benefits of the Party elite were curtailed and the Party itself was restructured, as a handful of peasants and women were rapidly promoted to relatively high positions. Among the most notable of these was Chen Yonggui, an illiterate peasant who had risen from village head to member of the Politburo and, ultimately, Vice Premiere, largely due to the model status accorded his native village of Dazhai. Chen's promotion was designed to create a sort of "Obama Effect," tokenizing a "model" peasant from a "model" village in order to produce the

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43   Andreas, p.166

44   Upward mobility through education has had a far more resounding cultural importance in the Chinese context than in its Western counterparts, largely due to the inheritance of the Confucian scholar system and the resulting primacy placed on power exercised through *Wen* (culture) rather than *Wu* (military force). Expansion of educational opportunity, then, had a greater ideological impact than it might have had in other countries, socialist or otherwise. See Perry 2012 for a detailed study of how *Wen* and *Wu* were culturally mobilized by the CCP over the course of the 20th century.

illusion of general social mobility while in reality the rural-urban divide had deepened. Similarly, Jiang Qing, Mao's wife, became a full member of the Politburo in 1969, one of only a small handful of women ever to do so. Acting as one of the "Gang of Four," she briefly secured a position as one of the most powerful figures in Chinese politics. Again, the token prominence of a strong female leader helped to obscure intractable gender divisions among the workforce and distract from the continued suppression of more radical organizations formed by proto-proletarian workers, the majority of whom were women. Together with more concrete benefits, this widely advertised restructuring of the Party would help to secure support from a wide enough segment of the population to make the outbreak of a new civil war unlikely.

The Limits of Heresy

Aside from this, there was also the simple problem of inexperience among those groups advocating such a violent confrontation. The ultra-leftists' very decision to operate as above-ground organizations, publicly publishing opposition journals, signals a certain political naiveté. Though they did often keep authorship secret, there is no evidence that the New Trends groups ever considered founding any sort of clandestine organization, despite the fact that they upheld the activity of the early CCP (itself founded in secrecy) as a model. In part, this can be attributed to the chaotic political terrain. But emphasizing the messiness of the situation defers the real root of the problem, which was not so much that the terrain was rapidly shifting but that these ultra-left groups almost universally misperceived the possibilities offered to them and the necessities hemming them in.

Simultaneous with the terror, China witnessed the explosion of an increasingly religious, state-sanctioned ideological fervor. Paired with the militarization of production, the bolstering of Party-state mythology played an important role in ordering the socialist developmental regime when it seemed to be coming unbound. Costly material incentives were replaced with "spiritual" rewards, such as pins or pictures with CCP iconography, quotation books and mangoes.[45] Such spiritual rewards symbolized patronage by the Party-state while also building cultural and emotional ties that bound individuals to the enterprise or rural collective. New forms of meaning and social connection were

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45   Mango worship developed somewhat accidentally during the Cultural Revolution, and is often cited as an example of the period's "madness." For a brief history of the practice, see: Ben Marks, "The Mao Mango Cult of 1968 and the Rise of China's Working Class," *Collector's Weekly*. February 18th, 2013

developed, but they often took a paternalistic character that drew as much from pre-Revolutionary folk traditions as from their Russian precedent. Just as many of the practices were entirely new, developed by accident or grown somewhat organically from people's everyday experience. But only those that helped to bolster the stability of the socialist developmental regime were enshrined into the official religious complex facilitated by the Party-state.

Constructing this ideology entailed the invention of rituals that reinforced a particular myth of unity between state, Party and nation, as well as the limiting of access to outside information and the selective re-writing of history to accommodate the myth's contemporary function. Pilgrimages to historical sites became common, as youth travelled the national rail networks to visit places like Anyuan, the communists' first major base area. At the same time, these historical sites were ritualistically sanitized. In one telling instance, Red Guards pulled up a pair of gum trees that had stood in front of the original Anyuan workers' club building, thinking (mistakenly) that the trees had been planted by Liu Shaoqi. Liu, whose personality cult had dissipated with his fall from grace, had been replaced by Mao at the apex of the ritual hierarchy. The roots of the trees were dug from the ground, chopped up "and burnt to ashes to purify the site." Afterwards, "cypress saplings collected from Chairman Mao's nearby birthplace of Shaoshan were transported to Anyuan, where they were solemnly transplanted in place of the uprooted gum trees."[46]

This new religious fervor was not purely a matter of reinforcing certain ideas over others. It also involved the material restriction of information by the Party's censorship apparatus. This had effectively starved oppositional groups of theoretical resources and, most importantly, accurate information about events around them, whether domestic or global. All of the ultra-left groups were therefore forced to form their theories and strategies based largely on reading works by Mao, Lenin, Engels, (some) Marx and others still within the officially-sanctioned canon, along with information from official newspapers.[47]

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46   Perry 2013, p.209

47   Wang, p.19; Translations of heterodox history or political thought were accessible only through limited-edition prints of "grey books" (*huipishu*), and "bourgeois" foreign literature through "yellow books" (*huangpishu*), all of which were restricted to "internal circulation" among cadres of high rank, and each printed with a unique serial number to help prevent unauthorized distribution or reproduction. Though a few informally (and illegally) gained a high readership, most would have been inaccessible to the youths of bad class background who composed the bulk of the "new trends" theoretical circles. For more on these "internal circulation" editions, see: Joel Martisen, "How the Nazis brought about the end of the Cultural Revolution," *Danwei*, August 14, 2008.

Such groups existed in an ideological climate where invocations of "Mao Zedong Thought" (*Mao Zedong Sixiang*) had become a sort of lingua franca. Even the most radical tenets of the ultra-left were justified in terms of an oppositional "Maoism" (*Mao Zedong Zhuyi*), and their texts wound themselves in circles attempting to sort out Mao's apparently contradictory words and actions. The reinvented Communist Party that would lead a new civil war against China's bureaucratic ruling class was to be, in the words of Yang Xiguang, "the Party of Mao Zedong-ism," and Mao himself was frequently envisioned as its chairman. This is despite the fact that theorists such as Yang clearly recognized the mystifying effects of the religious fervor stoked by the state. He argued that the "capitalist roaders" had "managed to deify Mao's brilliant ideas into some ritualistic entities. In doing so, they have also distorted and rendered impotent the revolutionary soul of Mao Zedong-ism."[48] Rather than rejecting this mythology outright, however, Yang attempts to sift through it in the hope of discerning the rational kernel of "Maoism" hidden deep within the mysticism.

Similarly, when attempting to spread their project to the peasantry, new trends groups ignored the pressing need for secrecy and tended to misperceive the nature of rural power divides. Compounding the problem was the fact that their own vision of what a communist countryside should look like was often unappealing to those who actually lived there. This led to a series of terminal missteps in the few rural campaigns that did get off the ground. In Wuhan, Lu Lian of the Plough Society built strong ties with the "First Headquarters of Bahe District of Xishui County," a peasant rebel group headed by Wang Renzhou. Wang's own idea of a communist countryside was inspired by the collectivist utopias envisioned by the Party's ideological apparatus during the height of the GLF. After travelling to see Wang's experiment in Bahe, Lu's own New Trends circle also began to propagate this vision of a "new communist countryside."[49]

Though Wang's argument that the peasantry was the most exploited class in socialist China was true to reality, his "new countryside," was hardly communist. Instead, it was "an experiment modeled after 'military communism,'" centralizing resources at the commune level and engaging in unpopular practices such as the tearing down of private residences and the requisitioning of family-owned livestock. Peasants were made to eat all meals together in collective mess halls, as during the GLF, and were required to live collectively in barracks-style housing. When the model "met with strong resistance from a majority of the local residents," the rebel group established a

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48   Quoted in Wu, p.176

49   Wang, pp.13-14

militia "which was empowered to 'punish mercilessly anyone who dared to sabotage the New Countryside.'"[50] By siding with such forces, Lu Lian's Plough Society distanced itself from the peasants' real grievances, instead bolstering a mystified vision of the countryside that was itself in large part a mere mimicry of the Party's own ruling mythology.

The "new trends," then, can be understood as a sort of heretical current, in opposition to the ruling ideology but still subsumed by the terms of that ideology itself. Unable to break beyond the bounds of the Party-state's own mythology, the ultra-left was incapable of perceiving any true path forward. It was thus unable to avoid its own destruction, and failed to ignite the potentials for a new communist project that had emerged out of the conflicts of the socialist era. The most severe of these missteps was the assumption that, in the last instance, Mao himself would be on their side. In reality, it was on Mao's own orders that the ultra-left was exterminated. Those who survived with their freedom fled in handfuls to neighboring countries in an attempt to transform "a domestic revolutionary situation into wars abroad."[51] The rest were imprisoned or otherwise lost to the terror.

Finally, though we must foreground the *present* relevance of this historical sequence, it is only fair to note that the "short" Cultural Revolution bears also the inherent value of all the tragedies and lost causes that cut their shadows against the fading light of history. Communists today at least owe the respect of acknowledging that this was a period in which communist partisans, however dispersed, disorganized and disoriented, did in fact fight and fail. These were people of our own hearts who were killed, imprisoned or—worst of all—"reformed," by the grim victors of the hollowed world that we have inherited. In the end we can at least lay flowers on the graves of the dead, since their enemies are our own.

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50   Ibid, p.13

51   From a letter by one such Chinese guerrilla in Burma, quoted in Wu, p.197

Conclusion

Unbinding

The year 1969 signified the unbinding of socialism in China. The system was held together for years more only by an extreme extension of the state, in the form of the military, into all fields of economic coordination, production and distribution, and by a desperate amplification of the ruling ideology into all realms of life. When even these would no longer suffice, catastrophic collapse was avoided only by the tactful maneuvering of a now-unified ruling class of "red engineers" whose political dynasty continues to this day.

Here we have emphasized the domestic scale of these phenomena, focusing on the slow knitting together of "China" as a coherent economic entity. This local focus makes sense, as the socialist era would see much of mainland East Asia pulled out of the global circuits of capital accumulation. China was the name for this retreat—an attempt at autonomy performed across a massive territory and staffed by an enormous segment of the global population. Interaction with the outside world via trade, migration or

cultural transmission slowed to a trickle, limited to meager contact with a specific subset of "Third World" countries once Sino-Soviet relations broke down. This retreat ultimately failed, and the next fifty years would see the East Asian mainland and its people slowly reincorporated into the very circuits of value that they had wrested themselves from.

But this is not to say that the socialist era did not have a global dimension. It was the largest in a worldwide wave of socialist revolutions, which were themselves merely the late peak of a workers' movement founded in Europe. Though their guiding mythology emerged from the industrial cores of the capitalist world, all of these revolutions were the products of a politicized peasantry, driven to fight against both old and new regimes. In China, the industrial mythology of the workers' movement would fuse with the reality of rural revolution in a more seamless fashion than it had in the Soviet Union. The product was a socialist culture in which Marxist eschatology merged with centuries of peasant millenarianism. This combination proved capable of igniting one of the largest developmental bursts in human history.

The limits and incentives that confronted this project were also global in nature. As the Qing declined, the once-powerful region was thrown into a century of violent disunity just as a new empire was arising in Europe. In only a few generations, one of the richest parts of the world had suddenly become one of the poorest. This led to the invention of "China" as an ancient, unifying name for the region by Western-educated nationalists seeking a "restoration" of power relative to Europe and its satellites. Since the area's continuing poverty was in large part a product of Europe's own ascent, the revolutionary process would take on an "anti-imperialist" character.

At the same time, the very threat of the European imperial projects set the standards for Chinese development. In this period there could be no revival of the old peasant utopias, since these would entail developmental stagnation, ensuring that the region would be unable to resist the colonial ambitions of Europe and Japan. After the capitulation of the Qing and GMD to foreign powers, it became increasingly clear that the development of the region could not be achieved through an alliance between a new industrial bourgeoisie and the old elites, as had happened in "late-developing" countries such as Germany. Instead, the old regime had to be entirely destroyed, alongside domestic capitalists dependent on port trade with the West.

The fusion of peasant millenarianism with the teleology of the workers' movement seemed to offer an alternative model of development. But absent the "normal" agents of this development (the ascendant bourgeoisie or an "iron and rye" alliance between new and old elites), the project could advance only via "big push" phases of industrialization.

In capitalist countries, this type of industrialization was carried out at the extremes of global economic crisis, when the anchors of value production seemed to be tearing loose. In socialist countries, development had to be undertaken as if the economy was perpetually in a state of crisis, because these systems existed without any such anchor.

This meant that the socialist period in China also saw the developmental regime ultimately supplant the communist project itself as more and more was sacrificed to the bottom line of building a national economy. This was a failure structured by the era. The mythology of the workers' movement helped to make this error possible, since it tended to conflate the expansion of production and industrial employment with the historical advancement of society toward communism in a teleological fashion. But of far more importance was the besieged and isolated condition in which this experiment took place. Beginning in such extreme poverty, it is hard to fault the early communists for emphasizing development. By the time a new generation attempted to expand this communist horizon, however, those early communists had become irreparably yoked to the machine of their faith.

Space for this developmental project was opened only because of a global crisis in the capitalist economy. From the 1910s until the end of the Korean War and the post-WWII recessions, the global economy seemed to be teetering on the edge of oblivion. This teetering took the form of a half-century of war, depression and extreme unpredictability. The global economy fragmented, as nations raised tariffs, emphasized closed-circuit domestic trade and initiated nation-wide industrialization projects, often with a strong military character. It was only in this context of a general global cloistering of production that the socialist projects could take place at such an enormous scale, ultimately covering most of the Eurasian continent). It is no coincidence that the two largest socialist revolutions took place roughly alongside the two world wars, since these wars represented two peaks in this cloistering.

In the same way, the Chinese socialist project was capable of emerging only within the context of the global workers' movement and the period of industrial expansion that conditioned it. This general expansion of industry and manufacturing employment ensured that the Chinese inherited at least a rudimentary industrial structure (in Manchuria), and that Western nations were still focused on domestic development, rather than actively seeking overseas sites for production. There were few strong incentives to "open" China in this period, and to attempt to do so seemed merely a recipe for extending world war by another decade. The Cold War was a détente in which Chinese socialism was simply quarantined and allowed to run its course.

All of these conditions would change beginning in the 1970s as the relative cloistering of the early 20th century gave way to a series of expansionary drives under a new global hegemon. At the same time, technological advances both decreased the need for expensive industrial workers and allowed for the extension of supply chains to far-flung regions of the world. Increased unemployment, lowered wages and falling profits in the West created a need for cheaper sources of production as deindustrialization generalized. Relocating factories to places like South Korea and Taiwan allowed firms to regain profitability while also offering cheaper prices for Western consumers, helping to mute the domestic effects of the economic slowdown.

It was these changed conditions that would soon encourage the "opening" of China. But this opening would be accepted by the Chinese only due to the failures of the socialist developmental regime, and even then only slowly. Above, we have detailed the local history of the failure of the communist project in China. In the next issue of *Chuang*, we will turn to the global integration that followed this failure, as China opened to world trade and initiated its transition to capitalism in the 1970s.

Gleaning the Welfare Fields

Rural Struggles in China since 1959

> For young people nowadays, the generation with no experience farming, even if they have farmland and can't find a job, they're still not willing to try their hand at agriculture. […] In my experience, after wandering far from home for many years, it was only by returning home to Wukan that I could feel secure, like a boat coming into harbor. That may be why young people played such an active role in Wukan's land struggle.[1]

In December 2011, as "occupiers" throughout the US were being kicked out of their sleet-encrusted tents and the Arab Spring was just beginning its uncertain slide into Autumn, a few thousand "farmers" in a Chinese fishing village made headlines across the world. Had mainland China finally joined the global movement of the squares? Small demonstrations in American cities attempted to enact this fantasy of transnational connectedness. And in some ways, the Wukan Uprising did follow a trajectory similar to simultaneous movements elsewhere, such as the Tunisian and Egyptian revolutions: police brutality against peaceful protestors gave rise to a mass movement, whose militant actions soon outpaced the initially moderate demands, and whose political success ("overthrowing the regime" and electing new leaders) ended up failing to resolve participants' immediate economic grievances, not to mention foreclosing more radical possibilities that emerged during the movement.

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[1]   From "Revisiting the Wukan Uprising of 2011: An Interview with Zhuang Liehong" in this issue.

But this similarity reflects a deeper level of transnational commonality that observers have missed: the state's decreasing ability to meet economic demands due to the global recession and its underlying crisis of reproduction. In 2011, many observers believed China was an exception to the rule, but now it has become apparent that the crisis was already brewing under the surface. Local governments such as Wukan's had been desperately selling villagers' collectively-owned land in order to pay off debt for stimulus spending. This commonality has been obscured by the way Wukan and similar struggles have been represented as the resistance of "farmers'" to the seizure of land they farm as a primary source of income or subsistence. Looking more closely, we discover that most of these villagers primarily live and work in cities, do not even know how to farm, and aim only to increase the monetary compensation for the use of their land by commercial developers. As such, these recent struggles bear more resemblance to anti-austerity mobilizations over the social wage in Europe and North America than to classic peasant land struggles—including those so fiercely fought by some of the same Chinese protagonists and their parents in the 1990s.

At the same time, the subjects of these recent struggles cannot be reduced to specimens of a homogeneous global proletariat or "multitude." The Chinese proletariat itself is deeply divided between urban and rural *hukou* (household registration), and ruralites are in turn fragmented by a range of differing material conditions. These conditions cannot be understood without investigating their historical background—a background of agrarian change that has been central to Chinese modernity in its late-imperial, Republican, socialist and post-socialist guises.[2]

What Remains of China's Peasantry?

Many of China's rural struggles since the mid-2000s—including many of the land conflicts accounting for 65% of China's 180,000 "mass incidents" in 2010—have acquired the character of negotiations over the social wage. While almost all of these conflicts have remained localistic and narrowly-defined, their participants' more proletarianized conditions, and the greater dominance of global market forces in even remote villages,[3] may be increasing the material possibilities for such mobilizations to

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[2]   On our use of the terms "socialist" and "post-socialist," and on the role and conditions of the peasantry in China's "socialist developmental regime," see our article "Sorghum and Steel" in this issue.

[3]   This dominance is illustrated, for example, by the effects of last summer's stock market

link up with the ever-brewing strikes and riots that periodically disrupt the urban areas where most of these "peasants" now live and work.

The term "peasant" is used with some hesitation, since today's peasants (in China and probably everywhere) are quite different from those mobilized by the likes of Makhno and Mao. The last century has transformed what it means to be a peasant, arguably beyond recognition. The term is used here both because "peasant" (*nongmin*) is still a salient identity in China and, more importantly, because it highlights a continuing institutional separation between urban and rural *hukou*. Two overlapping definitions of "peasant" can help make sense of many conflicts in post-socialist China:

(1) In a broad sense specific to China, "peasant" could indicate anyone with a rural *hukou*, who will be referred to here as "ruralites" to avoid confusion. Many ruralites live in urban areas most of the time and are often uncertain whether they will settle there or eventually return to their villages. The *hukou* system is similar to apartheid or national citizenship, excluding ruralites from certain rights enjoyed by urbanites (people with urban *hukou*), but also granting ruralites the right to use collective village resources such as farmland, forests, ponds, coastline and pasture. In 2012, such ruralites accounted for between 60 and 70 percent of China's population, totaling some 800 to 950 million people.[4] Roughly 280 million of those ruralites are urban residents, in that they spend most of their time in urban areas, mainly working for wages or running small businesses.

(2) In classic sociological definitions, "peasant" refers more specifically to multi-generational households (not their individual members, who may occupy various class positions throughout their lifetimes) with access to small plots of land used for production with household labor, primarily for direct use, in addition to surplus for sale, rent and/or taxes. According to such definitions, peasants are not capitalist farmers because they do not use their land as capital or run their "farms" as enterprises.[5] Nor are they are fully proletarian, since

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crash on peasant farmers: "Emily Rauhala, How farmers from rural China bet on the stock market and lost", *Washington Post*, 29 August 2015.

4   Two methods of calculating this number are explained here: "*Woguo de noncun huji renkou daodi you duoshao?*"《我国的农村户籍人口到底有多少？》, <http://blog.tianya.cn/post-14642-43522365-1.shtml>.

5   This difference is more obvious in Chinese: "peasant" is *nongmin* and "(capitalist) farmer" is *nongchangzhu*—literally, the owner of a "farm" (*nongchang*). *Nongchang* refers only to capitalist

they have access to means of subsistence and use it for household reproduction, often in addition to some surplus production. At the same time, they are often semi-proletarian, since they depend partly on the wages or informal income of one or more family members. In this sense, China's peasants number much less than the 900 million ruralites, although some sociologists argue otherwise.[6]

While the latter sense of "peasant" accurately described the conditions of most rural household in the period of post-socialist transition (1970s-1990s), this category has become less helpful since the 2000s. The increasing dominance of global market forces has transformed ruralites' remaining land from a means of production to mere "welfare fields" (*fulitian*), as Chinese intellectuals and policy-makers put it—some arguing this collectively-owned land provides a temporary supplement to China's austere social security system until the state is rich enough to afford "Scandinavian-style social democracy."[7] Although elderly ruralites still farm this land, their households and what remains of their village communities have become dependent on other sources of income. At the same time, those sources are becoming more precarious as China joins the global trend of deindustrialization.[8] China's rural population is thus being proletarianized at the same moment that it is being rendered surplus to the needs of capitalist accumulation.[9] Meanwhile, the Chinese state is attempting to avoid the destabilizing effects of uncontrolled urbanization and peri-urban shantytowns. The *hukou* system—including the access to welfare fields it legally provides to ruralites—thus

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or state-owned farms (hiring workers), never to those limited to household labor on land allotted by the village, referred to only obliquely as "fields" (*tian*). Peasant farming is thus not considered a commercial enterprise, although in most cases it now functions partly as such.

6   In 2006, for example, He Xuefeng estimated that 70% of China's population (900 million people) were still "peasant" in this sociological sense, predicting that this would not drop below 50% within the next 30 years. Discussed in "The Question of Land Privatization in China's 'Urban-Rural Integration,'" *China Left Review*, Number 1.

7   An influential example of this perspective is Wen Tiejun, "*Gengdi weishenme buneng siyouhua?*" *Zhongguo Geming*, 2014, Number 4. (温铁军,《耕地为什么不能私有化？》,《中国改革》2004第4期.)

8   "Deindustrialization" here refers to the secular decline in manufacturing employment related to increasing labor productivity, rising organic composition of capital, and saturation of markets. For evidence that this trend exists globally and even in China, see "No Way Forward, No Way Back" in this issue.

9   On "the general law of capitalist accumulation" to generate a relative "surplus population" beyond even the role of "industrial reserve army," see "Misery and Debt: On the Logic and History of Surplus Populations and Surplus Capital," *Endnotes* 2, 2010.

fulfills the dual functions of externalizing the costs of reproducing labor-power onto "peasant" members of rural families and helping to manage a population increasingly superfluous to the market economy.

Although the *hukou* system is no longer as important as it was from the 1960s through the mid-2000s,[10] it still divides the Chinese population. In its negative capacity, the system continues to disadvantage urban-dwelling ruralites with regard to social services, and the police may send them back to their villages at any time (rarely enforced these days, but still a card that can be played in times of conflict). In its positive capacity, a rural *hukou* entails the right to use a share of the village's collective resources. While this right helps to manage the surplus population and externalize the costs of reproduction, individual investors and local governments are nevertheless driven by the profit motive and mounting debt to undermine these stabilizing functions through predatory practices such as land grabs—pushing ruralites to defend that right or, increasingly, to simply cash in on what has been lost.

Post-socialist rural households thus relate to capitalist accumulation in a variety of ways not accounted for by the wage alone:

1. Their resources are expropriated via:

    a. land grabs (the most common cause of mass incidents from the mid-2000s until about 2013),

    b. pollution (externalization of the costs of capitalist production in ways that destroy peasants' resources, reportedly the most common cause of mass incidents in 2013),

    c. privatization of collective village facilities and enterprises (mainly in the 1980s-1990s),

    d. a portion of government taxes and fees converted into capital through investment in for-profit "collective" enterprises (until the mid-2000s reforms abolished rural taxes and fees).

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10   For background see "Sorghum and Steel."

2. They are exploited through "unequal exchange"[11] on the markets for:

> a. credit (interest paid to financial institutions),

> b. agricultural inputs (monopoly prices for patented seed, livestock varieties, agro-chemicals, equipment, etc.),

> c. the sale of peasants' agricultural products to middlemen, capitalist "co-ops," food companies, logistics companies, retailers (the peasants get a tiny share of the price paid by consumers, with most skimmed off by these other links in the commodity chain),

> d. rent for farmland (unusual in China since most peasants farm their own land, but it is becoming more common for companies to lease land from villages and then sublet it back to the villagers or poorer peasants from elsewhere. It is also common for ex-peasant landlords in rich coastal areas such as Guangdong to lease their land to poor inland peasants for commercial farming).

3. And certain family members are exploited during certain periods of their lives through the wage relation, affecting the whole household to the extent that it depends on remitted wages.

To these should be added the general sense in which everyone's lives are shaped by commodity relations, so that those without sufficient money are excluded from the things they have been made to need or desire—exclusion that is defended by state force. For those ruralites unable or unwilling to obtain enough cash by farming, wage-labor or legal business, the most salient way they experience life under capital may be non-economic, via police enforcement of property relations and social order. In prison, some of these may then contribute directly to accumulation through forced labor.

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11   This is a term from the Marxian "peasant studies" literature. See, for example, Hamza Alavi, "Peasantry and Capitalism: A Marxist Discourse," in *Peasants and Peasant Societies*, edited by Teodor Shanin, Blackwell, 1987. It is comparable to the Preobrazhenskian "price scissors" during the socialist era, except that it is determined not by state fiat but by the relative bargaining power of peasants vs. capitalists on these markets. This relation between peasants and capital differs from those among, for example, industrial capitalists, landlords, and retailers, in that it does not merely divide the profit extracted from wage-laborers in industrial production, but actually extracts surplus-value from peasant labor.

Ruralites have acted collectively against extraction and exclusion in multiple ways, each corresponding to one of these relations:

1. Against direct expropriation, they petition higher authorities and carry out blockades, riots and occupations of stolen land and government buildings.

2. Against "unequal exchange," they form co-ops (for finance, farm supply, processing and marketing) and create alternative marketing networks.

3. In the wage relation, workers from rural households negotiate or petition authorities and, when that fails, turn to strikes, slow-downs, sabotage and riots.

4. Against exclusion, ruralites may resort to criminal activities, occupy spaces to use for living, begging or vending, and occasionally riot.

Resistance to State Extraction during the Socialist Period (1959-1978)

The current character of rural resistance has its roots in the socialist era. This cycle of struggle begins in 1959, the first year of the Great Leap Famine, when a rupture occurred between peasants and the Chinese Communist Party (CCP), which had developed widespread support in the countryside to various degrees over the previous three decades. Many members and even leaders of the party came from the peasantry, and the CCP's guidance had proven successful at winning struggles against local elites that poor peasants had already attempted unsuccessfully on their own. Peasant support grew throughout the 1950s as CCP policies (such as land reform and cooperativization), coupled with the end of civil war, led to improvements in living standards.

All this fell apart with the return of famine in 1959, following the first year of the CCP's Great Leap Forward campaign.[12] Many peasants soon began to regard the party-state as an alien, extractive and oppressive force, and to act individually or collectively against it by hiding grain from state collectors, stealing from collective fields, looting

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12   For background on the Great Leap Forward and causes of the ensuing famine, see "Sorghum and Steel" (this issue); "A Commune in Sichuan?", on the *Chuang* blog; and *Eating Bitterness: New Perspectives on China's Great Leap Forward and Famine,* edited by Manning and Wemheuer, UBC Press, 2011.

granaries, going to cities to demand food,[13] and in some cases taking up arms and engaging in local "power seizures."[14]

The post-Leap retreat to more conservative agrarian policies (partial decollectivization, restoration of markets) mitigated peasant unrest, but the damage was done. Henceforth it would be more difficult to mobilize peasants for mass campaigns or even everyday work. The inefficiency that Dengists[15] and liberals alike attribute to the nature of collective production in general actually stemmed, in this case, from peasants' resistance to state extraction and what they interpreted as alien, often irrational attempts to control the production process. In the 1970s (following more moderate recollectivization in the mid-1960s), many peasants again pushed for partial decollectivization, and others welcomed the Dengist state's forced decollectivization in the early 1980s—less because of peasants' inherent individualism or "petty bourgeois mentality," and more because they wanted less extraction and more control over production.[16]

Resistance to Price Fluctuations during the Period of Transition (mid-1980s to early 1990s)

The early 1980s was a golden age for most Chinese peasants, comparable to the 1950s in optimism and surpassing it in terms of livelihood. Several decades of peace and

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13   It was partly in response to this that the state re-instituted the *hukou* system in its current form in 1960 (after it had collapsed during the Leap). See Tiejun Cheng and Mark Selden , "The Origins and Social Consequences of China's *Hukou* System," *The China Quarterly,* Volume 139, 1994. pp. 644-668; and Manning and Wemheuer, 2011.

14   On peasant resistance during the GLF, see Manning and Wemheuer, 2011; Ralph Thaxton, *Catastrophe and contention in rural China: Mao's Great Leap Forward famine and the origins of righteous resistance in Da Fo Village* , Cambridge, 2008; and Gao Wangling, "*Renmingongshe shiqi zhongguo nonmin fanxing wei diaocha*"*Zhonggongdang shi chubanshe,* 2006. (高王凌，《人民公社时期中国农民反行为调查》，中共党史出版社，2006.)

15   Dengists—the followers of Deng Xiaoping and Liu Shaoqi, who contested Maoist policies throughout the 1960s-1970s and came to power in 1978, initiating China's transition to capitalism in the name of "market socialism" – argued that collective agriculture was inherently inefficient compared to household-managed agriculture (based on collective ownership of land on a state-regulated market). Chinese and Western liberals alike go further in arguing that land should be privatized.

16   Elderly peasants in Anhui, for example, have told us there would have been no need to decollectivize if the state had simply extracted less grain, offered higher prices, or allowed more control over farming.

gradual improvement of food intake combined with post-1968 improvements in rural health care managed to double life expectancy between 1949 and 1980. Meanwhile, two decades of collective projects to improve rural infrastructure (bringing new land under cultivation, expanding irrigation systems, building roads, etc.) and state modernization of agriculture (mechanization, production of agrochemicals and high-yield varieties of seed and livestock) finally came to fruition in the late 1970s.[17] This was coupled with the first significant state increase in prices for agricultural products, supplemented by subsidies for peasant entrepreneurs who reorganized their household farms and privatized collective equipment to specialize in certain commodities, leading to the most rapid increase in agricultural productivity and income that China had seen since the Ming Dynasty—especially for those able to benefit from the entrepreneurial subsidies available from 1978 to 1984.

By the mid-1980s, however, a combination of new factors caused these increases in productivity and income to decline. The increase attributable to modernization on tiny plots of land soon reached its limits. The state then decreased its subsidies and price controls for agriculture as part of its general strategy of marketization, and in order to balance the budget and lower the price of food for urbanites. These changes spelled disaster for peasants who specialized in certain cash crops when prices fell below the cost of production, leading to the first significant round of peasant unrest in China since the Great Leap Famine,[18] beginning in the late 1980s.

There is little data available on this sequence of struggles due to media censorship and the preference of researchers to focus on either decollectivization or anti-corruption struggles, but it is memorialized in Mo Yan's novel *The Garlic Ballads*.[19] Based on news reports and interviews, the novel recounts a 1987 uprising against the falling price of garlic and the government's refusal to buy the surplus, after local officials had encouraged peasants to specialize in garlic and then pocketed the state subsidies, alongside fees they had charged for farming a cash crop instead of grain. If this case is any indication, the marketization of agriculture at this time was already intertwined with local state corruption, which became the focus of peasant resistance in the 1990s.

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17   For an in-depth comparative study of these changes (which, despite the book's title, is also critical on key points), see Chris Bramall, *In Praise of Maoist Economic Planning: Living Standards and Economic Development in Sichuan since 1931,* Oxford University Press, 1993.

18   There was also peasant unrest during the Cultural Revolution (1966-1968) and its aftermath, but this seems to have mainly taken the form of localistic factional disputes. A few exceptions are addressed in Yiching Wu, *The Cultural Revolution at the Margins: Chinese Socialism in Crisis*, Harvard University Press, 2014.

19   Translated by Howard Goldblatt (Viking Press, 1995).

Resistance to Local State Expropriation
in the 1990s and early 2000s

It was during this period that many young peasants began migrating to coastal cities for temporary jobs, incentivized by expropriation in the countryside and increasing employment opportunities in the Special Economic Zones, both occurring just as returns from modernized small-plot agriculture had reached their limits. The *struggles of peasants* thus bifurcated into the *rural struggles* dealt with here, and the struggles of *ruralites as proletarians*, including conflicts in the wage relation and riots against social exclusion discussed in "No Way Forward, No Way Back" (also in this issue).

Despite frequent news reporting and a sizable academic literature, the only attempt at a comprehensive history of rural struggles in China since the 1980s is a pair of articles by Kathy Le Mons Walker published in the late 2000s.[20] The following sections center on summarizing information from those articles, supplementing it with other sources and engaging critically with Walker's analysis.

Among the many targets of peasant resistance from the late 1980s to the early 2000s, most could be characterized as direct expropriation. These included:

> the issuing of IOUs in lieu of payment of cash for crops by local officials, who used the funds for speculative real estate and business deals[…]; cadre diversion of state-allocated inputs for agriculture; the pocketing of TVE ["collective" township and village enterprise] profits by local and mid-level cadres; the imposition by local cadres of a host of 'illegal' or 'unaccounted for' fines, fees, and taxes to pay for 'development' projects and/or for personal use; the forcible confiscation of the land, belongings, and food of peasants who could not or would not pay the extra taxes and fees; the expropriation of arable land without adequate compensation (for highways, real estate development, and personal use, or to attract industrial investors through the creation of 'development zones'); the issuing of inferior and fake chemical fertilizers, pesticides, seeds, and other supplies by corrupt cadres; and finally the pollution of local water supplies by development projects, which has not only angered peasants but affected agricultural production as well.

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20   "'Gangster Capitalism' and Peasant Protest in China: The Last Twenty Years," *Journal of Peasant Studies*, Volume 33, Number 1, 2006, and "From Covert to Overt: Everyday Peasant Politics in China and the Implications for Transnational Agrarian Movements," *Journal of Agrarian Change*, Volume 8, Number 2, 2008.

This expropriation was not mere "corruption," as both the Chinese state and liberal critics usually describe it.[21] In some cases it resembles proto-capitalist "primitive accumulation" in Marx's classical sense, because it played a key role in the transition to capitalism.[22] In others, especially more recently, such expropriation might be better understood as specifically capitalist "accumulation by dispossession" in David Harvey's sense—Walker's preferred category of analysis.[23] It transferred products of peasant labor into capitalist enterprises and the infrastructure necessary for its operation. It also took the form of capitalist rents, as opposed to the tributary and socialist rents in rural China prior to marketization. Investment in this period often took the form of "collectively-owned" TVEs, but many of these functioned as profit-oriented joint-stock enterprises, while others were eventually appropriated by their managers or cheaply purchased by capitalists. During China's reintegration into the world market in the 1990s, these privatized TVEs became the initial vehicle through which Chinese and transnational capital exploited local and migrant peasant-workers—the vehicle of their expropriation often becoming the source of their exploitation.

"All Power to the Peasants"

When this sequence of peasant resistance to expropriation began in the late 1980s, it mainly consisted of small-scale "revenge" (*baofu*) against local officials and the newly rich (often one and the same person or family). Over 5,000 cases of "violent" tax resistance

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21   As illustrated in quotations from Walker below, at times her account confusingly combines materialist analysis with He Qinglian's influential moralistic narrative of "corruption," "wicked coalitions" and "gangster capitalism."

22   This is the more common line taken by Marxist observers, such as Michael Webber, "Primitive accumulation in modern China," *Dialectical Anthropology*, Volume 32, Number 4, 2008.

23   According to Harvey (*The New Imperialism*, 2003), "accumulation by dispossession" uses direct expropriation (instead of exploitation via the wage relation) as a way to decrease the cost of resources for capitalist production during periods of low profitability. It is a technique whereby capital tries to avoid the consequences of its own law of value (i.e. crisis and devalorization) by breaking or bending that law (i.e. stealing or buying resources below their value with the aid of state force). It appears similar to "primitive accumulation," but functions differently once capitalist production has become well established. In 1990s rural China, it could be argued that both forms of expropriation (primitive accumulation and accumulation by dispossession) were taking place. Since the 2000s, most rural expropriation might be better understood as accumulation by dispossession, or simply class struggle over the social wage.

were reported in 1987-1988, including arson and the killing of tax collectors.[24] By the 1990s, such actions had begun taking more collective forms. In 1993, for example, 15,000 peasants in Renshou County, Sichuan, took part in a six-month uprising against taxes and fees, in which participants "blockaded traffic, held police officers hostage, set police cars ablaze, attacked officials, rampaged through government offices and marched en masse through town streets, nearby mountains and fields and on local highways carrying pitchforks, rods, and banners."[25] An army unit was mobilized in case the peasants "toppled" the county government, when the "riot" would be redefined as a "rebellion" and crushed "at all costs."

The same year in Anhui, 300 members of an "Autonomous Peasant Committee" attacked a county government building, kidnapping officials and demanding a tax cut of 50%, the dismissal of township officials, and dissolution of the local militia. Elsewhere in the same province, over 2,000 peasants from seven villages agitated against government use of IOUs to pay for agricultural products, flying banners with slogans such as "All power to the peasants!" and "Down with the new landlords of the 1990s!"

In response to such unrest, Beijing gradually increased its efforts to implement the "villager self-government" policy announced in 1987. This referred to the democratic election of "village committees"—the lowest level of *de facto* government, previously appointed by the township (the lowest level of *de jure* government). At first, few peasants showed interest in these elections, seeing them as little more than a formality, but eventually the idea of village democracy helped Beijing to portray itself "as an ally and protector of peasant interests and, thereby, both potentially minimize opposition to its own policies and suggest that the real problem lay with local officialdom."[26] At the same time, central authorities attempted to regulate local state extraction as part of a campaign to "lighten the peasants' burden." In 1992, an "Urgent Circular" forbade rural officials from levying taxes and fees over 5% of the average local income. The next year, a new Law on Agriculture granted peasants the right to refuse payment of unauthorized levies.

On the one hand, such policies could be seen as having backfired, since the number of recorded "mass incidents" in the countryside surged to a new high of 8,700 in 1993, and this seems to have grown almost every year since then. These policies gave peasants more legal and moral justification for resisting certain forms of extraction. To make

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24   Walker 2006, page 7.

25   Ibid. page 8.

26   Ibid. page 9.

matters worse, local officials attempted to suppress information about the policies and prevent their implementation, thus giving peasants another cause for rebellion. But on the other hand, Beijing's campaign to "lighten the peasants' burden," coupled with the policy of village democracy, eventually helped to contain peasant anger by channeling it away from higher-level and more systemic targets onto local corruption, as well as transforming the earlier discourse of "class struggle" into the reformist framework of "policy-based resistance."[27] Henceforth, peasants—along with workers and other subordinate populations in China—began to articulate their resistance to expropriation in terms of "rights-defense movements" (*weiquan yundong*), often limited to the organizational form of "rights-defense groups."

This containment took time, however, and was never total. Beijing's posture of support for "rights-defense" combined with China's increasing marketization and growing class antagonisms to generate some more militant forms of peasant action in the first few years after 1993. These were characterized by "greater militarization and an openly insurgent politics, including the formation of dissident organizations and paramilitary forces," such as the Chongqing "Anti-Corruption Army of the People, Workers and Peasants."[28] This sequence seems to have peaked around 1997, when rebellions in four provinces, involving between 70,000 and 200,000 participants each, "attacked government buildings, took party secretaries hostage, burned government vehicles, wrecked roads, commandeered government cement and fertilizer, and in at least two instances seized guns and ammunition." Another form some of the more militant rebellions took in the 1990s was "paralyzed" or "run-away" villages, "where local cadres were killed and the rural administration either ceased or turned wholly away from state extraction and policy implementation." This seems to foreshadow the 2011 uprising of Wukan, but on closer inspection, profound differences between these two types of conflict reveal how much has changed about rural China within only one generation— changes engendered not only by capitalist development, but also by the second round of state responses to the rural crisis.

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27   This framework, as practiced by Chinese peasants in the 1990s and early 2000s, is explored in Kevin O'Brien and Liangjiang Li, *Rightful Resistance in Rural China*, Cambridge University Press, 2006.

28   Walker 2008, p. 470.

The Response

This second round started in 1998, when Beijing revised the 1987 regulations on "villager self-government" in order to promote "democratic decision-making" at the local level. [29] At the same time, however, central authorities "strengthened the role of local party committees to whom village officials are answerable," while also implementing a program of increased repression that "jettisoned the tolerance it had shown in the 1980s and 1990s for rural protest that remained small-scaled, targeted only local leaders, and did not assume explicitly political form." [30] This new program included "greater use of armed police, paramilitary troops, [31] tear gas and other weapons, more frequent arrests," along with "the formation of specialized, heavily armed riot police units stationed in 36 cities, and the creation of 30,000 new police stations in rural areas for both control and surveillance."

In 2000, when the "deepening" of village democracy proved insufficient as a carrot of legitimacy to balance the stick of increasing repression, Beijing put forth a new "strategic line" to correct the imbalance between urban and rural development, announcing that "protecting peasants' rights" had become a top priority. This shift tentatively began with a further reform of rural taxes and fees, culminating in their complete abolition by 2006. The same year, Beijing launched a broad rural development campaign called "New Socialist Countryside" (NSC) as the centerpiece of China's 11th Five Year Plan. In practice, this campaign and the programs that emerged from it ended up facilitating the further expropriation of ruralites through their forced relocation to make way for construction projects and agricultural industrialization. [32] However, another major aspect of NSC was unambiguously conciliatory: a wide range of rural subsidies and welfare programs, including social pension insurance, minimum living allowance, and increased state support for rural healthcare and education.

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29   Walker 2006, p. 13.

30   Walker 2008, pp. 470-471.

31   By "paramilitary troops," Walker is referring to the People's Armed Police (武警). They are administratively separate from both the regular police system (under the Ministry of Public Security) and the armed forces (the PLA), and are primarily responsible for suppressing "mass incidents," with riot police as one of their branches. We follow the convention of calling them "armed police," since "paramilitary" could be confused with the peasants' own paramilitary organizations, and it also implies a greater degree of militarization than they seem to have (compared with the U.S. National Guard, for example). In 1989 it was the PLA rather than the armed police that crushed the democracy movement.

32   For details about NSC, see Kristen Looney, *The Rural Developmental State: Modernization Campaigns and Peasant Politics in China, Taiwan and South Korea*, Harvard University, 2012.

This unfolding shift in the state's development strategy coincided with China's "third wave" of post-Mao intellectual debates and activism regarding the role of peasants in Chinese development.[33] All three waves (the first centered on the decollectivization of agriculture in the early 1980s, the second on TVEs in the early 1990s) concerned questions such as: "Was the peasantry going to disappear, be integrated into a new Chinese capitalism, or form an excluded class, marginalized and continually disruptive?" At first most intellectuals framed the problem in terms of "the peasants' burden," limited to "excessive" taxes and fees caused by the corruption of local officials. Gradually more sophisticated analysis took shape, such as Wen Tiejun's theory of the "rural problem in three dimensions" (*sannong wenti*): peasants, villages, and agriculture. According to Wen—a prominent figure among China's post-1989 "New Left" intellectuals—the crux of this problem was the commodification of land, labor, and money after three decades of "primitive socialist accumulation" (industrialization fueled by state extraction of surplus from peasant labor), conditioned by China's semi-peripheral position in the modern world.[34]

On this intellectual foundation emerged "New Rural Reconstruction" (NRR), a social movement viewed as an alternative or compliment to the party-state's responses to peasant unrest. NRR sought to channel this unrest into "constructive" projects aimed at reversing the dissolution of village communities and the flow of young people into the city—projects such as peasant co-ops, alternative marketing networks, and "cultural" activities (performing arts troupes, old people's clubs, etc.).[35] While such projects have doubtless played a positive role for the fraction of peasants involved in them—increasing income and slightly mitigating ecological devastation through organic farming co-ops, for example—they have made little progress toward stemming the outflow of young ruralites, or reviving communities to which young people would be willing or able to return.

Both NRR and NSC also responded to fears that China might be headed for a recession or worse following the Asian financial crisis of 1997, with growing instability in the

33   Alexander Day, *The Peasant in Postsocialist China: History, Politics, and Capitalism,* Cambridge University Press, 2013, page 6.

34   Wen Tiejun, "Centenary reflections on the 'three dimensional problem' of rural China," *Inter-Asia Cultural Studies* Volume 2, Number 2, 2001. Day (2013) provides an analysis of such writings and their influence on both state policy and popular activism.

35   On NRR, see Day 2013 chapter 6, and Matthew Hale, *Reconstructing the Rural: Peasant Organizations in a Chinese Movement for Alternative Development*, University of Washington, 2013.

world economy after 1999 and signs that China's productive capacity was outpacing its effective demand. In addition to eliminating rural taxes and improving the welfare system, therefore, a major concern of new policies such as NSC was to increase rural consumption through means such as subsidizing rural purchases of household appliances and improving infrastructure, e.g. building and widening roads and transferring ruralites into more modern housing complexes, thus also freeing up land to be used for either capitalist agriculture or real estate development.

Land Conflicts
in the 1990s and early 2000s

The ongoing round of land grabs, which critics call China's contemporary "enclosure movement" (*quandi yundong*), could be dated back to Beijing's relaxation of land management policies starting in the late 1980s and the ensuing "frenzy over land enclosure" in the coastal Special Economic Zones such as Shenzhen. In the early 1990s, 90% of all FDI flowed into this new market for land, made available after local officials evicted peasants, leasing it out for industrial and commercial development.[36] In the late 1990s, this "frenzy" spread inland due to the combination of accelerated urbanization, the development of China's new real estate market, and Beijing's increasing restrictions on rural taxes and fees, which pushed local governments to sell land as an alternative source of revenue.

As a result, 1.8 million hectares of arable land were lost to development between 1986 and 1995, followed by 8 million hectares between 1996 and 2004, according to official figures. Walker calculates that during these two decades, as many as 74 million peasant households may have been affected by land grabs—about 315 million individuals.[37] The most rigorous recent study, by sociologist Zhang Yulin, estimates that between 1991 and 2002, 62 million peasants lost their land (an annual average of 5 million), followed by 65 million between 2003 and 2013 (an annual average of 6 million)—130 million people in 22 years.[38] Even according to the more modest estimate, this amounted to "an 'enclosure movement' of unprecedented proportion worldwide."

36 Walker 2008, p. 471-472.

37 Ibid.

38 Zhang Yulin, "Land Grabs in Contemporary China," translated on the Nao blog in 2014 and reposted on the Chuang blog.

Land grabs began to eclipse other forms of expropriation as the latter declined following the combination of pro-ruralite state policies and the liquidation of other collective resources (TVEs, etc.) in the late 1990s and early 2000s. Peasant collective action thus increasingly focused on land conflicts. Some of these conflicts could be quite militant, but because land is owned collectively at the village level, they rarely spread beyond a given village, in contrast with the anti-corruption struggles of the 1990s. Likewise, as the central and local governments grew more savvy about implementing land grabs in ways that minimized resistance, and as ruralite's lives became more focused on activities in the city, more of these struggles developed the character of negotiation over the price of land that most villagers wanted to sell anyway, as opposed to efforts to keep the land for peasant use and the reproduction of village communities.

Walker[39] recounts a three-year conflict in Shanchawang Village, Shaanxi, as typical of peasant resistance in the early 2000s: "In late 2002 after the local government seized a portion of the villagers' land and they learned that officials had leased it for 50 times what they had been paid, nearly 800 of them blocked the construction of a development zone on the land," organizing 16 teams to occupy the land in shifts, until the police and 300 construction workers came and kicked them off. A year later, the same thing occurred again, but this time hundreds of villagers "seized the communist party's village headquarters and held the walled compound for five months." Even after this sustained and highly disruptive action, however, in the end "their effort produced no positive result and in the end the government sent 2,000 paramilitary troops to forcibly remove the protestors and arrest the leaders."

Local governments increasingly made use of criminal networks to do their dirty work, and Beijing "armed paramilitary troops with real rather than rubber bullets," leading to more violent repression. In 2005, for example, in Shangyou Village, Hebei, "with the approval of local authorities, a construction contractor sent in 300 helmeted thugs armed with hunting rifles, metal pipes and shovels to remove villagers who were occupying land that had been seized by the local government." The thugs shot over 100 villagers, killing six.[40] Later that year in Dongzhou Village, Shanwei Prefecture, Guangdong, armed police were sent in to disperse a similar sit-in against the seizure

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39   Walker 2008, p. 474.

40   Ibid.

of land and coastline to build a power plant, and the villagers allegedly responded by throwing Molotov cocktails. The police fired and killed between three and 20 villagers in what the media dubbed "the Shanwei Massacre" in reference to the Tiananmen Massacre of 1989.[41]

In 2003, in response to such conflicts, coupled with worries that the loss of farmland would threaten China's food security, Beijing initiated a series of policies aimed at reining in land seizures. It started by limiting the number of development zones and cracking down on illegal land requisitions, and by 2004 it had put a six-month hold on all "non-urgent" conversion of agricultural land to non-agricultural use, issuing regulations requiring new conversions to be approved by higher-level authorities.[42] As with the earlier campaigns against corruption, however, these reforms seem to have had little effect, other than eventually increasing the price of land and forcing local governments to come up with clever workarounds. According to the Ministry of Land and Resources, there were 168,000 illegal land deals in 2004, and in 2006, Premier Wen Jiabao "bluntly admitted that illegal seizures without adequate compensation were still a key source both of instability and of uprisings in the countryside."[43] In 2007, Beijing passed a law limiting the conditions for the sale (technically long-term leasing) of agricultural land and prohibiting the sale of rural land with existing peasant homes (*zhaijidi*) but, Walker concludes, "it appears that these regulations will do little to deter 'wicked coalitions' of officials and developers in illegal expropriations, or their use of thug violence to carry them out."[44]

Paired with the 2007 regulation was a "red line" of 120 million hectares under which China's arable land would not be allowed to drop, out of concern for food security.[45]

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41   It may be more than a coincidence that Wukan Village is also in Shanwei, part of the non-Cantonese speaking Chaoshan region, which is poorer and more rural than the heavily-industrialized Pearl River Delta where most Chaoshan ruralites work. On Wickedonna.blogspot.com (which logs reports of mass incidents from the Chinese blogosphere), Shanwei yields an inordinate number of results compared to other parts of China.

42   Walker 2008, p. 475.

43   Ibid.

44   Ibid. In contrast with Walker's generally materialist framework, here she adopts the term "wicked coalitions" from He Qinglian's framing of expropriation as a moral matter rather a systemic function of capital's need for expanded reproduction as China was becoming increasingly subject to the law of value.

45   McBeath and McBeath, *Environmental Change and Food Security in China*, Springer, 2010, page 70.

The previous year, however, the gradual abolition of most rural taxes and fees was completed, and this only further incentivized local officials to search for alternative, often land-consuming sources of income. Beijing attempted to compensate for this loss of revenue to local governments by increasing its budget allocation and merging offices to cut down on personnel, but these measures barely made a dent in the dominant trend. This pressure only increased as the massive local government loans began to mature, with debt totaling 2.8 trillion US dollars in 2013—forcing Beijing to set a $2.5 trillion cap on local government loans in 2015.[46] These loans were themselves central elements of Beijing's post-2008 stimulus package, launched after 23 million workers from rural areas lost their jobs in the financial crisis.

Somewhat ironically, many local governments found a solution in Beijing's own NSC campaign, also launched at this time with the goals of "lightening the peasants' burden" and increasing their incorporation into the market economy by promoting rural consumption. Despite the broad variety of projects included in the NSC's official guidelines, local governments naturally focused on aspects that could generate revenue (both legally and illegally), and the most lucrative has been the continuation of land grabs and real estate development—now framed as providing improved housing for ruralites, but often including additional housing for sale to rich urbanites, along with tourist resorts, factories, and capitalist farms or "co-ops" (all portrayed, of course, as ways to generate income for the villagers). Although Beijing continued to restrict land transfers and attempted to deflate the real estate bubble, land sales and taxes on property transactions accounted for something between 30 and 74 percent of local government revenue for most of the past decade (up from 10% in the late 1990s). This increased 45% in 2013, and is expected to increase further in the coming years as more government loans mature. The only exceptions will be the few localities able to benefit from the inland flight of manufacturing and the development of large-scale industrialized agriculture and resource extraction.[47]

Beijing's "red line" would seem to preclude such projects, but local officials have teamed up with real estate developers to overcome this obstacle by inventing a new commodity: "land development rights." Developers may convert farmland to "construction land" if

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46   "China Places Cap on Local Government Debt," *Wall Street Journal*, August 30, 2015.

47   Liyan Qi, "Hard Landing Ahead for China's Local Governments?" *Wall Street Journal*, March 1, 2013; Sandy Li, "Record land sales revenues leave local governments worried about further property curbs" *South China Morning Post*, January 10, 2014; Liyan Qi, "Swelling Debt Spreads Among China's Local Governments" *Wall Street Journal*, February 14, 2014; "Worries grow as China land sales slump", *Financial Times*, January 5, 2012.

they pay for the creation of an equivalent amount of farmland elsewhere. This is often done by moving peasants from their old houses into new high-rise complexes occupying less area per person, and then converting the old residential lots into farmland. Each unit of farmland thus created gives the local government a right that can then be sold to developers, much like carbon trading.[48] As one prefectural official described such a scheme:

> I have here a total of one million peasants. I am going to use three to five years to demolish these villages, because those one million peasants are occupying about [70,000 hectares] of potential construction sites, so forcing one million peasants to live in high-rises would release [50,000 hectares] of land…[49]

Such schemes spread throughout China in 2010, and according to a 2011 survey of 18 provinces, 20% of ruralites were thus "forced into high-rises" (*beishanglou*).[50]

Continued Land Grabs and Resistance since the mid-2000s

Workarounds such as this have enabled the "land grab epidemic" to not only continue but actually escalate since the reforms in the early-to-mid 2000s, alongside peasant resistance. According to a series of surveys conducted between 1999 and 2011, involving 1,791 rural households from 17 provinces, "There has been a steady increase since 2005 in the number of 'land takings' or compulsory state acquisitions," affecting 43% of the villages surveyed and an estimated 4 million ruralites per year throughout China.[51] "The mean compensation that the local government paid to the farmers was approximately $17, 850 per acre," while the mean price at which government agencies sold the land to developers was $740,000 per acre—over 40 times what the villagers received. "When farmers are relocated or 'urbanized,' only a bit more than twenty percent gained an urban *hukou* or registration; 13.9 percent received urban social

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48   On land development rights and real estate development in the NSC framework, see Looney (2012), and Wang Hui, Ran Tao and Ju'er Tong, "Trading Land Development Rights under a Planned Land Use System," *China and World Economy*, Volume 17, Number 1, 2009.

49   Zhang Yulin

50   Ibid.

51   These five surveys were conducted jointly by the Landesa Institute, Renmin University of China, and Michigan State University, in their "6th China Survey." The quotations are from Elizabeth Economy's 2012 summary, "A Land Grab Epidemic: China's Wonderful World of Wukans."

security coverage; 9.4 percent received medical insurance; and only 21.4 percent had access to schools for their children."[52] Zhang Yulin's more extensive study gives an even higher estimate for the number of ruralites affected by land requisitions: 6 million per year, on average, between 2003 and 2013, up from 5 million per year in the preceding 12 years.[53]

Local authorities have become more savvy in their efforts to minimize resistance. They have, for example, begun spacing out land grabs over time, giving villagers shares in enterprises that occupy their land, and using the new market in land development rights to finance the construction of high-rises for villagers—which many ruralites prefer because they are more "modern," although they usually require residents to switch from subsistence farming to buying most of what they consume, among other changes of lifestyle. Nevertheless, rural resistance seems to have also increased throughout this period, with 65% of 2010's estimated 180,000 "mass incidents" involving conflicts over land, according to one widely-cited study.[54] Little comparable data is available after 2010, but Zhang Yulin's survey estimates 45,000-83,000 such incidents in 2011, "including several thousand cases of direct violent confrontations, followed by a death toll in the thousands."[55] This is up from 14,000-26,000 struggles against land grabs in 2003, and he described the trend as still increasing "with no end in sight" as of 2013.

It is complicated to compare the above figures based on official records and more rigorous methodologies with data from Chinese microblogs, but the latter is the only source available since 2011. A group with the Twitter handle "Wickedonnaa" has been archiving online reports of mass incidents since 2013, and recently it calculated detailed statistics for 2015 in comparison with 2014. These actually suggest a *decline* in rural struggles relative to urban ones over the past few years, and an increase in

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52   Economy, 2012.

53   Zhang Yulin

54   Economy 2012 and many other reports take this figure (65% of 180,000 mass incidents in 2010) from a study by sociologist Sun Liping, summarized in English as "China's Challenge: social disorder," *Economic Observer*, May 9, 2011. Another report, by the Chinese Academy of Social Sciences, says that only 22% of 871 incidents between 2000 and 2013 were "protests against land acquisitions and forced demolitions." (Hou Liqiang, "Report identifies sources of mass protests," *China Daily*, March 9, 2014)

55   Zhang Yulin, op cit.

environmental issues[56] as a major source of rural conflicts alongside land seizures and officials' embezzlement of public funds. Out of 28,950 recorded mass incidents in 2015 (up 34% from 2014), only 10.4% (3,011 cases) involved "peasants," the main causes being land grabs, housing demolition, official embezzlement and environmental pollution or destruction. This categorization is tricky, however, since 9.1% of incidents are classed as "unknown," some of the other categories include both urban and rural incidents or even overlap with rural land conflicts. More importantly, this data is skewed against rural incidents due to the digital divide: people living in cities are much more likely to post on microblogs. On the other hand, those rural incidents logged by Wickedonnaa involve hundreds of people on average, as opposed to less than a hundred for most urban incidents, and the police repression tends to be far more brutal. In any case, a decline in the proportion of rural struggles and diversification of their causes would be consistent with the decline of rural land available for seizure and the increasing orientation of entire rural households toward urban life and struggles.

An Escalating Spiral of… What, Exactly?

Walker portrays land conflicts since the mid-2000s as "an escalating spiral of violence and resistance" that "have had a more profound impact than tax and fee abuses" in that "the seizures destroy peasants' livelihoods and basis for survival."[57] However, among the hundreds of thousands of rural land conflicts over the past decade, only a small and decreasing fraction opposed the land grab as such, and almost none have aimed to use the land for peasant farming. In the overwhelming majority of cases for which details are available, these were mere negotiations over the price of land that many residents had already abandoned, or in any case no longer regarded as their "basis for survival." In some cases this might be explained as an index of peasants' desperation in the face of state force often supplemented by thug violence: they may have preferred to keep their land, but felt that such a demand would have been hopeless, or much less likely to succeed than a demand for increased compensation. Several cases suggest the opposite, however.

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56   Similarly, one 2013 news report claims that environmental protests have surpassed land conflicts as the "main cause of social unrest" in China, but this is based only on the comment of a retired CCP official, so must be taken with a grain of salt: "Chinese Anger over Pollution Becomes Main Cause of Social Unrest," *Bloomberg*, March 6, 2013. In any case, both types of unrest have continued and perhaps increased over the past decade, and ruralites have played a major role in both.

57   Walker 2008, p. 474.

In the most extreme example,[58] in 2011, peasants in Anhui petitioned the local government because their village authorities *failed to* appropriate their land: they felt cheated because those villagers who had lost their land received new housing and monetary compensation. It is significant that this was not in the outskirts of a major city, where most ruralites have already abandoned farming and the land has a higher value for industry or real estate development than for agriculture. This was in a relatively poor village where most households still supplement remission payments from migrant family members with farming for subsistence and sale. The development project was not related to urban expansion or investment, but was merely an effort by the village authorities to benefit from the NSC campaign by selling land development rights. The protesting peasants still valued their farmland as a supplement to their low and unstable incomes, but they would have lost only part of it in the development project, and they placed a higher value on the compensation.

A more typical example involved two related conflicts in an even poorer and more remote village in a mountainous part of Guizhou (China's poorest province), where almost all the young adults lived outside the village most of the time.[59] The first occurred when the prefectural government built a highway through the village, connecting the prefectural capital with an old military airport being converted to civilian use as part of national project to develop the province. Many villagers, young and old, regarded the highway as a blessing, since they thought it would bring customers for roadside stores they could open, and possibly even factories in the nearby town**,** allowing villagers to work for wages without having to travel several days to coastal cities. However, as a few villagers were discussing the virtues of this new highway one afternoon, their neighbors suddenly called them over to a nearby hill in order to help stand in front of a power shovel—preventing it from excavating stone for use in the highway's construction. It turned out that the villagers' complaint was not against the highway in general or even the destruction of their land as such, but against the disturbance of this particular hill, which was believed to possess geomantic significance (*fengshui*). Several months later, when the local township government occupied much more of their land—including some of the hilly village's already small amount of level farmland—to lease out for real estate development, the villagers sought only an increase in compensation (successfully, this time).

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58   This event and others described below (for which no source is given) were witnessed personally.

59   Over 500 came home—mostly from coastal Guangdong—after the financial crisis of 2008, but almost all of these found new jobs within the next year, many in the more rapidly developing smaller cities closer to home.

Wukan, Wukan!⁶⁰

One of the few recent conflicts where villagers opposed the land seizure as such was also China's most widely-publicized rural conflict of the past decade, and probably one of the period's largest uprisings of "farmers" (as most news reports put it): the 2011 uprising of Wukan Village. Wukan (population 13,000) lies in coastal Lufeng County of Shanwei Prefecture, Guangdong.⁶¹ Back in 2009, villagers had already begun petitioning the local and provincial governments when they learned that Wukan's Village Committee (equivalent to a village-level government) had been colluding with the Wukan Harbor Industrial Development Corporation. The CEO was a Hong Kong capitalist and member of the Guangdong People's Congress, its vice-CEO had been the party secretary of Wukan since 1970, and its general managers were also long-term members of Wukan's Village Committee. Villagers alleged that these two overlapping entities had leased out 80% of Wuhan's collectively-owned farmland for private development projects—including a hotel, luxury housing and an industrial park—without consulting the villagers since 1993, embezzling at least 700 million yuan ($110 million USD) that legally should have been split among the villagers, who received only 550 yuan ($87 USD) each.

In 2009, a small group of young villagers—including migrant shopkeeper Zhuang Liehong (whose interview is included in this issue)—began to investigate what was happening to their land. They formed a group called the "Wukan Hot-Blooded Patriotic Youth League," printing membership cards and taking oaths "to lead a moral life,

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60   "Wukan, Wukan!" is the title of a documentary film about this struggle, made by Zhuang Liehong and other villagers, discussed in the interview with Zhuang in this issue of *Chuang*. Our account here is based on that film and interview, conversations with an observer who visited Wukan during the struggle, and secondary sources, the most helpful of which are: Shenjing He and Desheng Xue, "Identity Building and Communal Resistance against Landgrabs in Wukan Village, China," *Current Anthropology*, Volume55(S9), 2014; and Keegan Elmer, "Battle lines in the Chinese Blogosphere: Keyword Control as a tactic in managing mass incidents," FIIA working paper, 2012.

61   Since 1993, Lufeng has been officially designated as a "(county-level) city" (*xianji shi*) and Shanwei as a "(prefecture-level) city" (*diji shi*). We use the older terms because they more clearly reflect the administrative hierarchy. The change of terminology is significant, however, since it reflects the extent to which the area has urbanized over the past two decades, making Wukan a prime target for commercial development (along with the village's location on the coast). Wukan is only 5 km away from Lufeng's central urban area.

love one's country and fight for democracy and justice."[62] Between 2009 and March 2011, they submitted at least three petitions to the county government and six at the provincial level, never receiving a reply. They made videos about their investigations and petitions, attempting to generate support among fellow villagers.

At first these efforts fell on deaf ears. "Until the 921 [September 21, 2011] event, most villagers had no idea how and when their land was sold and how much had been sold for what price."[63] This was partly because, as Zhuang notes in his interview, farming had never constituted more than half of villagers' livelihood, and since the 1990s, Wukan's economy had become increasingly centered on remittances from migrant wage-labor and business. "Wukan's foot soldiers were young men steeped in the migrant labor battles of the Pearl River Delta factory belt," about 200 kilometers away.[64] As Guangdong's export-centered manufacturing sector began to decline, however, more village families became concerned about the disappearance of their welfare fields. On September 20, 2011, several villagers noticed a construction team clearing land near the entrance to Wukan:

> [The construction workers] said they were working for [Country Garden, a major private real estate developer] and that the land had been sold to them. It was the last and largest piece of land remaining in the village…. [We] went back to the village to prepare posters to start a protest…. Soon, the gong used for each clan to convene villagers was struck for the first time in the last 40 years.[65]

The next day, a few dozen villagers marched to the county government headquarters (five kilometers away), and when officials failed to respond, young villagers began blocking roads, smashing buildings and destroying equipment in a nearby industrial park. Police responded by beating protestors with truncheons and arresting three. The following day, hundreds more villagers surrounded the police station, some with makeshift weapons, and fighting ensued with riot police and hired thugs, who severely injured protestors including a nine-year-old. In the midst of this tension, the county government asked the villagers to elect 13 delegates to negotiate their grievances.

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62   James Pomfret, "Freedom fizzles out in China's rebel town of Wukan," *Reuters*, February 28, 2013,

63   He and Xue 2014, p. 130.

64   Pomfret 2013.

65   Interview from He and Xue 2014, p. 130.

After two months of negotiations, the Wukan delegates felt that no progress had been made, yet the government announced on December 3 that "the conflict had already entered its resolution stage."[66] The same day, police detained Zhuang, who had been circulating a manifesto that many considered central to the movement. Villagers responded by capturing several officials and holding them hostage until Zhuang was released. On December 9, the Shanwei prefectural authorities intervened, announcing that they had removed Wukan's two village party heads from their posts and temporarily frozen the land transfer to Country Garden. The same day, however, several Wukan delegates were seized by plain-clothed men in an unmarked van. Two days later, one of them—Xue Jinbo, a 43-year old butcher—died in police custody. The state coroner declared the cause of death to be heart failure, but family members who were allowed to view the body (but prohibited from taking pictures) said they observed signs of torture. As news of this spread over the next few days, protestors chased officials and police out of the village and blocked roads leading into the adjacent county seat of Lufeng. By December 14, a thousand armed police had besieged Wukan, disconnecting its water and electricity and blocking the flow of food and medical supplies. Villagers (partly with the help of journalists) nevertheless managed to sneak in and out, smuggling in supplies and attending protests in Lufeng.

Finally on December 21, Guangdong's Provincial Party Vice-Secretary Zhu Minguo came and met with Wukan's sexagenarian protest leader, recently-returned businessman and party member Lin Zuluan. Zhu promised to release the detained protestors, recognize the democratic election of a new Village Committee, and facilitate further negotiation of the land deals. The police withdrew, the protestors dismantled their barricades, Lin was appointed as Wukan's new party secretary, and the villagers independently organized the election of a new Committee on March 3, electing Lin as chair and other protest leaders to five of the six remaining positions.

Ultimately, this new Committee failed to regain more than a fourth of Wukan's stolen land, partly because some of the land had been used as collateral for bank loans by companies occupying the land. More significant here, however, is that when over a hundred democratically-elected village representatives convened to discuss the fate of their land later in 2012, most voted *not* to return the land its agricultural functions, but to leave it to its existing commercial uses and plans, the only difference from the status quo being that each villager receive an equal share of the rent—to which they had

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66   Lufeng official news website, quoted in Elmer, p. 15.

been legally entitled in the first place. The farmland had already been abandoned years before, except for garden plots used by the elderly. Most of the younger villagers still spent most of their time in the PRD working for wages or running small businesses, and a few actually worked at the hotel and factories that now occupied their land.

The fact that a police siege could threaten Wukan with starvation after a few days should be a clue that this was not a "peasant village" in the sense of even partial self-sufficiency: almost all their food and other necessities were purchased from outside. Wukan's only significant agricultural activity was commercial aquaculture, performed mainly by peasants from inland China who rented offshore fishery plots (*yuwei*) from the village collective. This conflict, therefore, cannot be understood as a struggle by peasants against the expropriation of their "basis of survival." Neither, however, was it simply a dispute among landowners about how to divvy up the rent from commercial development. As Zhuang mentions in his interview, the decline of manufacturing in the PRD has driven many young villagers back to Wukan, where they're trying their hands at aquaculture or "gnawing on the elderly" (*kenlao*), living off their parents as a temporary solution. The rent they should have received from their collective land thus represents a crucial supplement to their precarious prospects for maintaining a socially acceptable standard of living after burning through any money their households have saved up after two generations of labor migration. This helps explain why so many villagers still working in the PRD, who otherwise pay scant attention to village affairs, rushed back to Wukan and risked their lives playing active roles in the struggle.

The return of villagers from urban areas to participate in a rural struggle, and the participation of migrant farmers from poorer provinces living in Wukan, mark rare instances of crossing the sort of divisions that normally limit the explosive potential of such rural protests. In addition, some reports described the Wukan Uprising as "the spark that set the prairie ablaze," inspiring or encouraging at least three of the many rebellions in other villages and cities throughout Guangdong around the same time.[67] Although Zhuang's interview emphasizes why Wukan villagers decided *against* "uniting somehow" with other rural struggles (fear of more violent state repression), the very fact that they considered and debated this option points toward the potential of practical solidarity among rural and urban struggles in the future.

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67   For example: Josh Chin "Wukan Elections the Spark to Set the Prairie Ablaze?" *Wall Street Journal,* Feb 1, 2012.. Elmer (page 27) found reports of 11 mass incidents in other Guangdong villages and cities around the same time, but is skeptical about connections among them.

Wuhan, Wuhan!

One effort to link a rural land conflict with the purposively anti-capitalist actions of urbanites occurred in the 2010 movement to protect East Lake in Wuhan, Hubei. According to one report,[68] in December 2009 the government of Wuhan secretly signed a long-term lease with the state-owned real estate development company OCT (Overseas Chinese Town) for 211 hectares, including 30 hectares of the East Lake Ecological Preserve, to the tune of 4.3 billion yuan—the most lucrative lease of the year for rapidly expanding Wuhan.

> OCT's plan includes an amusement park (Happy Valley) and upscale shopping areas, hotels and condominiums. […] Two villages and a fishery have already been evicted and demolished, starting immediately after the lease was signed last December, and a third village is in the process of eviction. Villagers and fishery workers claim that part of the compensation promised by OCT has been pocketed by government officials, and when they petitioned the government about this they were assaulted by hired thugs. Most of these petitioners have backed down, but about 50 families in the third village are still holding out. […] The chief concern among online critics of the plan was the possible ecological consequences, since water pollution and algae outbreaks have been increasing rapidly throughout China in recent years, rendering half of China's population and two-thirds of China's rural population unable to access safe drinking water. […] Finally, critics are concerned about gentrification, as the development plan would transform the lake and its environs from a peaceful, clean place where anyone can enjoy the natural world for free […] to an expensive, noisy and artificial resort for the rich.[69]

Urban participants in this movement (including at least one self-described "anarchist" of rural background) said that they approached some of the 50 rural households still resisting only to discover that their goals were incompatible: whereas the urbanites wanted to prevent the development project and keep the lake as it was, the ruralites wanted an increase in compensation. They were not even willing to consider the option of keeping their land and houses. Most had jobs in the city and, even if some used part of their land to supplement their incomes by farming for household use, they valued this less than the money they hoped to obtain in return for giving up their land.

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68   "The Battle for East Lake in Wuhan," *China Study Group,* 2010.

69   Ibid.

Again, they may have preferred to keep their land if possible and were just doing what seemed most prudent in the face of state force. Also, it may be misleading to generalize from such examples. These attitudes are more prevalent in the outskirts of major cities, where most ruralites are no longer peasants and their land is much more valuable for real estate development than for agriculture. Some of the Wuhan activists had also established a social center in a nearby peri-urban village, and when they learned that the village was scheduled to be demolished for urban expansion, they asked villagers about the possibility of resisting and received responses similar to those in East Lake. Although these cases may not be typical of contemporary Chinese rural land conflicts in more remote locations (for which little details are available), they are at least representative of most conflicts on the outskirts of major cities and relatively industrialized areas. They also point to the difficulty of linking such localistic and narrowly-defined struggles with broader movements that might take on a potentially anti-capitalist orientation.

Riots as Crucible of "Socio–Cultural Unity"?

Walker's account of recent land conflicts culminates in an argument that such struggles have played an important role in the emergence of a "shared class perspective" among "the rural poor, the 'have nothings', migrant workers, disenfranchised workers and urban poor." She compares this to earlier periods in Chinese history (the 17th and early 20th centuries), when "sustained rural collective action—rooted in local struggles—developed on a transregional or even national scale" and "assumed the character of a movement" by forming "a unified discourse of dissent." These earlier movements, however, were based on the shared relations of peasants to their exploiters or expropriators: a 17th century movement against bonded labor, an early 20th century movement against rent and taxes, and the 1990s struggles against corruption and land grabs.

The newly emerging class perspective she identifies, on the other hand, seems to be based on a *shared proletarian condition* (i.e. lack of access to means of subsistence), expressed not through common resistance to specific relations of exploitation or expropriation, but through riots against a more general sense of inequality, social exclusion and state-sanctioned violence. On Walker's level of analysis, it remains unclear what these urban riots have in common with rural land struggles, except that they "echo" the latter—perhaps because many of the rioters recently became more fully proletarianized through these very land grabs:

> The indignation and anger of many rural residents regarding the growing inequalities of the post-socialist path have been echoed in recent years by the "eruption" of numerous large-scale societal outbursts. […] In 2004, for example, in the Wanzhou district of Chongqing […] where many rural residents had been resettled due to the Three Gorges Dam project—perhaps as many as 80,000 people "rioted" after a tax official brutally beat a migrant worker who had accidentally bumped into the official's wife. […] Similarly in 2005, 50,000 migrant workers in Guangdong also "rioted" after a security guard killed a migrant youth accused of stealing a bicycle.

Although Walker claims that these outbursts have involved "migrants, peasants, and the urban poor" in "rural, suburban, and urban areas," the only two examples she provides took place in cities and centered on state-sanctioned violence toward migrants. In this regard, they resemble many of the recent large-scale riots in urban areas. Some of the largest riots to have reached the news media in the past few years were not only staffed by ex-peasants in peri-urban industrial districts, but more specifically, centered on wage-laborers' direct resistance to exploitation in the workplace—what some observers call "collective bargaining by riot."[70]

If we take this phrase ("collective bargaining by…") and replace "riot" with "occupation," "blockade" or "kidnapping of local officials," it might also be applied to many of the recent rural struggles. A key difference, however, is that the object of bargaining is not the conditions of work and life the participants hope for the future, but the amount of cash they can glean from the liquidation of their welfare fields, in the hope that it will keep them afloat as they jump into the sea of a rootless urban life: cashing in on the past vs. hoping for cash in the future. With such different goals, targets and temporalities (not to mention geographic locations), it is understandable that these two types of struggle have not linked up to form a socio-cultural unity—even when they are conducted by members of the same family.

On the other hand, these two types of struggle reflect their participants' common condition of growing superfluity to the needs of capitalist accumulation. As in both more and less "developed" parts of our deindustrializing world, this condition fragments the proletariat into multiple specific relations of expropriation, exploitation and exclusion, and multiple corresponding forms of struggle. This makes it more difficult

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70   A typical example was the 2012 Foxconn workers' rebellion in Taiyuan, described in "Revolt of the iSlaves," *Gongchao*.

for the various class fractions and their struggles to cohere around a hegemonic pole, such as the historical workers' movement or peasant army. China's post-socialist political horizon is thus defined by a multiplicity of unconnected struggles by people experiencing a shared condition of increasing precarity—like that of the Arab Spring and Autumn, or of the Euro-American movements of squares and riots.[71]

While it is clear that both rural and urban mass incidents have continued to grow in frequency over the past decade, there have been no well-known cases in which these two types of struggle have linked up or even resonated significantly with one another, except for the limited rural-urban connections seen in Wukan. This is because each type relates to capital in a qualitatively different way. However, as the global crisis and its Chinese manifestations become more caustic, wearing down people's hopes for a better life in the city, it is possible that more Chinese ex-peasants will try fleeing back to their birthplaces to reclaim the welfare fields.[72] At the same time, as Chinese agriculture becomes more industrialized, turning even some of the rural-dwelling ruralites from peasants into workers, labor struggles will emerge closer to home.[73] Either of these developments might spark a hitherto unseen fusion between urban and rural struggles, granting a more expansive orientation to the still frequent and militant land conflicts.

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71   "If there is any revolutionary potential at present, it seems that it stands to be actualised not in the struggle of any particular class fraction, but rather, in those moments when diverse fractions are drawn together in struggle *in spite* of their mutual suspicions; *despite* the lack of a stable, consistent hegemonic pole." *Endnotes* 4 (2015), "An Identical Abject-Subject?"

72   Among Chinese activists involved with both workers and "peasants," there has been a revival of interest in the Brazilian MST (Landless Workers Movement), where proletarians seize land, farm it collectively, and create communities that then support other types of struggle. Several Chinese activists have gone to learn from the MST, publishing videos and writings such as this recent interview: "*Baxi wudi nongmin yundong lingxiu zhuanfang: shijie xiangyou, baxi xiangzuo*"*Potu*, September 15, 2015. (巴西无地农民运动领袖专访：世界向右·巴西向左)

73   On recent changes in Chinese agriculture pointing to this eventuality, see the *Chuang* blog post: "The capitalist transformation of rural China: Evidence from *Agrarian Change in Contemporary China*," August, 2015.

Revisiting the Wukan Uprising of 2011

An Interview with Zhuang Liehong

Zhuang Liehong was one of the four main leaders of the 2011 uprising in Wukan Village, China's most widely publicized rural struggle of the past decade.[1] Born in 1983, he left home after junior secondary school, like most teenage villagers, to work in the nearby Pearl River Delta (PRD). After a few years of saving up money, he became a shopkeeper in Foshan. Over the course of a series of land grabs in his home village (taking place since 1993), his parents lost their farmland, thus reducing their income to remittances from Zhuang and one of his brothers. With the economic slowdown after 2008, however, Zhuang's business barely managed to make ends meet, so when fellow villagers began protesting the land grabs in 2009, he joined their cause, teaching himself to use video equipment and co-producing two short documentaries about the dispute. When the conflict escalated in September 2011, Zhuang again rushed home to play an active role in the struggle, being elected to serve as one of 13 delegates to negotiate with the officials. On December 3, he was arrested for circulating a manifesto that helped turn the protest into a mass movement. In response, villagers took several officials hostage, demanding Zhuang's release. After the movement finally ousted Wukan's ruling clique and organized the village's first democratic election in March 2012, Zhuang became one of seven members of the new Village Committee (equivalent to a village-level government).

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1   For an overview of the Wukan Uprising, see "Gleaning the Welfare Fields" in this issue.

After nearly two years of negotiating with the companies that had leased Wukan's collective land and the officials who had colluded with the old Village Committee, the new Committee managed to regain only a fourth of the stolen land, and some of the movement's other demands remained in limbo. As the 2014 election approached, higher-level officials began harassing the new incumbents who had been active in the movement, detaining two of Zhuang's comrades on bribery charges, for which one was eventually sentenced to four years in prison. Zhuang fled to the US, applying for political asylum and getting a job at a restaurant. His application is still pending.

On October 31, 2015, our friend Guiling, who had met Zhuang during the uprising in 2011, had the opportunity to catch up with Zhuang and ask about some points that remained unclear in the existing literature on Wukan. Below are translated excerpts from the interview. Part I is transcribed from their meeting, and Part II is translated from email exchanges.

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Part I

Guiling: What are you doing here in America?

Zhuang Liehong: Now I'm delivering food for a Chinese restaurant. I just bought a car and my working hours are late. Usually I start working at 4 pm and go back home at 10 pm. We got some low-income insurance here.

G: What's the situation in Wukan now? Are you still in touch with people there?

Z: Wukan's struggle is completely over—the last nail was hammered into its coffin long ago. No changes have been made regarding the land dispute. My friend Hong Ruichao is still in prison. I think he has another two or three years to serve. I still have relatives living in Wukan, but no one is involved with the land struggle now. As far as I see it, the struggle was already doomed from the beginning. Chinese peasants… they really don't know how to fight, and things fell apart soon after the movement begin. Everyone has their own motives and interests. As for the media, of course they stop following as soon as there is nothing sensational to report. Peasants have always been the ones to be exploited and oppressed throughout Chinese history.

G: What does the land mean to younger villagers?

Z: Most of the younger villagers work in big cities like Guangzhou, Shenzhen and Foshan. Some of them run businesses, like in the garment industry. They don't regard themselves as "peasants" (*nongmin*) anymore. But the economic situation in those big cities is bad. You know, Guangdong's economy isn't really growing anymore, so those young people have to return to Wukan. Some may try their hand at fishing or aquaculture (*dayu*), since no one farms the land anymore. Many of the returned youth are living off their parents, just "gnawing on the elderly" (*kenlao*). But this doesn't mean that people don't have any feelings for their land. In my case, for example, the land belongs to my family, so I have to do something with it, even if it's not farming.

G: Why didn't Wukan unite with other villages involved in struggles at that time?

Z: That's a good question. Actually we *did* get in touch with other villages and planned to unite somehow. But after some discussions and re-thinking, we decided against it. We didn't want escalate the situation and change the "character" (*xingzhi²*) of our movement. As you know, the county's party leader, Zheng Yanxiong, was worried that this struggle might ruin his political career, so he sent all those armed police to suppress the movement as fast as possible. So if we united with other villages, it would be considered an upheaval against the regime, and Zheng would have a perfect legal excuse to adopt even more violent measures. We didn't want that happen. We wanted the movement to stay under control.

Part II

G: Many land-related struggles have occurred since the 2000s, but Wukan's case is the most famous. What is unique about Wukan? Have you heard of similar struggles elsewhere?

Z: This has a lot to do with our use of the media and our own publicity efforts, based on our experiences of over ten efforts at petitioning the government over the previous

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2   *Xingzhi* (性质) is a word often used in the Chinese state's categorization "mass incidents" in order to determine appropriate measures for mediation or suppression. The most severe *xingzhi* is "subversion of state power," which draws the bottom line for every legal issue, but in a way that appears highly subjective and ambiguous to ordinary people. Participants in "mass incidents" are thus fearful of crossing that line. Mr. Z's choice of this term reflects such concerns about the struggle's legal categorization.

three years. In our publicity efforts, younger villagers' use of technology and the internet was crucial.

I hadn't heard of other such struggles in other places before [ours], probably due to China's internet censorship. Only later did I learn of a few similar struggles through interaction with journalists.

G: Many foreign journalists presented the Wukan incident as a movement aimed at "fighting for democracy," with "fighting for the right to vote" as the means to this end. Other sources have said the goal was to regain farmland. According to your experience, which description is more accurate?

Z: As a villager of Wukan, my original aim was to regain the land that had been stolen and sold by the government. Of course, this touches on issues of democracy: the lack of democracy means that village affairs are not transparent. This is one of the reasons that the land could be stolen and sold behind the villagers' backs.

In my opinion, as far as we villagers are concerned, the real goal concerning our immediate interests was to regain our land, and democracy was just a necessary condition toward that end, and toward preventing similar losses in the future.

G: What role does land play in Wukan villagers' lives? How many people still make a living from farming? What portion of the household income derives from farming?

Z: Farmland has never been villagers' only source of income in Wukan. Compared to neighboring villages, Wukan is coastal. Earlier generations were basically half-farmers and half-fishers, with farming and fishing each providing about half of a household's income. Our standard of living was much higher than villages depending on farming alone. Even so, villagers still regard farming as the root of life, and "the sea" as [a place of] begging, so some refer to fishing as "begging from the sea" (*tao hai*).

Since the 1980s, the rapid development of the Pearl River Delta attracted young people to give up farming and seek development there, but older people continue farming and fishing. Household incomes long ago ceased to depend entirely on farming.

Then the government built roads that cut off Wukan's natural water sources for

irrigation. This was called "using land to cultivate roads" (*yi di yang lu*). So most of Wukan's farmland fell into disuse. **Now the amount of income that households derive from agriculture is almost nil**.[3]

G: Do the young people of Wukan know how to farm these days? As far as I know, most do not, yet they played an especially active role in the protests. What do you think the land means to them?

Z: **For young people nowadays, the generation with no experience farming, even if they have farmland and can't find a job, they're still not willing to try their hand at agriculture**.

In my personal experience, after wandering far from home for many years, it was only by returning home to Wukan that I could feel secure, like a boat coming into harbor. That may be why young people played such an active role in Wukan's land struggle.

G: How does your parents' generation regard the loss of land? How does their perspective differ from that of young people? During the struggle, were there any generational conflicts regarding methods or ideas?

Z: My parents' generation's perspective on the loss of land is shaped by all they've invested into the land, such as decollectivization in the 1980s, [and during the preceding collective era,] bringing new land under cultivation, improving irrigation infrastructure, etc. My parents' generation sacrificed their sweat and blood for these projects, so their perspective differs from that of younger people who have been wandering around outside for many years. But no conflicts emerged during the land struggle.

G: Did the migrants from Sichuan and Hunan [who rent offshore fishery plots from the Wukan collective] participate in the movement?

Z: Yes. Nearly a thousand migrants live in Wukan. Some of those from Sichuan, Hunan and Henan who had lived in Wukan for over ten years became especially active in the land struggle. I was deeply moved when two or three women from Sichuan accepted interviews by the media.

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3   Bold indicates our emphasis here and below.

Chuang 1

G: Your documentary film *Wukan, Wukan!* is the most detailed record of the event that we've seen. Could you tell us about the production process? What do your comrades think of it?

Z: When we (non-journalists) were making *Wukan, Wukan!*, our main concern was to present a clear timeline and an accurate, easy-to-grasp account of the situation. Everything in the film was either recorded by us or collected from other villagers.

Since we are not professionals, we fumbled through the production process through trial and error. […] I taught myself how to use the software [in 2009] when I was producing the videos *To Be with Wukan* and *Dark Dream of Lufeng* in Foshan.[4] In order to fulfill the technical requirements for making these videos, I bought two high-quality desktops […] in Foshan. Zhang Jianxing[5] helped me add narration. Together we also edited the timeline, images and videos.

The time that impressed me the most was before I got arrested (on December 3, 2011). Since we promised our fellow villagers that we would screen the *Wukan, Wukan!* for them on a certain date, we had to work day and night to complete it before the screening [of Part 1]. We spent every second at a desk on the second floor of Lin Zuluan's[6] house. We could just take short naps when the videos were loading. Our "professor," Xue Jinbo,[7] came to visit us every night with snacks. […]

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4   These earlier videos circulated via QQ groups of villagers who had already become concerned about the land grabs in 2009, when an earlier round of petitions and protests took place.

5   Another villager active in the 2011 movement.

6   Lin Zuluan is a sexagenarian party member who had nevertheless been excluded from the ruling clique of Wukan, probably because he had spent most of his adult life doing business outside the village. After retiring and returning to Wukan, he joined the rebellion in 2011 and was popularly elected as one of the 13 delegates to negotiate with authorities in September. When the movement ousted Wukan's ruling clique in December, the Shanwei Prefecture branch of the CCP appointed Lin to replace Wukan's incumbent party secretary. In the popular election of March 2012, he was elected as head of the new Village Committee. Later, villagers accused him of corruption, selling out the movement and sabotaging the negotiation process.

7   Xue Jinbo was the butcher and movement leader (one of the 13 delegates) who died in police custody on December 11, 2011, his body showing signs of torture according to one coroner. It was news of this that incited the protesting villagers to oust the Village Committee, force police out of Wukan and block roads, in response to which a thousand armed police came and laid siege to the village on December 13.

Our fellow villagers were very supportive of the documentary production process, and as far as I know, their responses to the final product were positive. They didn't know it was made by us at the time. In order to avoid unnecessary trouble, we told them that we hired some professional video makers from other places.

G: Have you watched other documentaries about Wukan, such as those by Al-Jazeera? What's the difference between your documentary and those?

Z: I didn't know of any other documentaries while I was making *Wukan, Wukan!* Later I watched *Wukan* parts 1 and 2 by ISun Affairs. Compared to our documentary, theirs was more standardized (*guifan*) and artistic (*wenyihua*). Although their documentary may be more attractive for the audience, I think ours is a more complete and realistic record of the whole event.

G: What do you think of the media's collective silence after the movement? Do you think the media have misrepresented Wukan?

Z: For outsiders, I think such silence after a struggle is normal, unless there are some new developments that the media deems newsworthy.

As for [China's] domestic media, that's not even worth talking about. From the start they distorted everything, misleading society's impressions of Wukan and our struggle.

There *were* some inaccuracies in [foreign] media reports that failed to do in-depth investigation. Some exaggerated the facts and distorted the aims of our land struggle. But overall, most accurately conveyed our dire situation, attracting attention and concern from people everywhere. This indirectly saved us from further persecution at the time or even a massacre.

No Way Forward No Way Back

China in the Era of Riots

Denim and its Discontents

The story is now familiar: One morning in the spring of 2011, a migrant street vendor is harassed and beaten by police. That evening, rumors fly over the internet that the vendor has died. Hundreds of people gather in the streets, enraged by the apparent murder. They burn cars, loot ATMs and attack the riot police sent to disperse them. But they do not disperse. The riot spreads over several days, with participants growing into the thousands. Journalists who come to report on the events are held by security forces. Rumor of the uprising spreads over the internet even as the government uses all its resources to cut off access to the information.

Despite its striking similarity, this is not the story of Mohamed Bouazizi, the Tunisian street vendor, harassed by police, whose self-immolation sparked the Arab Spring. The man in the story above was instead Tang Xuecai (唐学才) a Sichuanese migrant in the city of Guangzhou. The riot[1] took place in Xintang, one of the Pearl River Delta's many manufacturing districts, this one specializing in denim[2], with the majority of the rioters themselves migrant laborers in factories making jeans for export. And, unlike the riots and strikes that followed the death of Bouazizi in Tunisia, the Xintang riot was ultimately crushed as police took control of the district, made mass arrests, and forced the majority of migrants back to work.

Aside from this stark comparison, there was nothing particularly special about the Xintang riot. In a strictly quantitative sense, cities like Guangzhou, Shenzhen and Dongguan in China's Pearl River Delta (PRD) see more riots more regularly than even Athens. If one adds strikes, blockades and other such "mass incidents" to the list, Chinese protests regularly surpass global trends in scale and severity—especially since a lack (or exhaustion) of legal alternatives tends to transform what might be a benign picket or protest elsewhere into a multi-factory uprising that risks destroying millions of dollars of equipment. Yet we do not often see the avenues and alleys of Xintang as we see those of Athens, lined with burning cars as riot police advance and swarms of rioters scatter underneath the dim gold glow of a McDonalds sign. Instead, images of Athens burning are posed against the glowing skylines of China's coastal cities, intercut with upward-trending graphs of productivity, profitability, progress.

Underneath the graphs, however, such "mass incidents" have been increasing over the last decade.[3] This rising unrest is, in fact, recognized by numerous official sources, such as the Annual Report on China's Rule of Law (No 12). Other than attempting to tally and taxonomize the "incidents," this report also noted that roughly 30% of them took

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1   For a mainstream news overview of the events, see Eunice Yoon, "China's riot town: 'No one else is listening'", CNN, June 17, 2011.

2   Xintang produces roughly one third of the world's denim, earning it the moniker: "denim capital of the world." See: Li Guang, Jiang Mingzhuo, Lu Guang, "The denim capital of the world: so polluted you can't give the houses away." *Chinadialogue*, 13 August, 2013; and: Malcolm Moore, "The end of China's cheap denim dream," *The Telegraph*, 3:02PM GMT, 26 Feb 2011.

3   See the included figures for details. Note, however, that these figures calculate data for China as a whole. The number of riots, strikes or blockades in a populous and industry-intensive region such as the Pearl River Delta exceeds the national average, as is apparent when the same data is mapped.

place in Guangdong province, in which the PRD is located.[4] But many such reports, including this one, take only a small number of mass incidents reported in major media outlets and generalize from this subset. Others, such as the China Labor Bulletin's strike map, mine reports from the Chinese internet in a much more systematic way, but the data stretches back only a few years. Their map is also intentionally focused on *strikes*, rather than all "mass incidents," and therefore often excludes forms of unrest that are initiated outside the workplace and do not take the form of labor grievances.

Discussions of Chinese unrest too often rely on partial sources or intuitively "obvious" trends, often paired with restrictive definitions. In order to discuss these phenomena, however, it is essential to expand the scale of our data. In recent years an unprecedented news-aggregator database, Global Data on Events, Language and Tone (GDELT), has become available, giving access to an enormous portion of the world's news reports, in over 100 languages (using the Chinese state's press agency Xinhua as one of its primary news pools) and coded for different types of news "events," mostly diplomatic in nature but also including a variety of records for internal political strife.[5] This provides an alternative to the data gathered in official reports or mined from Chinese social media—not so much a replacement of these sources as a comparative supplement. Though not necessarily more authoritative or accurate in the details, it can provide a longitudinal context that the others cannot.[6] Querying data on riots using GDELT has shown a slight increase in riots worldwide since 1979, made more significant by a concurrent, and much more severe, global decrease in strikes.[7] Using the GDELT data, we are now able to see certain comparative patterns invisible in previous reports. Nonetheless, the GDELT data are also based on news reports, and therefore almost certainly *underestimate* the number of mass incidents in a country like China, with its regular media censorship.

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4   A summary of the report's contents in English is available here: < http://www.chinadaily. com.cn/china/2014-04/09/content_17415767.htm>

5   Kalev Leetaru and Schrodt, Philip. GDELT: Global Data on Events, Language and Tone, 1979-2012. International Studies Association Annual Conference, April 2013. San Diego, CA.

6   It's also notable that several much lesser-known peaks of unrest are, in fact, picked up by GDELT. The peasant unrest of the late 1990s—particularly 1997—and the early 2000s, discussed in "Gleaning the Welfare Fields" in this issue, appear clearly in Figure 1.

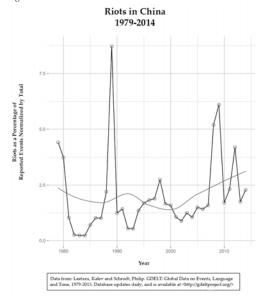7   See: Phil A. Neel (2014) "Counting Riots," *Ultra*.

**Riots in China
1979-2014**

Data from: Leetaru, Kalev and Schrodt, Philip. GDELT: Global Data on Events, Language and Tone, 1979-2015. Database updates daily, and is available at <http://gdeltproject.org/>

Figure 1

The general trends in riots and strikes within China are visible in figures 1 and 2.[8] Both strikes and riots have spiked in recent years, though unevenly, and they are either outstripping (riots) or running counter to (strikes) the world trends, compared in

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8   These figures are original calculations from the full GDELT database, normalized by total world events (versus total events within the country) and transformed by a simple multiplier to ensure that the numbers on the y axis do not appear in scientific notation, with a Loess smoother applied—note that such a smoother is not a stand-in for a regression line or curve. These figures are meant to demonstrate characteristics of the observed data in a descriptive manner, not to imply a regression model of the data or other inferential methods. The original data can be found at <http://gdeltproject.org>

**Strikes in China
1979-2014**

Data from: Leetaru, Kalev and Schrodt, Philip. GDELT: Global Data on Events, Language and Tone, 1979-2015. Database updates daily, and is available at <http://gdeltproject.org/>
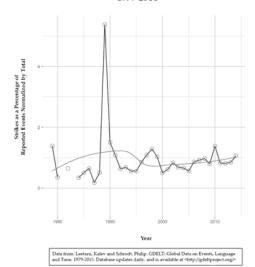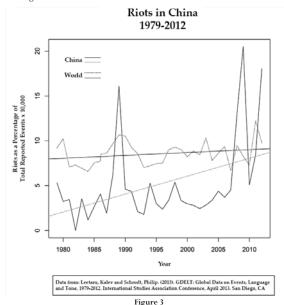
Figure 2

figures 3 and 4.[9] It's also clear that riots are far more common than strikes, as can be seen by comparing the event units on the y axes. Despite the fact that both are increasing, 2009 saw almost eight times as many riots as strikes. In 2012 the margin had narrowed

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9   Reproduced from Phil A. Neel "Counting Riots," *Ultra*, May 22, 2014. These figures use trend lines rather than a Loess smoother, but, again, the intent is to show characteristics in the observed data, not perform linear regression or similar procedures. Also note that these are normalized by *national* event totals, rather than global event totals. The pattern is the same but the relative heights over time change slightly. Neither method is incorrect, they simply emphasize different aspects of the total data. In Figures 1 and 2 we normalized by global totals to scale the phenomena within global trends, whereas Figures 3 and 4 include the global trend lines themselves.

Riots in China
1979-2012

Data from: Leetaru, Kalev and Schrodt, Philip. (2013). GDELT: Global Data on Events, Language and Tone, 1979-2012. International Studies Association Conference, April 2013. San Diego, CA

Figure 3

only slightly, with five riots for every one strike, and by 2014 riots had dropped to a third of their 2009 magnitude while strikes peaked again, though remaining slightly lower than their 2010 high. It is also notable that, whereas riots in China surpass world averages, strikes (both reported and, likely, *de facto*) still seem to fall below the world average.

Despite these trends, uprisings in China have been substantially contained. There has been no millennial Tiananmen, and attempts to organize beyond a single factory or neighborhood have thus far been incapable of surviving in any substantial form. Maybe more importantly: riots and strikes in China are most often explicitly revindicative in

**Strikes in China
1979-2012**

Data from: Leetaru, Kalev and Schrodt, Philip. (2013). GDELT: Global Data on Events, Language and Tone, 1979-2012. International Studies Association Conference, April 2013. San Diego, CA
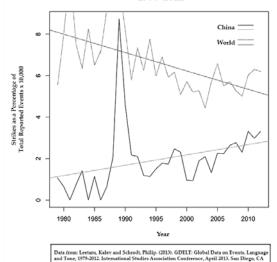
Figure 4

nature—meaning that they often seem to make very specific, local demands of existing powers. Many such "incidents" thus operate well within currently accepted power structures and tend toward negotiation, particularly when demands take the form of appeals to the central government to ouster "corrupt" local officials, despite the fact that those local officials are often simply responding to material incentives designed by the central government itself.

This is a clear divergence from the tendency seen in Egypt, Greece, Spain or even the Occupy movement in the US, where "mass incidents" have increasingly abandoned their own demands for simple reforms or payoffs—such that even when they do formulate

higher-order demands ("down with Mubarak," "No to the austerity vote," "everyone out of office") these demands increasingly exceed accepted frameworks of power. This is not to say that these movements have become "demandless"—they usually articulate a variety of demands and exist alongside more traditional campaigns, of which SYRIZA and Podemos are today the foremost examples. It is more accurate to say that established frameworks for articulating demands and having them met have begun to break down in places like Greece and Spain. The severity of the crisis in these countries makes identifying possible reforms difficult and ensures that attempts to fulfill even minor demands meet herculean obstacles. In Greece, a simple "no" vote to austerity measures threatens the collapse of the Eurozone. In China, however, protestors' demands have often been fulfilled quickly and with little fanfare.

In one sense, these mass incidents are simply the most recent—if more invigorated—oscillation of the "holding pattern" within which contemporary struggles remain muted. At the same time, it may also be the beginning of a return to conditions somewhat similar to those that gave birth to the revolutionary movements of the late nineteenth century in their earliest forms—a return that communist philosopher Alain Badiou has called the "rebirth of history," and one that other contemporary communists refer to as the "era of riots." As explained by Jason Smith:

> *Le temps des émeutes*: this was the expression used in France after 1848 to refer to the early years of the workers' movement, the two decades preceding the sudden eruption of revolt across Europe that year. This period was marked on one hand by a certain disconnection between the proliferation of socialist and utopian sects, with their alternately arcane or lucid schemes for treating the emergent so-called "social question," and on the other by the immediate needs of workers themselves in their often violent responses to transformations of the production process occurring at the time.
>
> […]
>
> Over the past five or six years, probably beginning with the *banlieue* riots in France in November 2005 up to the London riots of August 2011, from the anti-CPE struggles in France in 2006 to the recent "movement of the squares," from the anti-austerity general strikes in Greece over the past two years to the astonishing revolts in North Africa last year, we are awakening from the

neoliberal dream of global progress and prosperity: after forty years of reaction, after four decades of defeat, we have re-entered the uncertain stream of history. We bear witness to a new cycle of struggles; ours is a time of riots. [10]

Certain facts are written on the surface of events. From Guangzhou to Cairo, it's clear that *something* is awakening. But why do riots in China seem to take on such a different character than those seen elsewhere? According to the Anglophone communist collective Endnotes, global struggles are caught in a sort of "holding pattern" in which they are incapable of developing beyond the riot stage. One potential path out of the current "holding pattern" is "an intensification of the crisis, a global bottoming out, beginning with a deep downturn in India or China."[11] If this is the case, these very dynamics may be key to understanding when and how this holding pattern might be broken. The most relevant question might then be: why have these strikes and riots, despite their size and frequency, been unable to pose a serious threat to power? Were conflicts in China simply a prelude to the Arab Spring? Or do they prefigure something larger still to come?

Field to Factory

In the most general sense, Chinese economic development since the end of the 1970s has been marked by two major class dynamics. Taken together, these dynamics signal China's transition out of a chaotic, inconsistent socialism—which designates the *absence* of a coherent mode of production—and into global capitalism. The first of these two dynamics was the solidification of a "bureaucratic capitalist class," beginning in earnest with the allegiance forged between the "red" (political) and "expert" (technical) elites in the reaction to the Cultural Revolution in the late 1970s.[12] Over the following decade, this allegiance would become an entrenched feature of the Chinese class hierarchy:

> [...] many cadres and their kin and associates managed to amass enormous private wealth and turned themselves into the first generation of China's cadre capitalist class, or bureaucratic capitalists, in a matter of a few years. Inflation,

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10   Jason E. Smith "Occupy, the Time of Riots, and the Real Movement of History," *Scapegoat Journal*, Issue 03, 2012.

11   "The Holding Pattern," *Endnotes* 3, 2014.

12   See: Joel Andreas. *Rise of the Red Engineers: The Cultural Revolution and the Origins of China's New Class*. Stanford University Press, 2009.

corruption, and class polarization reached a state of crisis in 1988, paving the way for the large-scale unrest in 1989.[13]

The events of 1989, however, were only the beginning of what soon became a tendency toward more or less continual unrest spanning demographics and emerging in almost every geographic niche. If anything, Tiananmen itself was the true inauguration of the restructured ruling class, through which the final resistant segments of the intelligentsia—the students themselves—were ultimately incorporated into the party.[14]

But while many of the rebellious students were offered lucrative careers, the workers were simply left to the tanks. Tiananmen, then, also inaugurates the second major dynamic of the period: the remaking of China's working class in a process of "proletarianization"—i.e., the production of a population that has no ownership over means of production such as factories or large tracts of land, and who must therefore depend upon a monetary wage (often second or third-hand) in order to subsist on goods purchased through the market. In China, this process involved not only the gutting of the old state-owned industrial strongholds in the country's rustbelt and the dissolution of the socialist-era working class, but also the birth of new industrial and consumer cores in the port cities of the sunbelt, staffed by a new generation of workers.[15] A significant segment of this new working class is made up of rural migrant laborers (农民工, *nongmingong*) who either can't access or must pay more for state resources (education, unemployment insurance, etc.) in the areas where they work, becoming instead dependent on their employers' state-mandated (but often un- or under-paid) contributions to insurance accounts. This process has sent ripple effects into other strata of Chinese society, as industrialization has driven urbanization and environmental degradation, leading to protests against land dispossession, overuse of natural resources and industrial pollution, all alongside skyrocketing labor unrest.

Despite the more or less complete industrial restructuring of the country, both legal labor disputes and extra-legal measures are still on the rise. According to a report on the 2010 strike wave,

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13   Ho-Fung Hung. "Labor Politics under Three Stages of Chinese Capitalism," *The South Atlantic Quarterly*, 112(1), Winter 2013. pp. 203-212.

14   See Sikander, "Twenty-Five Years since the Tiananmen Protests: Legacies of the Student-Worker Divide," *Chuang* (originally posted on *Nao*), June 4, 2014.

15   For an overview of this process, see: Ching Kwan Lee, *Against the Law: Labor Protests in China's Rustbelt and Sunbelt*. University of California Press, 2007. pp. ix-xii

The nation's courts dealt with nearly 170,000 labor disputes in the first half of 2009, an increase of 30% over the same period the previous year, [a] survey revealed, without specifying how many of these disputes related to migrant workers and their employers.

And:

In 2007, China had over 80,000 "mass incidents" (the official term for any collective protest or disturbance), up from over 60,000 in 2006, according to the Chinese Academy of Social Sciences, although many involved no more than dozens of participants protesting against local officials over complaints about corruption, abuse of power, pollution or poor wages.

[…]

Strikes and protests at factories are becoming more common. Outlook Weekly, an official magazine, reported in December that labour disputes in Guangdong in the first quarter of 2009 had risen by nearly 42% over the same period in 2008. In Zhejiang, a province further north, the annualized increase was almost 160%.[16]

And since 2010, labor actions have taken a qualitative turn away from the simple "protests against discrimination" common among earlier generations of migrant workers:

Since [2010], there has been a change in the character of worker resistance, a development noted by many analysts. Most importantly, worker demands have become *offensive*. Workers have been asking for wage increases above and beyond those to which they are legally entitled, and in many strikes they have begun to demand that they elect their own union representatives. They have not called for independent unions outside of the official All-China Federation of Trade Unions (ACFTU), as this would surely incite violent state repression. But the insistence on elections represents the germination of political demands, even if the demand is only organized at the company level.[17]

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16   *Movement Communiste* and *Kolektivne Proti Kapitalu,* "Worker's Autonomy: Strikes in China," 2011, p. 28

17   Eli Friedman, "China in Revolt," *Jacobin* 2012 Issue 7-8, 2012.

The country's continuing economic slowdown has since seen a turn back to defensive demands, but, again, the nature of the demands is not really the issue. More important is the continuing increase in both frequency of mass incidents and in the numbers of workers participating—with what may be China's largest strike in modern history occurring in 2014, when forty thousand workers walked out of the Yue Yuen shoe factory in Dongguan.

Most of the workers engaging in these strikes are second or third generation migrants, as noted in the report on the 2010 strike wave: "the majority of Honda Lock's employees are single women in their late teens or early 20s."[18] And it is among these later generations of migrant workers that we see the greatest evidence of similarities with the class dynamics producing such strikes and riots elsewhere. These workers were born or raised in the reform period, entering the labor market in the late 1990s and early 2000s. In a series of the most extensive ethnographies available, sociologists Lu Huilin and Pun Ngai describe the general character of this second generation:

> Although both the class structure and the process of an incomplete proletarianization of the new generation of *dagongmei / zai* [i.e., migrant workers] are similar to those of the previous generation, there are new life expectations and dispositions, new nuanced meanings of work, and heightened collective labor actions among those subjects who had grown up in the reform period. […] Characteristic of the second generation's way of life is a greater disposition towards individualism, an increased proclivity for urban consumer culture, less constrained economic circumstances and greater pursuit of personal development and freedom, a higher rate of job turnover and less loyalty to their workplace. The second generation, born and raised in the reform period, is relatively better educated and better off materially but spiritually disoriented while having a cosmopolitan outlook.[19]

This generational aspect is key, argue Lu and Pun, since it is among the second and third generations that the proletarianization process "usually takes root."[20] This process itself is defined by the authors in relatively simple terms, taken to characterize agricultural

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18   *Movement Communiste* and *Kolektivne Proti Kapitalu* 2011, p. 32

19   Lu Huilin and Pun Ngai, "Unfinished Proletarianization: Self, Anger and Class Action among the Second Generation of Peasant-Workers in Present-Day China," *Modern China*, Volume 36, Number 5, 2010, p.495

20   ibid. p. 497

laborers "who come to work in industrial cities,"[21] effectively marking the transition from direct to indirect subsistence, now mediated by the wage:

> This is the process of proletarianization, which turns agricultural laborers into industrial workers by depriving the former of their means of production and subsistence […] As a result, workers' fate depends on the process of capital accumulation and the extent of the commodification of labor use. These workers neither own nor control the tools they use, the raw materials they process, or the products they produce.[22]

The authors go on to argue that, in the case of China, this process is made "peculiar" since "industrialization and urbanization are still two highly disconnected processes, as many peasant-workers have been deprived of the opportunity to live where they work."[23] This has not only hindered the assimilation of workers into the urban sphere, but in fact created an internal separation integral to the Chinese model of accumulation—a separation that explicitly attempts to divide the process of reproduction of labor from commodity production and effectively externalize it. This creates "a spatial separation of production in urban areas and reproduction in the countryside."[24] But, whereas Lu and Pun see this as a feature unique to China, the process bears significant similarity to basically every sequence of proletarianization witnessed over two centuries of capitalist history.[25]

The Most Recent Crisis

Already by 2007, the Chinese economy faced a slowdown due to rising costs of labor, fuel and materials, as well as currency appreciation and the implementation of new labor laws.[26] When the crisis hit, export centers such as the PRD saw an immense fall

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21   ibid.

22   ibid.

23   ibid.

24   ibid.

25   For an overview of this exact same migrant-centric proletarianization, as it occurred in California agriculture from the 19th century onward, for example, see: Carrie McWilliams *Factories in the Field: The Story of Migratory Farm Labour in California*. University of California Press, 1935.

26   Kam Wing Chan, "The Global Financial Crisis and Migrant Workers in China: 'There is no Future as a Labourer; Returning to the Village has No Meaning," *International Journal of Urban and Regional Research*. Volume 34, Number 3, September 2010. p.665

in GDP—with Guangdong alone plummeting from among the top GDP earners to the last-ranked in the seventeen provincial-level units with available information. This was accompanied by mass layoffs, wage arrears and factory closures. By the end of 2008, more than 62,000 factories in the province had shut their doors, with 50,000 of these closures occurring in the final quarter of the year, concurrent with the first stage of the global crisis.[27]

Unemployment among migrant workers reached record levels: "total unemployment for rural migrant labourers in early 2009 is estimated to have been 23 million, about 16.4% [of the total migrant labor force…]This rate of unemployment was disastrously high compared to previous years, as, quite contrary to common belief, rural migrant labour had had a very low unemployment rate (1-2%)."[28] Labor disputes surged in this period, but not as much as one might expect, given the severity of the crisis and the fact that certain regions, such as the PRD, suffered disproportionately from the downturn. The 23 million workers laid off at this time, though only 16.4% of the total *nongmingong* labor force in the country, would have been disproportionately concentrated in certain cities—leading to even higher unemployment in these areas. [29]

Comparing the situation of migrant labor in China to that of post-crisis Greece helps to put the severity of the downturn into perspective. Over five years, total unemployment in Greece climbed from a low of 7.3% (directly prior to the crisis) to a high of 27.7%, plateauing in 2013—a tripling of the total unemployed. [30] Similar patterns are observable for Spain,[31] and in both countries this immiseration, combined with a sovereign debt crisis, ultimately produced an explosion of popular unrest. The short-term increase of unemployment in China's migrant-heavy regions, however, far outpaced that observed in either Greece or Spain, even if total unemployment never reached upwards of twenty percent. From a norm of 1-2% *nongmingong* unemployment, the country as a whole jumped to 16.4% in the space of six months (from late 2008 to early 2009). Even ignoring the certainty that real unemployment among migrant

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27   ibid.

28   ibid, p.667

29   In Dongguan, 70-80% of the labor force is composed of migrants and migrants make up more than three quarters of the total 6.5 million population. In neighboring Shenzhen 7 million of the city's de facto 8 million urban residents do not have a Shenzhen *hukou*. (Chan September 2010, pp. 663-665).

30   See: "Greece Unemployment Rate," *Trading Economics*, 2013.

31   See: "Spain Unemployment Rate," *Trading Economics*, 2013.

workers was actually higher in migrant-heavy cities such as Dongguan and Shenzhen,[32] this represents more than a *tenfold* increase (1093%) in unemployment—and not over five years, as in Greece and Spain, but instead over *five months*.

Why did such a massive spike in unemployment, concentrated in a few core cities, not create the kind of popular threat to the existing order that accompanied the tripling of unemployment over five years in Greece and Spain? The first answer—and the one most avidly promoted by the CCP, as well as its Keynesian admirers in the west—is the Chinese state's rapid and extensive fiscal response to the crisis. Not only was China, unlike much of Southern Europe, not on the brink of a sovereign debt crisis, it was actually an integral market for the debt of deficit-dependent countries elsewhere. Meanwhile, as the US congress was mired in bickering over whether or not to even provide government bailouts to the banks, the CCP rushed through a US $586 billion stimulus package that targeted public works, largely in China's poorer inland provinces.[33] This quickly created millions of jobs for the rural migrants who had been ejected from the labor market in the first part of the year.[34]

These new jobs, located closer to migrants' legally registered places of residence, also helped to secure a geographic fix that had already begun to ease the spike in unemployment. In normal years, the Spring Festival, occurring in January or February, is a time when migrants return home en masse. The phenomenon is called the "spring movement" or *chunyun* (春运), the largest recurring migration in the world. In the crisis year, however, the spring migration began more than three months prior to the Spring Festival itself, in late October 2008, when small but significant numbers of migrants started trickling home. Migration increased as the crisis hit the industrial cores, with up to 50% of workers returning to their home villages, compared to the norm of 40%. More importantly, a large portion of the returnees then stayed in their home villages for longer than usual (about 14 million of the total 70 million returnees,

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32   This number, taken from Chan (September 2010), also potentially underestimates the absolute number of unemployed, since it assumes that all migrants who remained in the cities retained some form of employment. (See Chan September 2010, p. 667, Figure 2).

33   The stimulus was equivalent to one-eighth of the entire output of the Chinese economy.

34   Note also that the Chinese state was capable of this fiscal intervention even while fears of internal debt crisis were beginning to rise, with bubbles originating at the level of enterprises and local governments. Actions like this have further secured an inflated faith among investors in the CCP's regulatory capacity.

or 20% of the 50% who returned).[35] Many did not intend to come back to the cities they had left, as Chan notes:

> Many migrants took home their appliances (such as TV sets), believing that they would not have the opportunity to come back to find a new job after the Spring Festival. What is even more indicative of the severity of the situation—and also ironic—is that in Dongguan, for instance, hundreds of workers lined up for hours to close their social security insurance accounts (mainly for pensions), their supposed bulwark against poverty and destitution. Migrants chose to cancel their accounts to cash in every last bit of money, as they had very little hope of coming back to the town.[36]

Even when employment was restored in part through the stimulus, the new projects (alongside newly funded industrial zones) were largely located in the interior provinces, solidifying the internal spatial fix. By comparison, cities such as Dongguan would see an emptying-out reminiscent of places like Detroit, with population density dropping and industry simultaneously mechanizing and fleeing to cheaper or more skilled locales, such as far-off Chongqing or neighboring Shenzhen, respectively.[37]

We thus see that the supposedly "incomplete" part of Lu and Pun's "incomplete proletarianization" actually helps to ensure the easy administration of workers no longer needed for production by (temporarily) externalizing their own reproduction costs to the countryside and allowing for the *de facto* deportation of unemployed workers. Here the old socialist practice of rustification has been recuperated and marketized, with the rural interior used as a sop for the surplus labor that would otherwise be indigestible during a period of general crisis. But such a strategy (despite its well-tooled administrative character) hardly hints at a fundamentally different and basically "incomplete" style of proletarianization. In fact, the externalization of reproduction is both an historical facet of every proletarianization process as well as an increasingly necessary procedure for global capitalism after the crises of the late 20th century.

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35   Chan 2010, pp. 666-667

36   ibid. p.666

37   See Gordon Orr, "What's Next for Guangdong," *Harvard Business Review*; This also signifies a state-led attempt to completely shift the economic geography of the country post-crisis. Xi Jinping's "New-Type Urbanization Plan," announced in 2014, imagines a "country of cities," secured by capping growth in established (mostly coastal) mega-cities and instead building up small and medium scale regional centers (many of which will be in the interior) into large urban zones in their own right. Meanwhile, the existing urban cores are being encouraged to invent an entirely new economic base founded on services and hi-tech production.

It is also, ultimately, a method for further industrialization and urbanization of China's underdeveloped interior. The countryside has now been marketized and hollowed out to such an extent that staying in the village is untenable. During the crisis, the village instead became a temporary stop-off on the way to new employment in nearby cities. In future crises, even this may not be an option, as workers have already relocated closer to their hometowns, which themselves have now largely been pieced apart and sold off to real estate developers or large agricultural conglomerates. As reproduction becomes more troublesome, these external spaces for non-market subsistence grow more sparse.

Historically, proletarianization was always partially incomplete. The term itself designates a transition, by definition spanning both worlds of the "new working class" and those being siphoned into it. The incomplete character of the process has always taken on both racial and gendered characteristics, with the work of immigrants, black people, the colonized, the indigenous and women all deemed to be of less value than the "normal" work of those who were formally acknowledged as wage laborers, and also less likely to be remunerated with a wage at all. [38] Even where more explicit racial, national or gender divides may not exist, the same "incomplete" characteristics are *produced* by the uneven character of industrialization—as can be observed with the "Okies" in 1930s California or the southern "*Terroni*" working in the factories of northern Italy in the 1950s.

In every locale, as the proletarianizaton process was initiated, the reproduction of these new workers' labor-power was externalized, with wages often too low or inconsistent to fully accommodate basic expenses, requiring complex networks of unpaid care work, foraging, squatting and other informal economies making up the difference— usually at the double expense of workers who were also women. When these "incomplete" proletarians became too troublesome, a wide array of responses were available depending on the situation, spanning from extermination to deportation[39] or assimilation. This is not an accidental side effect of proletarianization, but rather a necessarily disavowed component of the process:

> This [process of racialization] was the flipside of what Marxists call "proletarianization". Marked by ongoing histories of exclusion from the wage and violent subjugation to varieties of "unfree labor", racialised populations were

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[38]   The white male worker was, historically, the prototypical wage-holder in the American context, but other countries have seen other wage hierarchies based on different complexes of history, gender, ethnicity and simple geography.

[39]   Again, see McWilliams 1935 for a history of such labor management in California.

inserted into early capitalism in ways that continue to define contemporary surplus populations.[40]

The "flipside," then, was always a constitutive element of proletarianization itself. The phenomenon that Lu and Pun describe in large part simply mimics these earlier processes of racialization—with one important exception.

Cracks in the Glass Floor

The determining difference today is the fact that capitalism is undergoing a general crisis of reproduction at an unprecedented global scale. This means that, underlying periodic financial crises or political upheavals, we can observe a secular tendency in which capital becomes increasingly difficult to reproduce through investment at a profitable rate and, at the same time, it becomes difficult to reproduce proletarians *as productive workers* (people working within the immediate process of production, where capital is combined with human labor to produce goods of added value). This results not only in financial crises and unemployment spikes caused by speculation and over-investment—when "safer" outlets of profitable investment cannot give adequate rates of return—but also in a general mechanization of production, such that the percentage of the population required to produce a given quantity of goods and extract a given quantity of natural resources diminishes over time. When workers lose their usefulness for the system (i.e., when individual workers cease to be important to the production of value), they are expelled into what Marx called the "surplus population."

Much of this expulsion is currently accommodated by the rise of service industries, the majority of which are not directly productive of new value for the system as a whole (they can, of course, be *profitable* regardless). In some places—the "global cities" in particular—lucrative positions in the international division of labor accommodate the existence of many high-paying service jobs alongside vast state-funded, semi-speculative complexes of welfare and middle-income service work, most visible in the education, healthcare and "non-profit" industries. Some of this ultimately facilitates the creation of new value, helping producers to manage the bureaucratic complexity of the global market. But this "financialized" complexity is itself symptomatic of the secular crisis.

Such services, then, need to be understood not as magically productive (i.e., as cognitive/immaterial labor, *a la* Hardt and Negri or the marginal utility theorists),

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40   Chen 2013, p. 203

but as the baroque excess of a vast global wealth trapped in an incestuous stasis. As the rate of profitable returns shrinks in the value-producing industries, even these well-off economies find themselves constrained, such that unemployment rises and better-paying jobs in services, transportation or high-value-added manufacturing are replaced, if at all, by low-paying service work. The lavish becomes austere, beginning at the edges. This brings these economies closer to the global norm, in which most service work is somewhat informal, is often combined with various types of debt bondage (including outright slavery), and ultimately pays very little.

This means that the number of surplus proletarians is not simply increasing in absolute terms (though it may be doing this was well), but also expanding *in general*, meaning that traditional characteristics associated with the surplus population (informality, precarity, illegality) have again become relatively "normal" characteristics of the laboring population as a whole.

As the Greek communist group Blaumachen writes:

> The crucial matter is not the production of a quantitative increase of the lumpen proletariat, but that of an increased lumpenisation of the proletariat—a lumpenisation that does not appear as external in relation to waged labour but as its defining element.[41]

This creates a "(non-)subject" at the heart of contemporary political unrest, rather than the traditional "revolutionary subject" of the leftist mythos, centered on workers, peasants, the lumpen, the colonized or some coalition of the above. This oscillating (non-)subject is defined by its "*relation between integration and exclusion from the process of value production*."[42] And this ambiguous relation is the core class dynamic of capitalism, becoming more and more visible as the crisis of reproduction deepens.

This is not to say that the "relation between integration and exclusion" is unique to our era (as Blaumachen and others sometimes seem to imply). Such a tension has *always* marked the historical process of proletarianization, which has seen proletarians forced to combat one another along lines of ethnicity, geography, gender, etc., in order to secure themselves within the realm of the "included" via access to the wage—as well as

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41   *Woland/Blaumachen* and friends. "The Rise of the (Non-)Subject," *Sic: International Journal for Communisation,* Issue 02, 2014, Bell & Bain Ltd., Glasgow. p. 66

42   ibid, italics in original

formal recognition of this inclusion through citizenship, access to education, mortgages and other forms of credit. Similarly, the proletariat has seen relative "lumpenisations" before, through colonization as well as the simple immiseration of migrant workers from the countryside in the early stages of Europe's industrialization. What has changed, then, is not so much the relations themselves (the relation between capital and labor, and between inclusion and exclusion), but the global context in which these integral antagonisms are playing out.

Formerly, colonized subjects and migrants staffing industrial zones still retained a substantial connection to histories that stretched (often within the space of a single generation) beyond the gambit of the geographically small capitalist economic core. This early capitalism was, moreover, surrounded by a diverse array of alternative modes of production. Some were undergoing their own crises, others were already partially or catastrophically tilted toward the gravity of the capitalist mass growing atop Western Europe, and still others lay wholly untouched by "the economy." The new working classes frequently drew on folk histories of struggles waged, however incoherently, against the dispossessions and enclosures that had led to inclusion in the wage relation in the first place. Rather than being simple "programmatist" affirmations of workers' own identity, all the early workers' movements incorporated elements of these peasant or indigenous histories and folk traditions—and the vast majority of the insurrections and revolutions of the 18th through 20th centuries were staffed directly by peasants or a generation once-removed from rural life.

Today, however, room for growth is scarce, the rural labor pool is shrinking and the industrial workforce is dwindling due to automation. These limits are most visible in the dire state of the planet's non-human systems, but this is only one face of a crisis in which the basic reproduction of capital, labor and the relation between the two is becoming a problem in and of itself. Since the 1970s, "capital has been trying to free itself from maintaining the level of reproduction of the proletariat as labour power."[43] This reproduction appears as "a mere cost" in global capital's race to the bottom:

> At the very core of restructured capitalism lies the disconnection of proletarian reproduction from the valorization of capital—within a dialectic of immediate integration (real subsumption) and disintegration of the circuits of capital and the proletariat—and the precarisation of this reproduction, which against the background of the rising organic composition of social capital and the global

43   *Rocamadur / Blaumachen*. "The Feral Underclass Hits the Streets," *Sic: International Journal for Communisation,* Issue 02, Bell & Bain Ltd., Glasgow, 2014. p. 99

real subsumption of society to capital, has made the production of superfluous labour power an *intrinsic* element of the wage relation in this period.[44]

In this context, then, the Chinese case appears remarkable only to the extent that the state has been able to accommodate and administer this "intrinsic element."

Yet the differences remain salient. Endnotes argues that, in a generalized crisis of reproduction,

> the old projects of a programmatic workers' movement become obsolete: their world was one of an expanding industrial workforce in which the wage appeared as the fundamental link in the chain of social reproduction, at the center of the *double moulinet* where capital and proletariat meet, and in which a certain mutuality of wage demands—an "if you want this of me, I demand this of you"—could dominate the horizon of class struggle. But with the growth of surplus populations, this very mutuality is put into question, and the wage form is thereby decentered as a locus of contestation.[45]

In an apparent contradiction to this thesis, however, wage demands have been precisely where the recent Chinese riots, strikes and blockades have tended to center themselves. And these demands have not only been won in marginal cases, but have in fact led to a general rise in manufacturing wages over the last decade, to the point that the stability of the "China price" is now in question.[46] The absolute number of manufacturing workers has also been increasing in the same period, rising from 85.9 million in 2002 to 99 million in 2009, which was an increase from 11% of the total labor force to nearly 12.8% within seven years.[47]

This is all the more significant when considering the ways that such a crisis of reproduction and the decentering of the wage that comes with it ultimately limit the possibilities for proletarians to attack the conditions that structure their own lives. The French group Théorie Communiste have argued that one of the most pressing limits of the 2008 riots in Greece was the rioters' inability to break the "glass floor" between the

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44   ibid

45   *Endnotes* 2, p. 17

46   Banister, Judith. "China's manufacturing employment and hourly labor compensation, 2002-2009," *Bureau of Labor Statistics,* June 7, 2013.

47   see Banister 2013, "Manufacturing in China" and Figure 8

reproductive and productive spheres:

> But if the class struggle remains a movement at the level of reproduction, it will not have integrated in itself its own *raison d'être*: production. *It is currently the recurrent limit of all the riots and "insurrections", what defines them as "minority" events.* The revolution will have to go into the sphere of production in order to abolish it as a specific moment of human relations and by doing so abolish labour by abolishing wage-labour. It is here the decisive role of productive labour and of those who, at a given moment, are the direct bearers of its contradiction, because they experience it in their existence for capital that is at the same time necessary and superfluous.[48]

In contrast to Greece, however, Chinese riots take place in extremely close proximity to, if not directly within, the "sphere of production," with many literally starting in the factory cities themselves—spreading from shop floors to dormitories and canteens, and thereby jumping from workers at one factory to workers at the next.

This hints, then, that the inconsistency between the observed phenomena and the theories outlined above may simply be the product of different points of focus. Blaumachen, Endnotes and Théorie Communiste take Europe and North America as their starting point. But the particular way that the crisis of reproduction manifests itself in China will be distinct from that observed elsewhere. Théorie Communiste's own diagnosis of the limits encountered by the Greek rioters signals the difference: whereas the Greeks encounter the hard limits of a "thick" glass floor separating them from the productive sphere, the position of regions such as the PRD within the global division of labor makes for an extremely thin "glass floor," which requires increasing maintenance as cracks proliferate. The primary strategy for managing these conflicts, as noted above, is precisely to separate the volatile segments of the population (namely the unemployed) from the productive zone. Alongside costly state stimulus programs, the buffering of production becomes an absolute necessity, whether through quasi-deportation to newly-industrializing cities or through the transformation of the productive zone itself into a hub of total social control in the factory city—simultaneously workshop, leisure space and prison.[49]

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48   *Theorie Communiste*. "The Glass Floor," in *Les Émeutes En Grèce*. Sononevero, 2009. pp.41-42, emphasis in original

49   See: AI, Stefan. *Factory Town of South China: An Illustrated Guidebook*. Hong Kong University Press, 2012.

This means that this central *intrinsic* limit of the given period of struggle is increasingly forced to manifest itself as an *external* constraint on proletarians, at least in China's manufacturing regions. As an external constraint, it becomes embodied not only by the police (as elsewhere), but also by the individual's very surroundings in the constructed environment—the new infrastructure constructed by the stimulus, the new urban doomscapes being inaugurated in the western interior, or the purposefully designed factory cities. This constraint, then, becomes manifest in an increasingly desperate, makeshift and intense mechanism to buffer the productive sphere by partially decoupling it from the reproductive (with the state, the family, or the criminal syndicate taking on the burden instead), while still facilitating their integration in the immediate process of production, by force if necessary.[50]

No Future

Our intuitive image of China as the "world's factory" also tends to obscure actual trends in the composition of employment. When the data is examined in more detail, the Chinese economy as a whole appears to follow the same pattern of deindustrialization and informalization seen worldwide. While it is true, for example, that Chinese manufacturing absorbed ten million new workers between 2002 and 2009, accounting for an additional two percent of the total labor force, this growth occurred as a late spike following the massive deindustrialization of the country's rust belt and the dismantling of the "iron rice bowl" in the 1990s. In absolute terms, Chinese manufacturing as a percentage of total employment has decreased sharply since the beginning of the reform era, falling from a high of 14.8% in 1985 to 11% in 2001, and only recently rising back to 12.8% in 2009. The net trend has clearly been downward (see Figure 5). This is despite the fact that agricultural employment has been on an historic decline as well, dropping from 63% in 1985 to 35% in 2011.[51] This means that in China, as elsewhere, the service sector has seen a net increase, and industries such as construction have

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50   This mechanism, though tending toward totality in the abstract, is by no means truly "total," in the sense of its actual effectiveness. The existence of the riots themselves are clear evidence of this, as are the persistence of slum zones such as the 城中村 (*chengzhongcun* – "villages inside the city"), and the state's inability to reign in corruption or even have its basic directives followed by local governments.

51   See: "Employment in Agriculture," *International Labor Organization,World Bank*.

For a broader explanation of the same dynamics across the BRICs, see: Joshua Clover and Aaron Benanav, "Can Dialectics Break BRICs?" *The South Atlantic Quarterly*, 2014.
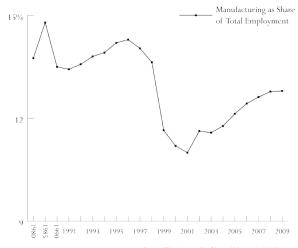
become increasingly dependent upon state stimulus and financial speculation, rather than the expansion of industrial plants.

In addition to these trends, the *character* of Chinese manufacturing often goes unmentioned. It is frequently assumed that the immense factory complexes that hosted the protests at Foxconn or Honda are the norm, with their large size and quasi-Fordist models of labor discipline, but this is not the case. Most workers employed in Chinese manufacturing (64.4%) are actually employed in "Rural or Township and Village Enterprises (TVEs)," which are largely located outside the mega-urban cores, are often poorly counted by official Chinese statistics and include "workers outside of established enterprises who were self-employed or worked in household, neighborhood, or other small manufacturing groupings."[52] Even the largest industrial hubs are dependent upon this mesh of small, networked and highly informal labor, which is most visible in industries such as recycling, small parts manufacturing, and labor-intensive resource extraction—the products of which then feed into larger industrial agglomerations such as Foxconn to be ultimately processed (alongside inputs produced in similarly informal settings in places such as India) into consumer products. There is also obviously a blurring of lines between manufacturing and service work here, as many industries also engage in transport, labor brokerage and local financing—whether through personal or family-network lending, or through the formation of increasingly large "shadow banks" that exist parallel to the formal banking system.[53]

The changing character of the country's industrial structure has immense influence on the way that riots, strikes and other "mass incidents" are sparked, and how they are ultimately constrained. This structure also exerts a sort of gravitational pull on subjectivity that helps to shape the ways proletarians understand their own actions relative to the world around them. As such a strong factor in the formation of peoples' everyday surroundings (including the rhythms of their activities and contact with others) work and the environments it creates are the terrain on which revolts operate, and against which they react. As a sequence of struggles evolves and adapts, this terrain is collectively (often intuitively) mapped, and as the conflict gains intensity there is an increasing awareness of the capacity to not only seize but also reshape these surroundings. In the past, large-scale industrial conglomerations in places like Detroit or northern Italy became hotbeds of traditional "workers' movements" precisely because they concentrated enormous numbers of industrial workers in a few urban zones, these

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52   Banister 2013, p.2

53   Gwynn Guilford. "Five charts to explain China's shadow banking system, and how it could make a slowdown even uglier," *Quartz,* February 20, 2014.

Data from: "Manufacturing in China," Bureau of Labor Statistics, United States Department of Labor, June 7, 2013. <http://www.bls.gov/fls/china.html>

Figure 4

workers laboring alongside each other in enormous facilities and industrial districts housing thousands.

Given the prevalence of strikes in recent Chinese unrest and the simple proximity of these strikers to some of the world's central factory zones, it is often assumed that the limits of present struggles in China will be overcome by a new union movement of some sort—one that is highly networked, autonomous from the government unions, and directly democratic. Though aided by the most recent digital technology ("autonomy + the internet" has become a sort of catch-all equation for the left in the past twenty years), this movement is conceived as more or less the rebirth of syndicalism in China— as exemplified by a recent report by the China Labor Bulletin, titled "Searching for the Union: The workers' movement in China 2011-13." The presumption here is clear. We already know the method of overcoming the current deadlock of the struggles in China: the union. This organizational model simply needs to be "found" by the

"workers' movement." Rather than understanding organization to be the confrontation and overcoming of limits in a given sequence of conflicts, such an approach is purely formalistic.

A more reasonable starting point should be the opposite. There is no reason to assume that a "workers' movement" exists in the traditional sense simply due to the agglomeration of strikes, nor that "the union" is the organizational form that guarantees a method of overcoming the failures of these struggles simply because it has (allegedly) played this role in history. These may have been the conditions that most readily birthed the "mass worker" in the West, but these conditions are largely absent in a deindustrializing China, just as they are absent in the deindustrialized US and EU of today.

It would be a mistake, however, to assume that the *de facto* absence of conditions for a "workers' movement" means the doom of any attempt to overturn the present system. This assumption arbitrarily selects one potential high point from the US and Europe out of many in a diverse history of struggles against capitalism, generalizing this point into an absolute condition for a new cycle of revolt to unfold. In fact, the opposite may be true. It was precisely under the large, Fordist-style factory regimes that the existence of a healthy "workers' movement," whether promoted by socialist parties (as in Europe) or Great Society liberals (as in the US), extinguished the last embers of revolution still burning from the insurrections of the hundred years prior. Meanwhile, the syndicates, communist parties and revolutionary armies of that last century were hardly the product of "revolutionary consciousness" being engendered in a largely industrial workforce through the collectivizing processes of capitalism itself. Obviously, industrialization and the demographic transition played an integral role in sparking revolts against this immiseration. But these earlier insurrectionary movements that emerged out of it were just as much the artifact of peasant and indigenous traditions of resistance to capitalism *from outside*, as well as simple contingencies of culture, history and tactical accident.

Though the prominence of wage and workplace demands in Chinese unrest seems at first glance to signal the rise of a new workers' movement, something very different is going on beneath the surface. Similar tactics, placed in different circumstances, can signal very different political potentials. Despite the prominence of wage demands in Chinese strikes (whether for raises or arrears), there is little evidence that such demands accurately represent the workers' complex of desires. To take one glance at such wage demands and conclude that workers simply want higher wages states the obvious, but it misses the point. This would be the same as observing people loot stores in American anti-police riots and concluding that people really want the stuff they looted—true

enough, but barely scratching the surface. Like riotous looting, wage demands in China have a "get all you can take" character, in which the very single-mindedness of the motive is itself the signal that there is an unacknowledged excess behind it.

In China, then, there is no workers' movement brewing: *and this is a good thing*. There is, for example, hardly any momentum toward the organization of traditional unions that would step in to affirm the identities of migrants as "normal" workers, help broker the price of their labor and thereby facilitate their full incorporation into the wage relation. Despite the attempt of some leftist NGOs in this direction, it appears that the state itself, by attempting to revive the more active role of the All-China Federation of Trade Unions[54] and speaking out against the corruption of low-level officials, is the only significant force pushing for such an incorporation.

The persistent absence of such a "movement" is not unique to China. The crisis of reproduction is also a crisis of the wage relation, in which the wage demand itself becomes "illegitimate," in the words of Theorie Communiste. Here "illegitimate" signals a systemic impossibility, in which demands for higher wages become harder to fulfill even as inflation and labor shortages make them increasingly necessary. This is accompanied by a crisis in the creation of money, as the system faces proliferating limits to capital liquidity—in other words, a general crisis of value arises:

> The current crisis [the one that began in 2008] broke out because proletarians could no longer repay their loans. It broke out on the very basis of the wage relation which gave rise to the financialization of the capitalist economy: wage cuts as a requirement for 'value creation' and global competition within the work force. The exploitation of the proletariat on a global scale is the hidden face and the condition for the valorization and reproduction of this capital, which tends toward an absolute degree of abstraction. What has changed in the current period is the scale of the field within which this pressure was exerted: the benchmark price for all commodities, including labour-power, has become the minimum world price. This implies a drastic reduction or even disappearance of the admissible profit rate differentials, through the discipline imposed by financial capital which conditions productive capital.[55]

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54   See: Eli Friedman, *Insurgency Trap: Labor Politics in Postsocialist China*. Cornell University Press, 2014

55   Roland Simon, (R.S.). "The Present Moment," *Sic: International Journal for Communisation,* Issue 01, Bell & Bain Ltd., Glasgow, 2011. p. 104.

The "China price" has, for the past two decades, acted as this "benchmark price for all commodities," and the crisis of the wage relation *immanent to China* takes the form of general currency turbulence (though suppressed through monetary policy), rising wages in established industrial zones such as the PRD, the relocation of labor to cheaper productive hubs in interior cities, and a massive expansion of speculative investment, particularly in real estate, but also visible in the ballooning size of informal finance alongside the increasing necessity of state-led investment through stimulus and overseas FDI. All of these phenomena confirm the "illegitimacy" of the wage demand, since wages need to and do rise for workers (due to inflation, marketization of the countryside, etc.) precisely when profit rates are already narrowing. Industries relocate, economic growth slows, currencies destabilize, and conditions are established for new strike waves and mass riots.

It is this "illegitimacy" that makes the rise of an effective workers' movement impossible, leaving the state in an "insurgency trap."[56] Unable to profitably reform its labor institutions at the national level, China is caught between falling rates of profit and rising waves of strikes and riots. Conceding to one triggers an opposite reaction in the other. The wage demand is made illegitimate by the sharp margins in which it operates. But this illegitimacy doesn't just preclude the possibility of a workers' movement, it also creates conditions where attacks on the wage such as those seen recently in China are, in fact, striking at a far more volatile faultline than has been the case for most labor unrest over the past half-century. The previous gains of social democracy in Europe and post-war liberalism in the United States were possible because of the marginal benefits accrued to these regions during brief boom periods following decades of depression and war. Wage demands in that era led to unionization, public works programs, the incorporation of new workers into the more privileged strata of proletarians, and thereby the soft suppression of any revolutionary impulses that remained from the previous era—all because these things *were affordable*. Today they are not. Workers cannot be affirmed as such, *because they cannot be afforded*.

The subjective attitude of the workers themselves illustrates this conundrum. The proletarianization process has thus far failed to generate any movement that tends toward the affirmation of workers' identities *as workers*. Instead, the subjectivity that is generated takes an abjectly negative form: "there is no future as a laborer; returning to the village has no meaning."[57] Lu and Pun echo this:

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56   See: Eli Friedman, *Insurgency Trap: Labor Politics in Postsocialist China*. Cornell University Press, 2014.

57   Chan 2010

> The reform embodies a contradiction: As new labor was needed for the use of capital, Chinese peasants were asked to transform themselves into laboring bodies, willing to spend their days in the workplace. [...] Yet, as disposable labor, when they were not needed, they were asked to go back to the villages that they had been induced to forsake and to which they had failed to remain loyal. [...] If transience was a dominant characteristic of the first generation of migrant workers, rupture characterizes the second generation, who now spend much more of their lives in urban areas. Transience suggests transitions, and so encourages hopes and dreams of transformations. Rupture, however, creates closure: there is no hope of either transforming oneself into an urban worker or of returning to the rural community to take up life as a peasant.[58]

And this sentiment even begins to override the economic imperatives of migration itself. Describing one of the workers they interviewed, Lu and Pun write:

> If the pursuit of material rewards is the shared ambition overriding the internal differences among the working class, the pursuit had lost its meaning for Xin. The concept of work was blighted for him, creating a rupture in his life. "Wherever I work, I don't feel happy. My soul is never at peace. I always feel that I should do some big thing."[59]

This keeps the migrants in constant oscillation, generating what Pun and Lu call the "Quasi-Identity" of rural migrants: "one of the women workers we met in Dongguan noted, 'I missed my home while I was out to [work in the cities]. When I returned home, I thought of going out again.'"[60]

This dynamic has characterized much of the labor unrest in recent years. For these workers, "[a] vicious circle has been created: the reform and the rural-urban dichotomy foster a desire to escape the countryside; escape leads only to the hardship of factory life; the frustration of factory life induces the desire to return."[61] Xin goes on to lead his co-workers in a strike at his plastics factory: "Caught in the limbo of no return and no progress, they were ready to take radical action."[62] It is precisely *because* Xin cannot

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58   Lu and Pun, p. 503

59   Ibid, p. 507

60   ibid.

61   ibid., p. 513

62   ibid. p. 511

be fully incorporated into either the "working class" or the dwindling peasantry that he and those like him are driven to attack the conditions that surround them. The absence of the workers' movement is not a weakness, then, but in fact an opening. When it becomes too expensive to sustain and affirm the lives of workers as workers, this signals that the mutually reinforcing cycle between labor and capital has begun to decay, and the possibility of breaking that cycle altogether emerges.

The result is that the rural migrants' "quasi-identity" probably has far more in common with the complex, contradictory subjectivity of rioting youth from London council estates than with the toiling, class conscious workers of the leftist historical imaginary. It is notable that Blaumachen describe their "(non-)subject" in terms similar to those used in Lu and Pun's ethnography:

> Precarity, the constant 'in-and-out', produces a (non-)subject of the (non-)excluded, since inclusion increasingly tends to be by exclusion, especially for those who are young. […] We are not only referring to the radical exclusion from the labour market, but mainly to the exclusion from whatever is regarded as 'normal' work, a 'normal' wage, 'normal' living.

> […]

> For the moment, within the crisis of restructured capitalism, the (non-)subject is by now becoming an active force. It continually reappears, and its practices tend to coexist 'antagonistically' with revindicative practices, while revindicative practices tend to 'emulate' the practices of riot, which unavoidably magnetise them, since 'social dialogue' has been abolished.[63]

And the absence of 'social dialogue' in China is increasingly apparent. When Xin and his co-workers take their grievances through legal channels, they are finally disregarded at the highest level (petitioning the central government in Beijing). Ultimately, "their reception filled them with despair" and "they realized that they were on their own."[64] As Xin's co-worker, Chen explained: "We have to rely on ourselves. We can't trust the government; we can't trust management."[65] In such a situation of "no progress

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63   *Woland/Blaumachen* and friends. "The Rise of the (Non-)Subject," *Sic: International Journal for Communication,* Issue 02, Bell & Bain Ltd., Glasgow, 2014. pp. 66, 67

64   Lu and Pun2010, p. 512

65   qtd. in ibid.

or retreat,"[66] the migrants are forced to "face their trauma and turn their anger outward."[67] The intrinsic limits of the class dynamic in China increasingly take the form of such external constraints. Repression, administration and social control all become transparent in their brutality, and, backed into a corner, there is little choice but to fight.

No Past

Previous high-points of communist activity have been staffed largely by peasants or by a generation once removed from rural life who still had familiarity with heterodox folk traditions. This heterodoxy had itself emerged from early resistance to landowners and other agents of capitalist subsumption, since these partisans were operating within a globalized but hardly total global accumulation regime that still had ample room to expand its territory. There remained significantly large regions of the globe where this system exerted only a light gravitational pull.

In China, as elsewhere, this created conditions whereby global markets combined with the colonial activities of the core nations to destabilize indigenous power structures and ignite chaotic, inchoate forms of resistance to both new and old regimes. This partial subsumption took the form of a deeply uneven economic geography, in which most large industrial activity took place in a handful of port cities, employing only a small portion of the Chinese population. The majority lived in the countryside, working in agriculture, handicrafts or small workshops distributed between intensive garden-plots, all well beyond the din of the metropolis.

In the more developed port cities, worker resistance initially took the form of anarchist labor syndicates modeled after the French variety, as well as secret societies, sometimes apolitical, sometimes openly aligned with various leftist or nationalist projects. Here, again, the workers joining these organizations were often peasant migrants or their children, and these early forms of coordination were tied together as much by simple anti-foreign sentiment and nationalism as by the loftier universalist goals laid out in the numerous newspapers printed by the Chinese left. All these organizations operated with some degree of secrecy, many were at least partially armed (often staffed by martial arts adepts), and their tactics ranged from simple strikes and boycotts to mass riots and the assassination of industrialists and bureaucrats complicit with foreign interests.

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66   ibid., p. 514

67   paraphrased from ibid. 513

Ultimately, however, these early forms of urban organization were unable to overcome their inherent limits. Many secret societies were absorbed into the rising nationalist party (Guomindang) backed by the US, while the anarchist projects collapsed and their members were split between nationalist and communist forces. The communists themselves quickly found their urban network of armed gangs and labor unions crushed by the nationalist military, forcing them to flee to the countryside.

And it was here that the initial limits to the revolutionary project would be overcome. Rural resistance took the form of bandit gangs, the religious cults, and finally the peasant associations founded by revolutionaries. Two decades of war and chaos stretching from 1920 to 1940 had a sort of pressure-cooker effect, melting down and combining all these methods of resistance into the peasant army, marking a general "militarization" of the revolutionary project. In China, as well as in Vietnam, Korea, and elsewhere, it was the peasant army, rather than the union or workers' movement that proved to be the most successful vehicle for revolution. This was not due to any programmatic or ideological purity, nor to simple questions of strength, weakness or moral appeal, but instead to the simple fact that, given a particular complex of material conditions, the peasant army proved the most adaptive and resilient form of coordination capable of attacking both the encroaching capitalist system and the old order simultaneously, while also providing the infrastructural means to ensure a degree of stability and prosperity in liberated areas. Given the limits of its era, the peasant army was at least able to overcome them in purely tactical terms.

But limits here need to be understood in two senses. First, they are *tactical and strategic limits to a specific fight*. These are the things that prevent a relatively enclosed conflict (over wage arrears at a single factory, for example), from obtaining its immediate goals or spreading to other factories or neighborhoods. Tactical limits can be relatively straightforward, such as the inability to match and defeat the force of militarized riot police. But they can also be strategic limits to the toppling of the present order, such as the inability to coherently challenge the Chinese state, and the difficulty of any coordinated action surviving censorship, appeasement and outright repression. Historically, such a strategic limit was evident in the incapacity of urban labor syndicates and armed leftist groups to mount sufficient resistance to the nationalist military—the limit finally overcome by the peasant army.

Second, limits must also be understood as *limits to the struggle taking on a communist character*. Tactical and strategic limits can be overcome in many ways, none of which are in and of themselves communist—the peasant army has historically failed in precisely this respect. A number of measures taken in a given struggle may *appear to*

be consistent with a "left-wing" politics and nonetheless set the trajectory elsewhere. These limits, then, *are not ideological limits* (problems of "false consciousness") so much as material limits structured into the conflict. *The path-of-least-resistance for a conflict is rarely communist in character*, and "consciousness-raising" alone (if at all) cannot force a conflict off this path. No amount of cultural agitation, then, could have pushed the society created by the peasant army's victory onto a communist trajectory. Instead, such agitation became nothing more than the grotesque embellishment of that society's slow collapse into capitalism.

But today the peasant army and the conditions that spawned it are gone. Both the potentials and limits of a struggle waged *from outside* the capitalist system are now absent. There is no way forward, and no way back. So, in a present as grim as ours, what are the current limits of the conflict within the so-called world's factory? There are the obvious tactical and strategic limits, to begin with: Riots and strikes have simply been unable to survive repression. Some of the larger fights, such as the recent strike at Yue Yuen,[68] have been sustained slightly longer than normal only through the tacit endorsement of the central government. In other cases, demands are won *after* the strike itself has been crushed and its most active leaders blacklisted or imprisoned.

Often, however, the riots have no concrete demands that could easily be met. They take on the character of an inchoate violence haphazardly targeted at immediate figures of repression and authority. In Wenzhou, a massive crowd nearly beat several *chengguan* (城管— special civil police) to death after the *chengguan* harassed a shopkeeper and attacked a journalist who took pictures.[69] In instances such as this, the tactical and strategic limits are less about how to win given demands on the shopfloor and more about how to sustain and focus the power of "the rabble" itself. Nonetheless, the intertwining of direct repression and lucrative concessions has ensured that these mass riots have been effectively prevented from becoming mass occupations of neighborhoods, factories and public squares, *a la* Gwangju,[70] Tiananmen or Tahrir. As both repressive and re-distributive wings of the state become more constrained by the demands of profitability, however, these preventative measures will begin to falter.

Beyond this, there are the material limits preventing these conflicts from being pushed onto a communist trajectory. The most salient of these at first appears to be

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68   See: Friends of Gongchao, "The New Strikes in China," 2014.

69   For the story in English, see: Alex Stevens, "Rioting crowd severely beats 5 chengguan for killing civilian," *Shanghaiist*, April 21, 2014.

70   The Gwangju uprising in May, 1980 in South Korea.

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the "composition problem." As described by Endnotes, "the 'composition problem' names the problem of composing, coordinating, or unifying proletarian fractions, in the course of their struggle."[71] This problem arises when "there is no pre-defined revolutionary subject" or, in other words, "no 'for-itself' class-consciousness, as the consciousness of a general interest, shared among all workers."[72] In China, the clearest intra-class divide is the apartheid division between urbanites and ruralites, based on *hukou* status. But there are plenty of other significant and visible divisions, whether based on gender, race, education, or degree of incorporation into the state's privilege structure. These divisions proliferate at almost every level, with substantial separations between industries, regions, cities, and even among departments within large factories themselves. No current political project (aside from nationalism, maybe) seems capable of fusing these groups into some sort of for-itself subjectivity.

In the context of urban strikes and riots, the composition problem also appears in the relatively delimited character of each "type" of mass incident. Environmental protests usually remain distinct from labor struggles and forced demolitions or land grabs—even when many of the same social strata are involved in each. These types also have their own forms of discourse, usually adapted for specific varieties of negotiation. Each may exceed this negotiation to some degree, but so far they have not linked up in any substantial way.

All of these struggles, insofar as they remain within the framework of a given form of negotiation, point somewhere other than communism. Even if these conflicts were to gain intensity, they would probably remain negotiations for rights, a better price for land or labor, or slightly more participation in a system over which the participants have no real control. If an overarching profitability can be maintained, even an unprecedented explosion of strikes and riots would be unlikely break out of the cycle of negotiation. It is only when such social dialogue fully breaks down—as the crisis of reproduction deepens—that the possibility of fusing these conflicts into a communist project can arise.

This does not mean that the "composition problem" is solved simply by an intensification of the crisis, but rather that the present "composition" of the class *is not really the problem*. Composition can be understood as a noun, with the existing composition of the class either containing or not containing some sort of "predefined revolutionary subject," or as a verb, in which revolutionary subjectivity *is composed* via action. By equating

71   "The Holding Pattern," *Endnotes 2*, pg. 47.

72   ibid. pg. 48

the noun with the verb, Endnotes' hypothesis becomes inadvertently ambiguous on the difference between historical givens (some "predefined" subject) and historical acts. In their fourth issue, Endnotes eliminates this ambiguity via an historical analysis in line with our own. Here, we echo this, positing that the absence of a "predefined revolutionary subject" has nothing to do with the "composition problem." Instead, it is only the possibility of "social dialogue" between the vicars of capital and certain fractions of the proletariat that makes the *activity of composition* a problem. Divisions among the proletariat will persist, but as the capacity for social dialogue breaks down, these divisions will flatten, becoming easier to bridge. The idea of a "for-itself class consciousness" or a revolutionary project based on the "general interest, shared among all workers" has always been a myth, trumpeted by the deluded and the powerful—especially those clutching to the helm of dying revolutions. The "unified" revolutionary subject is something that does not precede revolutionary momentum. It is *made*, rather than given.

Where something approximating such a class consciousness did exist historically, it was not at all an inevitable outcome of any given regime of industrial geography or labor deployment. Instead, such "consciousness" was forged from a messy amalgamation of peasants, artisans, manual laborers, hordes of unemployed, gangs of feral children, angry housewives, starry-eyed millenarians, minor state functionaries, students, soldiers, sailors and bandits, all thrown together in the alembic of the early capitalist city and drawing on diverse traditions of resistance. "Consciousness" was not an idea in people's heads, but simply the designator for their combined activity.[73]

Similarly, it is clear that any attempt at overcoming the present limits of struggle in China must take the factory city as its central terrain, and operate across divided strata of proletarians unified more by geographic proximity than any innate consciousness of themselves as a class. Today, however, the earlier folk traditions of resistance have grown dim. The revolutionary tradition itself often acts as a substitute, with early Chinese revolutionaries having themselves incorporated and transformed many of these older practices into the mythos of the socialist state. Today, symbols and practices from the socialist era are frequently invoked to justify attacks on those in power. Probably the most prominent symbol of this is the current popularity of Mao worship, practiced by roughly twelve percent of the population (particularly the rural poor) in the traditional style of Chinese folk religion.[74] When combined with popular unrest, these traditions

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73   In short: "Subjectivity" has *always* been "(Non-)-Subjectivity," in *Blaumachen's* terms, only now with less peasants. For a more detailed version of this argument, see *Endnotes* 4.

74   Li Xiangping, "*Xinyang, quanli, shichang--Mao Zedong xinyang de jingjixue xianxiang*" [李向

have ultimately tended both to bolster the CCP's left wing (exemplified in Bo Xilai's "Chongqing experiment" and Wen Tiejun's "New Rural Reconstruction") and to veil the actual potential of insurrection with the mystifying effect of socialist nostalgia.

The second key difference is the changed scale and composition of the capitalist city. Enormous numbers of Chinese proletarians live and work immediately adjacent to large concentrations of productive infrastructure. The Xintang riot took place in an industrial suburb producing one-third of the world's denim. Several years of unrest at Foxconn plants across China have, similarly, raised the specter of a shutdown in the global supply of iPhones. At first glance, this appears to resemble the situation of industrializing Europe, where the myth of a unified proletarian subject could take hold precisely because such a significant portion of the proletariat was employed in the immediate process of production. But this not the case in today's China: changes in the technical composition of production have ensured the tendency toward deindustrialization. The fusing of a new revolutionary subject, then, cannot be undertaken through the affirmation of "worker culture" (*gongren wenhua* – 工人文化), even if the propagation of such myths proved helpful in the past.

Despite this relative deindustrialization, large numbers of Chinese workers are still located at vital positions in the global economy. Riots in Athens, Barcelona, London and Baltimore, for all that they signify, have little chance of breaking the "glass floor" into production. Even if they did, the result would be people filling simple logistics spaces—ports, big box stores, railyards, universities, hospitals, and skyscrapers, all quickly reduced to deserts of empty rooms and shipping containers after the good stuff is looted—or at most a handful of hi-tech factories making specialized goods, with no access to the raw materials or knowledge required to run them. In China, however, engineering knowledge and basic technical acumen is widespread, supply chains are tightly-knit and redundant within industrial agglomerations, and the blockage of a single factory complex's output can prevent significant portions of global production from going to market.

Meanwhile, the "global factory" constituted by logistics infrastructure is itself built largely in China, where 82% of the world supply of shipping containers are manufactured:

平：信仰·权力·市场——毛泽东信仰的经济学现象, Faith, power and the market--The economics of Mao worship], January 28, 2011, *Zhongguo zongjiao xuexhu wang* [Academic website on Chinese religion].

China boasts the world's largest container and crane manufacturers, is now the third-largest ship-owning country after Germany and the second-largest shipbuilding country after Japan, and has surpassed India as the largest ship-recycling country. [75]

The ability of Western blockades to strangle the accumulation cycle at its consumer end is inherently limited by these factors. Even though production is spread out over global networks and extends fully into the social sphere (the so-called "social factory"), intervention into these networks is not weighted equally everywhere. Even massive obstructions in countries like Greece and Spain can simply be circumvented—troublesome markets can be abandoned, since most are dying anyways as proletarians run out of easy credit. Autonomous zones and workers' states can be constructed in any of capital's wastelands without posing any real threat—at most offering a degree of life-support for marginal populations until some future subsumption during a new cycle of expansion.

The point is that there are simply some proletarians who are closer to the levers of global production than others. The goal of a communist project is not to seize these levers and run the system for the benefit of all—because the system is built for immiseration as much as for production. The goal is to terminally disrupt this system, dismantle it and repurpose what can be repurposed, but in order to do this, its key fulcrum must be broken—the immediate process of production, where workers meet capital and things are made. And in order to dismantle and repurpose its components, it is necessary to have knowledge of how the mechanism works, and the technical ability to make sure everyone doesn't starve in the meantime.

This knowledge is not some abstract object of contemplation, but is instead the embodied product of training and experience within the sphere of production itself. The Chinese workforce was a lucrative source of labor for global capitalism precisely *because* of this embodied knowledge—the socialist education system had produced a highly literate nation with a glut of mid-level engineers. Today, despite the high turnover of migrant labor, the Chinese proletariat retains a greater and more widely distributed competency in the "technical knowledge of the organization of this world"[76] than is generally the case among proletarians in places like Greece, Spain or the United States. The problem is a practical one. Without a future or a past we are left only with what lies at hand.

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75   Cowen, Deborah. *The Deadly Life of Logistics*, University of Minnesota Press, 2014. p.67

76   See The Invisible Committee, *To Our Friends*, Semiotext(e), 2015. p.95

"The Future is Hidden within these Realities"

Selected Translations from *Factory Stories*

For all the English writings *about* Chinese migrant workers, only rarely have those workers' own words been translated directly. Usually, these stories are available only in brief passages cited as evidence to support someone else's agenda. In contrast, a vast body of *nongmingong*[1] narratives has accumulated in Chinese, mainly compiled by academics and journalists, as well as a few labor activists. A group called Gongchao took the initiative of translating some of these narratives into German and other European languages starting in 2008, but English translators have been slow to catch up. Last year, Gongchao began translating narratives from the independent *nongmingong* magazine *Factory Stories (Gongchang Longmenzhen)* into English, giving us permission to publish four selections here.[2] By the time this issue of *Chuang* goes to print, the first book-length translation of *nongmingong* strike narratives—collected by the *Factory Stories* group— will have been published by Haymarket Press: *China on Strike: Narratives of Workers' Resistance*, edited by Hao Ren, Eli Friedman and Zhongjin Li.[3]

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1   Literally "peasant worker," but nowadays mainly indicating the workers' rural *hukou* (household registration status). See "Gleaning the Welfare Fields" and "No Way Forward, No Way Back" in this issue.

2   Other translations from *Factory Stories* can be read on the Gongchao website. We have made some minor edits to the translations republished below.

3   The book may be ordered via Haymarket Press.

Longmenzhen means "chatting" or "vivid stories" in Sichuanese. Hao Ren, the Sichuan native who edited the Chinese version of *China on Strike*, played a central role in starting the Longmenzhen group, the participants of which all work or used to work in the factories of the Pearl River Delta. After work or during holidays, they have been documenting and disseminating the stories of *nongmingong* who work day and night to fuel the Chinese growth engine, exposing its shadows and their denizens' "vivid stories."

Longmenzhen's members all grew up during China's integration into global capitalism in the 1990s. Workers from state-owned enterprises were laid off after privatization, and a rising number of peasants had to leave their villages to make a living in faraway factories. The latter is particularly evident in the Pearl River Delta, where private and foreign-invested factories were first established. Though the group members were each politicized in their own ways, they are all concerned with labor rights and resistance as an integral part of factory life. Most became interested in labor issues during university, some getting jobs with labor NGOs after graduation, while others had no interest in NGOs and went straight for factory jobs. After leaving the NGO world in 2010,[4] they took a variety of factory jobs throughout coastal China. After thirty years of market reform, many economists had hailed rising productivity, while leftists often expressed sympathy for the suffering of workers. But the Longmenzhen group was frustrated by the absence of workers' own narratives and analyses of factory life.

Since then the Longmenzhen group has been doing factory observations and worker interviews in order to systematically record and analyze the various methods capital uses to exploit, deceive and control workers. At the same time, they have looked at how workers have resisted these pressures, focusing on the lessons to be drawn from past experiences, whether success or failure. In many cases, they were not just interviewing striking workers, but also participating in collective struggles alongside them.

In addition to interviewing workers, the Longmenzhen group has organized reading circles, translated foreign pamphlets and established international exchanges (unusual in Chinese labor activist and leftist circles, which tend to be rather insular). In 2011 some members attended the fourth international assembly of ILPS (International League of Peoples' Struggle) in the Philippines. There they had the opportunity to exchange

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4   They became disillusioned with NGO's approach to dealing with labor disputes on a case-by-case basis. They also wanted more opportunities to meet ordinary workers and experience everyday life in factories.

experiences with local labor activists regarding working conditions, resistance to factory closures and working-class solidarity across borders. The following year they visited other parts of the Philippines and continued discussion about the economic context of worker resistance and its global implications. Based on information collected at this time, they wrote a book called *Labor Movement in the Philippines: Past and Present*, introducing historical examples of the movement and their lessons for Chinese workers.

In addition to the Philippines book and *China on Strike*, the Longmenzhen group has published eight issues of the magazine *Factory Stories*[5] and another book called *2013: Factory Relocation and Strikes*, with more writings in the works. While consciously focusing on printed media to facilitate the careful reading of in-depth material, they also maintain a blog—mainly for publicizing these underground publications—and individual members use other online platforms to publish briefer texts about ongoing struggles.

The politics espoused in these writings are quite rare in China. Certainly there has been significant discussion of labor issues from left perspectives online and in print. But much of the leftist writing in China is nationalistic and nostalgic, aimed at glorifying an imagined Maoist past in which the working class was held in proper esteem. Longmenzhen narratives do not lapse into longing for a rose-tinted past, but describe in blunt terms the brutality of working under capitalist conditions. There is no need to contextualize this brutality in terms of its implications for the "China dream" or any other ethno-national project.

It is also important to note that these magazines are meant for fellow workers rather than intellectuals or NGO-type activists. This is apparent in the content and style of the writing. While strikes are a common topic for Longmenzhen, there is also fastidious coverage of the seemingly banal details of daily life for migrant workers. At times, the style is a bit flat, but this is an accurate presentation of the quotidian: most of workers' lives are consumed by the daily grind, only occasionally punctuated by collective acts of rebellion. This presentation is oriented towards showing other workers that their seemingly individual problems are in fact social in nature. This is an effort to establish the symbolic groundwork for a collective understanding of exploitation and domination—a necessary step for proletarian politicization, they believe.

Often the stories are not detailed reports but vague anecdotes where we seldom learn

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5   All their published works can be found on <http://worker72.blog.163.com/> and <http://www.laborpoetry.com>

what kind of factory or even industry the author is talking about. This is not only to protect the authors, however, since it is precisely this vagueness and anonymity that give these anecdotes a universal feel. The authors often relate to specific situations as mere moments of abstract labor, drawing a picture of general conditions rather than giving details. If didacticism is one of their motives, then summing up an image of an abstract factory by relating common denominators of migrant workers' lives could be understood as the teaching method.

But central to Longmenzhen's project is also a chronicling of workers' resistance. The intent behind such meticulous accounts is twofold: First, it serves to reaffirm the worthiness of such struggles. By committing these stories to paper, they may come to be seen by other workers as something worth emulating. While not necessarily exalting struggles that, it must be acknowledged, do not always succeed, they can serve as inspiration to others with similar grievances. Secondly, these publications are didactic in intent. Detailed strike accounts give workers some sense of what to expect during the course of collective action, how bosses and the police may respond, and what workers can do to increase their chances of victory. While most workers, particularly in the Pearl River Delta, have heard stories about strikes, the editors of the magazine have curated a set of case studies with the clear intent of inspiring further class struggle.

This effort has not been without its challenges, and the Longmenzhen group has been in an ongoing game of cat-and-mouse with the authorities. A simple empirical account of life in China's workplaces is considered politically sensitive—a strong indication of the Chinese Communist Party's current political orientation. Nonetheless, the incredible dedication and perseverance of the writers and editors has resulted in an impressive track record of publication. Given their shoestring budget and ongoing repression, circulation remains limited. But for workers who do come into contact with these publications, it can be a deeply meaningful experience.

The idea to do a translation emerged from a group of international activists based in China, and the translation itself was a global process, with people in Asia, Australia, Europe and North America volunteering their labor. If these narratives of Chinese worker strikes can in any small way contribute to furthering global proletarian solidarity and resistance, the project will have been a success.

Preface to *Factory Stories*

—Issue 1, January 2012

Longmenzhen means chatting, telling stories, so [the name of this magazine] *Gongchang longmenzhen* means talking about what happens in factories. People who've never worked in a factory before often get it wrong and use stereotypes [to describe factory life]. Those who've experienced it and are familiar with life in the factory often think, "there's nothing to talk about." Although it's a topic people often discuss with friends, relatives and other workers, it still seems mundane and trivial, something that doesn't deserve to be publicly discussed; something you chat about in private and then forget.

But it's precisely these trivial incidents and this mixture of feelings that make up workers' living environment, that shape workers' consciousness, and that trigger and influence workers' action. Going further: the future of society is already hidden within these realities. Only when workers understand these real circumstances in their totality can we find a basis for collective exit from the present situation. The first step is to thoroughly and carefully survey, record and analyze the situation of the working class—that is, to obtain first-hand material.

Today, factory workers are the main creators of wealth in society. But since bosses hold the power within the industrial system, what social development grants to workers is poverty and disenfranchisement (although many workers from the countryside have improved their families' economic situation through hard work and frugality). Commodity prices rise faster every year, but many workers make only enough to get by, or less. From the 2008 crisis until now, the gap between rich and poor has only increased.

But in these last few years, it is easy to notice a transformation of workers' consciousness: they seem to be developing a more intense and conscientious awareness of their plight and demands, and they more often resort to actions creating more pressure on capital. The drive to control workers and oppose the improvement of workers' conditions (including active meddling in legislation) shows an extreme level of concern among capitalists. Management personnel in every factory regularly talk about strikes and go-slows, while lawyers and experts in the field of industrial relations organize training courses on the topic… On the other hand, workers usually lack the advantageous circumstances and the self-conscious combativeness of their rulers. Of course workers also learn from struggling–they summarize the experience and communicate it with others. Usually scattered, they require more attention from those who wish to collect and arrange the records of these struggles in order to spread them among other workers.

The central goals of this publication are to develop a thorough understanding of the factory and workers' real situation, to analyze the lessons gained from past and present struggles, and to spread information. We still believe that the power of the empty-handed working class is far greater than that of the whole propertied class. But it is also clear that we are standing at only the beginning of the road.

One Day

by "I Love Cilantro" (*Wo Ai Xiangcai*)

Working in the factory has turned me into a robot. I live a mechanical existence. Almost every day I repeat my role in the same scenes.

The alarm clock wakes me up at exactly 7:20 in the morning. I go to the toilet, wash my face, change my clothes, no time to brush my teeth, I take my key and run straight to the factory. I get to the canteen a bit before 7:40, find a bowl, and rush to the window where they serve food. The aunty on the other side of the window serves me a bowl of porridge and a pancake about as thin as paper. This is my breakfast. Because I can't fill my stomach, and the canteen won't give me an extra pancake, I often buy a couple of steamed buns on the street. It's the only way I can make it until noon.

Our workshop is on the fourth floor. We make facemasks. Each work post has a production quota, determined by specialized employees who stand behind our backs, timing us with a stopwatch. They always try to raise the quota by counting more than we actually produce. Moreover, they do this in the morning when we have the most energy, forcing us to repeat that speed for 11 hours. Otherwise we don't reach the quota and have to do unpaid overtime. Most workers can't meet the monthly quota. Although the management in this workshop isn't particularly strict, and you need no special permission for a leave of absence, everyone is self-conscious. Some don't even go to the toilet—not because they don't need to go, but because they're afraid they won't meet the production quota if they do. Most people wait until they finish their work, so the toilets are always packed at the end of a shift.

When it's time for our break, the line leader gives the order to stop the line, then we queue up and wait for him to tell us when it's OK to leave. We're supposed to punch out one by one in an orderly fashion, but the queue tends to break up when we're all eager to get to the canteen as quickly as possible, so the line instructors usually stand by the queue—supposedly to enforce discipline, but generally they just yell at us. By the time I finally punch out, change my overalls and shoes, and run down from the fourth floor to the canteen, it's already packed with 200 people queued up in front of four windows. I grab a bowl, walk to the end of a queue, and then wait and wait, peeking into other people's bowls to see what's being served. When my turn finally comes up, I realize the dish I wanted is long gone, and all that's left is the stuff that not only I but everyone dislikes. But I have no choice, so I take a few scoops of pickled vegetables to fill my stomach (and complain later). I often complain about the lack of decent food to my coworkers, but they blame me for running late, saying if only I hurried up there would be plenty to eat. Although I don't argue, I'm always thinking that with a certain amount of people and a certain amount of food, it shouldn't matter who arrives first or last; even if I came earlier, that would just mean someone else wouldn't get to eat.

Although the food is bad, I have to eat something—I'm thinking about the five hours of work I have to do in the afternoon, so I manage to gulp it down somehow. The afternoon shift is the same as the morning one, an endless stamping of facemasks (that means welding together the mouth cover and ear straps). Eating dinner feels like eating a cloned version of lunch: everything is exactly the same. Sometimes I think my canteen fee is spent entirely on pickled vegetables—it's not worth it, but there's nothing I can do. Going outside to eat takes too much time, and I'm sure the street stalls are even less sanitary than the canteen. Although my coworkers sneer at hearing this, I keep hoping the canteen will improve.

After dinner, there are two more hours of overtime. This is the easiest part of the day, since we know it's almost over, at least. As we get close to the end, everyone grows excited, as if we're about to be "liberated." That's why we work really fast in the evenings and seem incredibly energetic. We're finally done, freed, and after walking out of the factory gate, the fatigue weighing down my body unconsciously melts away into the noise of the commercial district. I also forget the repression of the shop floor, as if all that's left is the unbearable physical exhaustion. Only then do I realize that I really spent myself in the workshop.

I repeat this kind of existence day after day, on the shop floor, unable to see the sun, seldom going to the toilet even once. It goes so far that I'm afraid the sunlight will hurt my eyes! Although this is just one day, perhaps this will be my entire life as long as I'm "affirming" my labor-power in the factory.

Looking Back on Twenty Years in Shenzhen's Factories

by Hao Ren

I was born in 1963. At 15 I finished junior high and left home to look for work. Since coming to Guangdong in '92, I've worked in a lot of factories. I remember garment factories run by bosses from Hong Kong, Taiwan, Guangdong, Fujian and even a few from Hunan. There were small differences between bosses from different places: Hong Kong bosses were a little more generous—I guess they had more money, so they treated you a bit better. But all bosses are pretty much the same. As they say, "Everywhere you go, all crows are black; as soon as you get out of a wolf's den you'll find yourself in a tiger's mouth."

The biggest cheapskates were the fucking Taiwanese bosses. They were the harshest managers. Can working for them even be called work? They would often insult and beat you, threatening to fire you the moment you disobeyed, or hitting you whenever things didn't go 100 percent according to plan. But Taiwanese bosses weren't just cruel themselves—they also kept brutal security guards. Hong Kong bosses also kept security guards, but they didn't beat people, or at least not as often. So the Taiwanese bosses were the biggest tyrants.

Management has changed over the past few years. At least it's become more humane. The other thing is, management personnel smartened up a little. They figured something out: that they too are only workers. In the past they all thought "I'm special, I'm this and that, I'm a manager." But what happened when they got fired? They turned

out to be no different from us. In the past, management personnel were all extremely stupid, doing all they could to kiss the boss's ass and fuck with the workers just to keep their jobs a bit longer. They would think, I'm working on the free market now, there's nothing I can't take care of, so they hit the workers that much harder. Like the security guards for Taiwanese bosses: they would think, "I'm the shit, I work my ass off beating up people for the boss, I'm doing well aren't I, the boss respects me."

There are different reasons why today's factories are more humane than before. The first major reason is that the government changed a bit. Secondly, there's been some changes in publicizing legal knowledge. Third is that workers are starting to wake up. I myself am one of these workers. In the past there were many managers and bosses who would beat workers, some hitting so hard that they broke people's arms and legs. You would see this quite often, but in the end they learned that it would only come back to them: when they came out of the factory, they would often be attacked by gangsters and vagrants. Now a lot of managers have finally come to understand how things work.

The bosses' attitude towards workers has also changed due to pressure from different sides. One side is the government, the other is, well, "Wherever there is oppression, there is resistance." I once had a really mean boss. He didn't see those who worked for him as human beings, acting according to his whims. Eventually he was attacked with knives. I saw it clearly—I was there. They really fucked him up. They cut him everywhere, but finally he managed to escape. If he didn't run they would have hacked him to death for sure. I was only a couple meters away. In the end they finally let him go. The workers hadn't done anything like that before, and they didn't want to cause a big stir—after all, they were afraid.

It probably started in second half of '96 and '97 when Hong Kong reunited with China: it was at that time that a lot of workers started publicly taking revenge on management personnel. Before that, a lot of the girls who were a bit better looking had to sleep with the boss whenever he wanted, the boss could do whatever he wanted, and this happened quite often. It was only in the '90s that this kind of thing became less common, around '96, at that time the environment really changed. In '97 when Hong Kong returned, there were rumors that war was imminent, and a lot of bosses and workers fled home. Whenever you heard there would be fighting, it turned out to be just rumors, so the workers came back a few months later. In '98 and '99 people grew braver, and the rumors disappeared.

Wasn't it in '94 or '95 that the government passed the labor law? There were already a lot of factories in '96 with migrant workers, and in '97 Hong Kong was reunited with

China, so there couldn't have been any big political changes. In '98 the government started popularizing the labor law. But they didn't really want to popularize or enforce it very much, and only a few people knew it existed, so it was basically useless.

As more and more factories opened up, [one could choose where to work and the attitude was] if they don't need me here, I'll just go somewhere else. Workers' demands were realistic, and there wasn't much repression from state authorities outside the factory. The late '90s were harsh and all, but after working outside for a few years, you figured out how the world works and grew braver. Besides that, workers had certain technical skills. After working a few years you could become quite skilled. With skills it was easier to find work. When people have a little capital, they're less afraid.

There weren't many strikes at that time. Strikes didn't become common until '07 and '08, and it was only in '08 that they really rose in numbers. There aren't many big factories here in Longgang, and the major strikes happened in 2008. This was because, for one, knowledge of the labor law and contract law had become widespread among workers, since both the government and NGOs were making a big effort to popularize them. I distributed a lot of leaflets at that time—every evening my colleagues and I would be handing out leaflets in the factory. Another reason must be that workers had become more educated. I worked in a shoe factory then, and I rarely worked overtime, so I had enough free time. There was a blackboard near the place where I lived, and it was there that we organized special trainings for workers about the labor law. We would do it once a week or every two weeks, a few times a month anyway. Each time over ten or even twenty-some people would come. They would then pass the knowledge on to their friends and acquaintances, each explaining it to the others.

At that time the specific reason for strikes was that, when companies terminated employment contracts, workers were denied severance pay according to seniority, so how could one not go on strike? I guess you could say I was also involved, that was at the end of '07, and there were strikes almost every day. They happened in different industries, in all kinds of industries, and every day there were at least a few factories on strike. I saw many of these strikes with my own eyes: more and more people not going to work, blocking the factory gate or holding demonstrations in public squares. If you talked to the workers who participated in these strikes, you'd have to say that every strike was a success. Or at least that striking was better than not, since bosses were always made to pay for damages and had to pay the workers. At those factories where workers didn't stir up trouble or strike, nothing much changed. The strikes mostly happened in big factories, with over 200 or 300 people. Yunchang, Dahua, Jinghong were all big factories that had more than a thousand people.

Layoffs and Labor Shortages

by Wang Xiaolin

In early [2011], Ah-Ling came to the industrial area together with the [annual spring] tide of workers. The entrance to a village near a national highway was full of recruitment stalls. They came from nearby factories to recruit people. Ah-Ling carried her big suitcase to the stalls to see what all the fuss was about. The human resources personnel there were loudly introducing their factory's salaries and benefits. Some were saying, "Our factory's pay package goes up to 3,000 yuan, and we also have dormitories and a canteen." Others promised, "If you're interested we can send a car to drive you to the factory dorm right away." Someone who was recruiting security guards started dragging away little Ah-Ling, saying that if she agreed to take the job she would get the easiest work imaginable – a job at a certain hospital where she would have both fun and lots of free time. The whole scene looked spectacular (as if a fat pig had just escaped from its sty), and it made people feel as if their social standing had suddenly risen.

Not long before that, almost all the news media were bellowing about the "shortage of labor" in the coastal industrial areas, exaggerating the whole thing without restraint. Everybody was saying this time salaries will go up for sure. Nonetheless, Ah-Ling soon discovered that, although the human resources staff at this "job fair" were shouting that "the monthly pay package is more than 3,000 yuan" and so on, when you looked at things more closely you realized that the basic wage was no higher than the legal minimum wage, and that the so-called "salary package" already included compensation for more than three hours of overtime per day.

After she spent some time looking for work, Ah-Ling slowly started to understand the so-called "labor shortage" issue. In the past, when there was not yet an "over-abundance" of bosses, there were plenty of workers and bosses could pick out whomever they wanted at will: young, unmarried, obedient, nimble-fingered girls. Slowly, these girls started turning into mothers. As the industry developed, there came to be too many bosses, and this made it more difficult to choose the workers they wanted. In that past, bosses did not hire male workers, but now they were "forced" to employ a certain number of men. Likewise, the acceptable age for workers gradually rose from 25 to 30, 35, 40 or even higher. Bosses unable to hire enough people started using more clever methods, such as trying to prevent workers from quitting. So when bosses complain about "the labor shortage," they don't mean a lack of people, but a lack of young, obedient, hardworking, agile, and female workers. This does not mean that mothers and men are becoming more highly valued. People who call this gender discrimination are right, but this kind of discrimination has nothing to do with so-called feudal mentality or outdated notions, since what are at stake are the bosses' concrete interests. They want their horses to run, but they don't want to feed them. Now when there are not enough healthy, strong, and tame horses, the bosses complain. And this has been resonating for years.

Ah-Ling decided to find an office job because office work tends to be easier than manual labor and allows more free time. She applied for this kind of job in many factories, but they all turned her down on the grounds that she "lacked experience". Finally, Ah-Ling managed to get hired [for an office job] by some factory. It was not that they were so kindhearted that they took her in, but because she composed a CV claiming she had experience, and although she had never worked in an office before, she mastered her tasks in half a month. In fact most of the work is quite easy – though it can be a bit complicated, you just have to fake it for a while, and when you become familiar with the products and the work process, it turns out to be no big deal. The problem is that even in the conditions of a "labor shortage," bosses are unwilling to spend additional money on training. They hate training unskilled workers and prefer hiring skilled people or even going to other factories to steal their skilled workers.

There was a lot of fuss about "the labor shortage" in Ah-Ling's factory. What kind of shortage? Paint sprayers, unskilled workers, and office workers were being hired all year long. Spraying paint is poisonous, it smells bad and is hard work; unskilled labor takes a lot of physical strength. It took a lot of time to find people for these jobs and there were never enough people to do them. Office work was not so demanding, but the wages were lower (a new employee would get a monthly salary of 1,600 yuan and would have to do an hour and a half of unpaid overtime per day), so all the old

employees left, and there was not enough new people to fill their posts. This made the human resources department head nervous as hell all the time.

Nevertheless, not long after entering the factory, Ah-Ling faced a "wave of layoffs". By the end of the year, after the Christmas goods were exported, there was suddenly no more business for Ah-Ling's factory, so they canceled overtime. To most workers who depend on overtime to make a living, this undoubtedly equals forcing them to quit. Many ordinary workers eventually decided to hand in their resignation. One would expect this to have made the boss happy, since it saved him a lot of money that would have otherwise been spent on compensation for laid-off workers. But on the contrary, he was not happy, since the reduction of ordinary workers meant an increase in the proportion of managerial staff. The boss ordered all departments to issue a list of the laid-off staff, lest the "ability of the managerial staff be called into question." Ah-Ling's department, which previously had over a hundred employees, lost over ten people, leaving 80-some, including four supervisors, two chief supervisors, and one manager. In order to prove his "managerial ability," the manager submitted two lists of dismissed staff. Those dismissed allegedly received compensation worth three months of wages. It is worth pointing out that the people they wanted to lay off had all worked in the factory for more then a few years. There was even talk of an employee who had worked in the factory for 25 years who "decided" to quit and did not receive one cent of compensation.

This is how a "labor shortage" and layoffs miraculously appeared within one and the same factory.

Some say these layoffs were due to a bad economic situation, and that the boss suffered great losses. But everybody knows that during the period when they were making fortunes, bosses never increased wages of their own accord. Now that the economy is supposedly in a slump, this does not mean that the companies are losing money, but only that they are not making as much as before.

Having talked so much, I just wanted to explain one thing: it doesn't matter whether the boss complains about a "labor shortage" or lays people off; in any case, it's all about profit. The boss is weakest when there are fewer workers so he cannot choose and manipulate the employees at will. When business is good, the boss will talk about "good will and solidarity," "treating the factory as a family," and hard work; when business is bad, the boss has to "get through the winter," so he is surely right to lay off workers, leaving them cold and hungry.

This is the boss's logic.

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