

CHINA AFTER MAO

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The months preceding and following the death of Mao Tse-tung in September of last year witnessed a series of political events that, even by China's standards, were quite exceptional. Is it possible at this relatively early stage to come to some preliminary understanding of their significance in respect to the course of China's political

economy in the foreseeable future? It is to that task that this article is addressed.

Let me begin by refreshing readers' memories of some of the major events of the past year and a half. 1976, that 'most extraordinary year in the history of our Party' (Hua Kuo-feng) began disastrously with the death in January of Premier Chou En-lai; it was on his experienced shoulders that many people both inside and outside China thought rested the chances of a peaceful transition to the 'post-Mao epoch'. Hua Kuo-feng, a relative newcomer to the senior ranks of the Chinese Communist Party (CCP), who had only gained his place in the Politburo in 1973, was appointed Acting Premier, apparently on Mao's recommendation. In April came the violent riots in Tien An Men Square in Peking, closely followed by the dismissal of Teng Hsiao-ping from all his official positions including Vice-Chairman of the Central Committee of the CCP, Vice-Premier, and Chief of the General Staff of the People's Liberation Army. Teng, the man who had said that it didn't matter whether a cat was black or white as long as it could catch mice, was again attacked as he had been during the Cultural Revolution for allegedly trying to 'restore capitalism' in China. The immediate beneficiary of Teng's dismissal was Hua Kuo-feng, who was appointed Premier and first Vice-Chairman of the CCP (a newly-created position). A short period of relative calm was ended in early July by the death of veteran leader Chu Teh, and shattered at the end of the month by the terrible earthquake in Tangshan. On September 9 Mao died.

Few outside observers had not predicted that a power struggle of some kind would occur after his death. It was clear that the dismissal of Teng was but the tip of the iceberg, and that a widespread struggle had been taking place throughout the country during the period leading up to Mao's death. However, virtually no one was prepared for the swiftness or the drama with which the issue was 'resolved' by the arrest on October of the 'radical' group in the Politburo: Chiang Ching, Chang Chun-chiao, Yao Wen-yuan and Wang Hung-wen, collectively dubbed the 'Gang of Four'.

The purge of the 'radical' elements at the top of the Party made it immediately obvious that China's political economy had sharply

changed course, and a succession of speeches and articles published since then have simply confirmed that impression: instead of policy being the outcome of a 'struggle between two lines' held together in a dynamic tension by Chairman Mao, his death has permitted one 'line' to overwhelm the other. The formal conclusion of this process has occurred in recent months. The 3rd plenary session of the 10th Central Committee met in July of this year and officially confirmed the appointment of Hua Kuo-feng as Chairman of the Central Committee of the CCP and Chairman of the Military Commission of the Central Committee of the CCP. It also announced the full restoration of Teng Hsiao-ping to all his posts. Further, it decided to take the drastic step of expelling the Gang of Four from the CCP 'once and for all'. A national Party Congress was rapidly organised and met on August 12-18: it was the 11th Congress in the Party's history but only the 4th since liberation. The congress 'fully approved' the measures taken to smash the Gang, and 'unanimously adopted' a resolution to support the new Party line as summarised in Hua's political report to the congress. It elected a new Central Committee and Politburo, and it concluded with the optimistic hope that it would usher in a period of 'stability and unity and great order across the land'.

POLITICS

Is it likely that such a period of stability and unity will occur? A central question here concerns the strength of support for the Gang inside the CCP and the strategy they are likely to adopt. A factor of major importance in assessing the strength of inner-Party support for the Gang is the rapid increase in the size of the CCP since the Cultural Revolution. It has roughly doubled its total membership since the early 1960s to its present size of 35 million. Nearly one-half of these members have joined since the Cultural Revolution, and over 7 million since the 10th Party Congress in 1973. (1)

There is little doubt that a significant proportion of these new members have been selected because of their sympathy with the aims of the Gang. Yeh Chien-ying, Party Vice-Chairman and Defence Minister, in his speech introducing the new Party Constitution, admitted that there is a

'serious problem of impurity in ideology, organisation and style of work among Party members as a result of the rather extensive confusion created by the "Gang of Four" who in recent years vitiated the Party's organisational principle and set their own standards for Party membership There are definitely quite a few such Party members'. (2)

How does the top leadership propose to deal with this situation? In the short run the immediate task has been to reconstitute leading bodies of the Party at all levels and remove the Gang's supporters. Under these new leading bodies the Party will naturally have altered its policy over the kind of people it recruits. In addition, there has been instituted a much stricter system of control over new recruits, all of them now being obliged to go through a one-year minimum probationary period. (3) An extensive 'rectification' is under way inside the party 'to expose and criticise the Gang'. Those who can be educated and won over will be treated leniently with the objective of 'isolating to the maximum the "Gang of Four" and the handful of their sworn supporters': on these the Party will 'concentrate its blows'. A powerful attempt is being made to tighten up inner-Party control in the wake of the struggles of the recent past, the most obvious manifestation of which is the new 'commissions for inspecting discipline'. The evidence so far available indicates that the leadership has been successful in preventing an open split within the Party despite the hard struggles that have gone on over the past year. This seems to suggest that the 'hard core' supporters of the gang do constitute a minority, albeit a most significant one, who can be isolated from the majority. Furthermore, those who still support the Gang's position may be unwilling to push their disagreement to the point where they severely disrupt economic and social life for a considerable period. In addition, the Gang's supporters no longer have control of the mass media, and under such circumstances it is far harder for them to orchestrate any campaign of action, if they did desire to mount one.

What of the long-run? Hua has acknowledged the importance of the task of combating the ideological impact of the Gang: 'not only must we settle accounts with the gang in the sphere of political and

organisational line, we must also conduct criticism on the theoretical plane of philosophy, political economy, and scientific socialism, so as to eradicate their pernicious influence from every sphere'. (4)

The long-run impact of the Gang is difficult to assess. Their great strength lay in the commanding positions they occupied in the mass media which enabled their ideas to have a wide circulation. What is important to know is the degree to which their ideas have influenced, and in the future may influence, serious radical forces within China. The predominant view held by observers in the West at the moment seems to be that the Gang do indeed deserve the epithets being heaped upon them by Chinese leaders. Are they indeed to be dismissed as opportunistic 'anarchists' whose 'metaphysical idealism' is currently being exposed in its true light to the Chinese people, or do their views represent a deeper and more thorough-going critique of the transitional period in post-revolutionary poor countries?

A great deal of literature, mostly in Chinese, has been produced by the Gang and it is most important that a serious analysis of their work is undertaken. Before that is done any judgments must necessarily be tentative. However, some points can be made. Firstly, we should not take the undoubted personal unpleasantness, ambition and hypocrisy of Chiang Ching, Mao's wife, as characteristic of the whole movement. The briefest comparison of the writings of Chiang Ching with those of Chang Chua-chiao, for example, indicates the much greater sophistication of the latter. Moreover, we should remember that the Gang's supporters really were very numerous, and again, the briefest acquaintance with their main theoretical journal *Study and Criticism* indicates that among their number were many sophisticated and intelligent writers who were making a serious analysis of the emerging problems of China's political economy: beneath the frothy surface of political debate lies some hard thinking, and perhaps the long-run impact of the Gang may be greater than some imagine.

PARTY, STATE AND SOCIETY

A central question of concern in critical thinking about post-revolutionary

transformation in poor countries has been the role to be played by the communist party. There does not appear to be a great deal of difference between the Gang and the current Chinese leaders regarding the necessity for the Party to maintain a strong leadership role at all levels of organised social life. The main areas of dispute between the Gang and their opponents have centred around the kind of people who should be admitted to the Party and the policies that the party should pursue rather than the necessity to have a strong 'vanguard' party.

Is there any evidence that the Gang and their opponents were in substantial disagreement about the relationship of the masses to the state apparatus? It is worth recalling here that for a short period of time during the Cultural Revolution, radical forms of popular participation in state administration, which did involve a real diminution of Party control, and which used the Paris Commune as their model, were widely discussed, and were briefly implemented in some parts of China in 1967. (5) However, instead of rule by direct representatives of the mass of workers, compromise institutions - 'revolutionary committees' - were quickly introduced. On these, popular representatives shared power with Party and Army members, and were soon condemned as 'bourgeois reformism' by the ultra-Left in China. (6) Since then the 'revolutionary committees' at levels above the production unit have been removed even further from the Paris Commune ideal of directly elected representatives subject to mass supervision and recall. (7) The issue of popular participation in state administration has certainly not been absent from the writings of the Gang and their supporters, but in translated sources it has not appeared as a prominent theme. If substantial divergences of view between the Gang and their opponents on these issues have existed they have not been easily observable from outside China.

What of the policies likely to be pursued in other areas? Their general character is clearly indicated in Hua's report to the 11th Party Congress in which he announced that the smashing of the Gang marked 'the triumphant conclusion of our first great Proletarian Cultural Revolution'. Instead of disruptive activities of the Cultural

Revolution type, Hua emphasised that the period ahead will be one of stability and order in which the main stress will be placed on transforming China into 'a great, powerful and modern socialist country in the last quarter of the 20th century'. In 1966 at the beginning of the Cultural Revolution, Mao said: 'Great disorder across the land leads to great order. And so once again every seven or eight years'. Today's Chinese leaders approvingly quote the first sentence and conveniently omit the second.

What does all this mean in more concrete terms? Probably the central issue in poor post-revolutionary states is the relationship between economic growth and class inequality. The over-riding concern of Mao's thought, particularly since the First Five Year Plan period, (8) has been with the method by which these objectives could be pursued simultaneously without one being unduly sacrificed in the long term to the other - neither pure 'economism' nor pure class struggle. To people familiar with Russian debates in the 1920s, Mao's ideas are not so original as some have claimed, but Mao, of course, has attempted to pursue his objectives from a position of real power and with a mass of supporters. To either side of Mao in the Party there were groups whose estimates of the relative importance of these goals differed from his. It is quite clear that it is the conservative group that has triumphed, that is to say, the group which attaches more weight to modernisation than to class struggle, more weight to developing the productive forces than to attacking inequality in production relations and in the superstructure. This can be seen from Hua Kuo-feng's report to the 11th Party Congress which attacks the Gang for 'dishing up an absurd theory about "the new changes in class relations in the socialist period"'. He says that 'it is necessary to carry on the revolution in the realm of the relations of production and to consolidate and develop socialist public ownership and other aspects of the socialist relations of production, so that they will correspond better with the expanding productive forces'. (My italics). Hua claims that 'the productive forces are the most revolutionary factor'.

The contrast with the Gang and their supporters is clear. For them 'The historical task of the dictatorship of the proletariat is the "abolition of all classes"'; 'it must

not only transform the forms of ownership but also transform all unequal relations as regards people's position and mutual relations in the course of production as well as all unequal relations with respect to distribution in addition there are the relations in the political, ideological and cultural fields'. (9) They have been ridiculed by the conservatives for holding this view: they (the Gang) 'even alleged that socialist revolution and class struggle were the ultimate goal of communists' but 'to communists, socialist revolution and class struggle are means and not objectives'. (10) Current articles from China in fact come close to suggesting that the objective of socialism is economic growth: 'the triumph of socialism over capitalism means in the last analysis, abolishing the capitalist system of exploitation and all other exploiting systems so as to create labor productivity much higher than that under capitalism and turn out far more social products than those under capitalism to satisfy the needs of society'. (11)

CLASS INEQUALITY

We can conjecture then that China in the coming years will be characterised by the emergence of greater social inequality than has been permitted since the Cultural Revolution. This is not, of course, at all incompatible with the reduction of controls over 'freedom' in culture, education, and scientific research. Rather than investigate the changes that have occurred and are likely to occur in every sphere of class relations, I shall simply select two of the most important areas and analyse some of the alterations that have occurred there: firstly, urban enterprises, and secondly, the countryside.

One can encapsulate the difference between the thinking of the two groups - the Gang and the present Chinese leaders - regarding these issues in respect to their approach to the important question of 'bourgeois rights'. Following Marx's famous discussion in his *Critique of the Gotha Programme*, all parties in the Chinese leadership have accepted that, given the general state of social consciousness and the conditions of material scarcity, it is necessary in the transitional period between capitalism and full communism to permit the

operation of 'bourgeois right' - notably 'equal pay for equal work', but also such rights as equality of educational opportunity. Following Marx, the Gang and their supporters have stressed that society, even in the transitional phase, is structured in such a way as to permit different strata to benefit unequally from this 'equal' right: in Marx's famous example the right to equal pay for equal work turns into a right of inequality, because people have an unequal capacity to work - some are stronger and more skilled than others - and because people have unequal needs for income - especially due to differences in family sizes. The difference between the Gang and their opponents lies in the strong attempts that the Gang wanted to make to restrict the effects on inequality of the operation of bourgeois right, (12) as opposed to their opponents, the current leaders, who regarded the operation of such rights as essential to economic progress, and attempts to restrict their impact as 'idealistic' and 'metaphysical'.

I shall now look in more detail at the changes in policy since Mao in respect to urban enterprises.

As far as control within enterprises is concerned, the emphasis in Chinese publications since last October has been on the need to maintain 'strict labor discipline' and to enforce tightly 'rational rules and regulations'. Instead of emphasising collective responsibility, it is likely that there will be a return to a system of personal responsibility for production tasks, and that ultimate responsibility within each enterprise will rest with a single individual. This seems to be the thrust of Vice-Premier Yu Chiu-li's recent statement: 'Enterprises should strengthen centralised Party leadership and institute the system of division of labor and responsibility under the leadership of the Party committee. Responsibility for the daily work in production, construction, and management in an enterprise rests with the chairman of the revolutionary committee. We should oppose the phenomenon of no one accepting the responsibility and struggle against anarchism'. (13) This appears to signal the return to a system of stricter work norms decided from above and less participation by workers in decisions affecting the organisation of the work process. That class struggle within enterprises will be

downplayed is clear: 'We must thoroughly criticise the "gang of four's" attempt to cover up and replace the principal contradiction - between the proletariat and the bourgeoisie and between socialism and capitalism - with the so-called contradiction between higher and lower ranks, between the new and veteran cadres and between one section of the people and another'. (14) Concrete struggles over stratification are being replaced by metaphysical ones. The status and authority of managerial and technical staff are being restored in a firm manner after eleven years during which, in varying degrees, that status and authority has been questioned.

Are there likely to be any major changes in modes of remuneration and in degrees of income inequality within urban enterprises? The Gang and their supporters have never denied the need for pay incentives at the present stage of China's development, but they have consistently pushed for a reduction of the degree of inequality below that which was permitted during the First Five Year Plan (1953-57) and which re-emerged in the early 1960s, as well as arguing for the removal of the most incentive-oriented forms of remuneration such as individual bonuses and piece rates. Their views have had a substantial impact. Carl Riskin in his report to the US Congress Joint Economic Committee summarised the situation in the 1970s in the following way: 'In sum it would seem that the scope of the operation of material incentive devices as differential bonuses, piece rate mechanisms, and material awards to emulation campaigners, have been ruled out since the Cultural Revolution. Significant wage and salary differences continue to exist. But they are gradually being narrowed, and their incentive effect on worker performance seems quite constrained even at present'. (15)

The signs all indicate that the trends from now on will be back towards greater inequalities, though specific details have not yet been spelled out. Hua Kuo-feng in his report to the 11th Party Congress accused the Gang of 'absurdly taking higher rank and higher wages as the economic criteria for defining a "capitalist-roader"', and of 'deliberately confounding the differences in distribution between the leading cadres of the party, the government and the army on the one hand, and the broad masses on the

other, with class exploitation'. If 'differences in distribution' are considered to have nothing to do with class, by the present leaders of China, then it is unlikely that the widening of those differences would cause them difficulties on ideological grounds.

I shall now turn to the question of likely trends in the countryside.

A major concern of the Gang and their supporters was with the problem posed by the peasantry in the transitional period. One cannot sufficiently emphasise how important an issue this is in China - a country that is certain to be numerically dominated by the peasantry for a long time to come. It is worth noting in passing just how inadequate has been the perspective of the ultra-leftist groups in the West on this issue, content to pillory Mao for his concern with the peasant question and quite confusingly dismissing him as either a 'peasant populist' concerned to turn China

into a land of utopian rural communes, or as a 'degenerate Stalinist' concerned only to extract as much surplus value as possible from the peasantry.

In a realistic assessment of the nature of peasant consciousness and of the importance of agricultural production in the Chinese economy, the CCP has had to permit the peasants to retain private plots of land, and private ownership of most of China's pigs and much of its poultry; in the relations between town and countryside, commodity exchange still exists, albeit under state control, and in the countryside rural free markets are still quite widespread, though their share of total retail sales is small. In the countryside, as in the towns, it is accepted that the major criterion of income distribution is 'work' (depending on strength, skill and time worked), not 'need'. Moreover, instead of state ownership combined with a wage system, most agricultural means of production are owned,



and most agricultural income generated and distributed, at the level of the production team, which is the smallest subdivision within the people's commune, comprising an average of only 30-40 households. Left unhindered, and especially with increasing supplies of modern agricultural inputs becoming available, the potentialities for material differentiation to develop within this system are great, while the effects on peasant consciousness would also be regressive, in the sense of focusing attention on production within the household and the small collective unit, and how to gain the maximum economic advantages for those units.

The problems these posed for the transition from capitalism to communism were ones that greatly exercised the Gang and their supporters, as they did Mao himself. As in the urban sector, the Gang were concerned with ways of trying to restrict the emergence of inequalities resulting from the operation of 'bourgeois right', though they had to acknowledge that such 'rights' were essential to economic growth at the present stage. Combatting these tendencies requires action on two fronts: firstly, education in 'socialist values' such as trying to gradually reduce the area sown to private plots, to divert private production from sale on the free market to sale to the state, to persuade collectives to raise the proportion of income distributed according to 'need' relative to 'work', and so on; secondly, action on the material front, by, for example, trying to divert a portion of supplies of modern inputs to poor areas and by arranging for the transfer of skilled state technicians to those areas. All of this, of course, really does require leadership from a strong communist party. The present group in power in China has tried to cloud the issue by accusing the Gang in many cases of supporting policies the exact opposite of those they in fact did advocate. However, through that fog of verbiage it is possible to perceive that the present group in power are indeed less concerned than the Gang about restricting the emergence of inequality in the countryside and more concerned with material advances.

A good example of the contrasting approaches of the Gang and the current leaders is the argument that raged at the top level of the Party throughout 1976 over Hua

Kuo-feng's important speech on agriculture in October 1975. (16) The main emphasis in his speech was on ways in which to speed up the mechanisation of Chinese agriculture 'so as to ensure that the great task of mechanising agriculture will be accomplished in the main by 1980'. The Gang apparently 'slandered the report as a "revision of Marxism-Leninism" and as "advocating the theory of productive forces"' (i.e. placing the pursuit of economic growth above class struggle). The objections of the Gang do appear valid. Not only is its main emphasis on modernisation rather than on problems of inequality, but his discussion of production relations assumes that agriculture will move along in a socialist direction as a natural consequence of modernisation. Mechanisation of agriculture, says Hua, will lead to an expansion of income generation at levels above the production team, thereby permitting 'a step-by-step transition to the system of ownership that takes the production brigade or even the commune as the basic accounting unit'. The Gang argued that Hua was over-optimistic about the likely speed of expansion of mechanisation in agriculture, and that if the Party simply sits around and waits for production relations to be revolutionised by mechanisation, it will leave the way open for the emergence of greater differentiation and permit the congealing of 'petty production consciousness'. Thus, Chang Chun-chiao had earlier in 1975 pointed out that even in the most advanced communes on the outskirts of Shanghai, the production teams still owned over one-half of the total fixed assets in the communes. 'Therefore, even if we take economic conditions in the communes alone, it will require a fairly long time to effect the transition from the team as the basic accounting unit to the brigade and then to the commune. Moreover, even when the commune becomes the basic accounting unit, the ownership will still be collective'. (17)

The argument is in outward appearance an exceedingly complex one, though beneath the surface some clear differences of principle can be observed. As for the future, it seems most unlikely that the present leaders will permit agriculture to regress to the degree that was tolerated in the early 1960s, when the collective economy disintegrated in many places and differentiation proceeded

apace. Rather, it seems likely that they will persist in modernising through the present structure, but show less concern than the Gang about reducing the resulting inequalities and attempting to educate the peasant consciousness out of the patterns produced by these structures. The argument that modernisation will inevitably produce socialist consciousness is patently false, and the Gang's arguments about the need to combat emerging differentiation are currently being given little concrete attention.

ECONOMIC GROWTH

'We must race against time, quicken our pace, greatly speed up the tempo of our industrial development, boost the national economy and build our socialist state of the proletarian dictatorship into a more powerful country; we will surely realise the grand goal put forward by Chairman Mao of surpassing the United States economically in several decades'. (18)

The Chinese media has been full of clarion calls of this kind in recent months, leaving the masses in no doubts as to the main priorities of the leadership. Is it likely that China will advance as they hope, and will there be any fundamental alterations of economic policy in order to facilitate this?

Many observers in the West feel that the purge of the Gang, due to the resulting changes in international economic policy, and because of the reduced emphasis domestically on class struggle, will result in a significant increase in China's growth rate. In the short-run this will certainly be true. 1976 was the worst year that the Chinese economy has experienced since the Cultural Revolution, and this was in no small measure due to widespread factional fighting and to resulting uncertainties. The victory of the conservative group at the top will much reduce such disturbances and accordingly improve the economic performance. More important, however, are the medium and long-term prospects. It is important to note here that the Gang was far from being in overall control of policy formulation: they have been balanced by more conservative figures, most notably Chou En-lai and recently Teng Hsiao-ping, since they rose to power during the Cultural Revolution. Moreover, their policies are by no

means as lacking in a pragmatic concern for economic growth as is currently being suggested. Further, 'growth' and 'equality' are by no means as irreconcilable as is sometimes argued.

Since the height of the Cultural Revolution in 1966-68, when the extremes of radicalism did produce an adverse short-run impact on China's economic growth, China's growth record has in fact been most successful. In agriculture, faced with enormous difficulties, such as a static arable area and yields that were already high, output has been growing at just under 2 per cent per annum. (19) Industrial production since 1970 has been growing at just over 8 per cent per annum. (20) Most importantly, these figures have to be set against a rate of population growth that is probably already below 2 per cent and that has begun to fall significantly in the 1970s, (21) due to China's successful production and popularisation of contraceptives, and to a successful campaign to persuade young people to delay the age at which they marry. China may well succeed in pushing up the per capita growth rate of national product, and over the long-run the absence of 'Cultural Revolutions' should enable a steadier rate to be maintained, but it seems unlikely that China's good performance since the Cultural Revolution in terms of aggregate growth rates will be dramatically improved upon.

I shall now turn to look at some of the major areas of interest as far as growth is concerned.

At the centre of the growth process stands investment - the necessary (though not sufficient) condition for excellence. There seems to be little likelihood that the new leadership will be able to raise the rate of investment, since it already stands at a high level. (22) In fact, it seems more likely that the opposite will occur, since there are strong hints that there will be a significant rise in real living standards. This would be especially important as far as the urban workers are concerned, since their real wages have increased very little since the late 1950s. Moreover, it is easier to increase living standards in the towns than the countryside due to the much smaller number of workers involved. To do this, however, would reverse the trend of the past decade or so, of narrowing urban-rural real income

differentials. Certain important contradictions for the new regime are thus emerging. Already there are clear signs that its appeal is principally an 'economistic' one of being able to provide higher living standards, which is most important in a country as poor as China still is. If the increase in real income is a significant one applying to all sectors, then a big dent will be made in funds available for investment, and it would require a large compensating increase in output resulting from the positive effect on motivation if the leeway was to be made up. On the other hand, increasing urban incomes more than those in the countryside could threaten the regime's stability through incurring peasant opposition.

In respect to investment allocations, three major features have been outstanding since the Cultural Revolution and it is important to inquire if these will change. Firstly, there is the continued emphasis of heavy industry over light industry: producer goods output is estimated to have grown at 15 per cent per annum between 1967 and 1974, relative to 8 per cent for industrial consumer goods. (23) Given the above surmises about increases in consumption levels, it is likely that some re-orientation of the respective growth rates of the two sectors will follow. A second issue here is that of scale. One of the distinctive features of Maoist economics has been that of 'walking on two legs' - enlarging the small and the large-scale industrial sectors simultaneously. However, while the small-scale sector is extremely important in the production of certain items (notably agricultural inputs) it is still dwarfed by the large-scale sector in its contribution to total industrial output. (24) There is no indication that the new leaders intend to alter the balance evolved in the 1970s. A third important area concerning allocation of investment is that of the stress given within the heavy industrial sector to different branches. Since the early 1960s the Chinese have strongly emphasised the growth of those branches producing for agriculture: chemical fertiliser production, for example, rose at 17 per cent per annum between 1967 and 1974. (25) Again, there is no indication that this balance will be altered.

A most important issue is that of technical progress, which greatly influences the effectiveness of new investment and

consequently plays a central role in economic growth. Two of the vital areas here are those of indigenous scientific and technical advance, and the role of foreign trade.

Some areas of Chinese research, such as nuclear weaponry, have gone through the period since the Cultural Revolution untouched. However, the attempts of the Gang to restrict the impact of the operation of 'bourgeois right' in the education and research fields seem to have had a detrimental effect on the rate of scientific advance in a wide range of areas. The Gang has attempted to integrate scientific and technical personnel into ordinary production work so as to prevent the emergence of an isolated laboratory - and university-bound group. Such integration has had positive pay-offs for production in transferring theoretical knowledge into practical use and in guiding research into useful channels, but it seems to have been difficult to steer a middle course without antagonising scientific workers: 'They (the Gang) also equated intellectuals with the bourgeoisie, saying that "intellectuals with technical knowledge are the most dangerous". This seriously dampened the enthusiasm of scientists and technicians'. (26) Moreover, the Gang are said to have reduced the resources devoted to scientific research they 'arbitrarily dissolved a number of scientific research institutes, slashed important scientific research items and barred many scientists from doing research work'. (27) The Chinese admit that their 'work in science and technology falls far short of the needs of industrial and agricultural production and national defence', (28) and the net effect of the policies adopted in this field since the Cultural Revolution has probably been to reduce the rate of technical progress substantially below the maximum obtainable. There is little doubt that more resources will be devoted to these areas, that the prestige and probably also the relative income of scientific workers will increase, that less of their time will be spent at physical labor, and that technological progress will be assisted by a generally more efficiency-oriented educational system.

Much of the attention of the media in the West over the year preceding Mao's death focused on the struggle over international economic relations, and in particular over

the degree to which China should permit herself to become internationally 'dependent'. 'Dependence' can be viewed from a variety of angles. There seems no doubt that the Gang were strongly opposed to financial 'dependence' in the shape of substantial debt obligations, such as began to accumulate in the mid-1970s to finance China's extensive program of complete plant imports. It is likely that the new regime will be more prepared to extend China's indebtedness to obtain the imports they want. (29) Another aspect of 'dependence' is the technological one. It is quite clear that the current leaders are keener to import foreign technology than the Gang were, and not simply because they are prepared to pursue a less conservative policy on international payments. It does seem as though the Gang made an incorrect judgment about this issue, by tending to view technological independence as the ability to make most technological innovations domestically as opposed to viewing it as the ability to independently select, adapt, and disseminate new technology in use elsewhere. In this context, it is worth bearing in mind that 'in the 1950s, a period when American technological leadership was at its peak, more than half the new knowledge that affected economic growth in the United States was of foreign origin. If this was the case in the leading country, then the likelihood for genuine technological self-reliance and independence in follower countries such as China must seem remote indeed'. (30) The Gang did not deny entirely the need for foreign technology, but they may have underestimated its importance, and overestimated the degree to which technological independence is possible. A paradox of their position is that to the degree that their policies adversely affected the pace of China's scientific advance, they hindered her ability to develop a basis for **independently** selecting, adapting and disseminating foreign technology, and **producing domestically** useful economic products based on that technology.

CONCLUSION

At the most general level then, it seems likely that the 'new' regime in China will be characterised by the following features: continued tight Party control of organised social life, probably with some

strengthening of inner-Party control; a continuance of a relatively small degree of influence by the mass of the population over the State apparatus above the level of the immediate production unit; a move towards greater inequality in income and control within productive enterprises; greater freedom in the production of, and greater inequality in access to, cultural products; some immediate increase in real living standards, probably more in the town than in the countryside; some increase in, and greater long-run stability of, the rate of per capita economic growth; a more extensive purchase of foreign technology, and an increase in international indebtedness.

The character of China's social relations seems likely to return to something closer to the First Five Year Plan period, though it is unlikely that there will be a 'retreat' of the kind that characterised the early 1960s, when China was in such dire economic straits. Where does that leave us in our estimate of China? I think it is most important to keep a sense of perspective about what is happening.

Despite the fact that China's political economy will be of a more 'economistic' kind, it will still be radically different in its fundamentals from the developing capitalist regimes of Asia: there is no sign that economic planning will be any less comprehensive - the signs are that, if anything, the degree of central control will be tighter. That planning mechanism should permit China to attain a reasonably rapid rate of growth and to insulate herself more than the capitalist regimes from fluctuations on world markets. There is no evidence that the Chinese will abandon their commitment to full employment - a commitment that in China has been made a reality by the operation of a predominantly state and collective ownership system in relation to the means of production, in stark contrast to the abysmal failure of capitalism in this direction elsewhere in Asia. There is no sign that China will cease to guarantee a basic minimum living standard to all its people, as opposed to the appalling poverty that still exists for the lowest strata in the capitalist Asian countries. Despite the likely widening of income inequalities, it is probable that the differentials in China will still be smaller than throughout capitalist Asia. In short, the Chinese path to industrialisation will

continue to be superior to the capitalist path in its fundamental respects.

There are, then, strict parameters within which most of the leading party members in China since Liberation have operated: a commitment to tight Party control and strong inner-Party discipline, conservatism about the need for a 'professional' state apparatus, commitment to a planned economy guaranteeing full employment and basic minimum living standards to all its people, and so on. However, I think that the struggles of the past two years show quite clearly that behind the froth of political debate and personality struggle, there have been important areas of disagreement - indeed, two opposing 'lines' on the political economy of development. (31) There is a strong school of thought among Western leftists that is not only reluctant to acknowledge the positive advantages for reasonably humane industrialisation of the Chinese approach, but which also is inclined to interpret the great swings in policy that

have occurred since Liberation simply as the response of a cynical leadership to problems of allegedly lagging economic growth rates. (32) To view post-Liberation history in this light is, I think, to force it through the mangle of vulgar materialism. It leads to a serious distortion of the significance of Mao's thinking, and is misleading in respect, for example, to the nature of the Sino-Soviet split, and to the nature of the struggle within China between the Gang and their opponents. The importance of the Gang, in fact, lies precisely in the clarity with which they high-lighted the dangers of the 'economistic' perspective by which all Chinese leaders are alleged by many Western ultra-leftists to be unavoidably dominated. Even if one were to draw the most pessimistic conclusions about the possibilities for building socialism in a poor country, from events of the past year, it would be a quite myopic view that failed to perceive the disputes in terms of many fundamental areas of policy around which this struggle has centred.

NOTES

1. Yeh Chien-ying, **Report on the Revision of the Constitution**, Peking Review (PR), No. 36, 2.9.77, p. 36.
 2. *ibid.*
 3. **Constitution of the Communist Party of China**, PR No. 36, 2.9.77, article 4.
 4. Hua Kuo-feng, **Political Report to the 11th National Congress of the Communist Party of China**, PR No. 35, 26.8.77, p. 14.
 5. 'For a short time, the cities were in a state of "armed mass dictatorship". The power in most of the industries, commerce, communications, and urban administration, was taken away from Chang Po-shen, into the hands of the revolutionary people. Never before had the revolutionary people appeared on the stage of history in the role of masters of world history as they did in August (of 1967). **Whither China? Sheng Wu-lien in The Revolution is Dead, Long Live the Revolution**. Compiled and edited by The 70's. Hong Kong, 1976, p. 188.
- Other useful sources on these experiences are the following:
- (i) Victor Nee, **Revolution and Bureaucracy: Shanghai in the Cultural Revolution** in Victor Nee and James Peck (eds), **China's Uninterrupted Revolution**, New York, 1973; and
 - (ii) John Starr, **The Paris Commune Through Chinese Eyes**, China Quarterly, No. 49, January-March 1972.
6. As early as January 1968 the Sheng-Wu-Lien declared: 'the revolution of dismissing officials is only bourgeois reformism which, in a zig-zag manner, changes the new bureaucratic bourgeois rule prior to the Cultural Revolution into another type of bourgeois rule by bourgeois bureaucrats and a few representatives from several attendant mass organisations. **The Revolutionary Committee** is a product of bourgeois reformism.' *ibid.* pp. 192-3.
 7. See **The Constitution of the People's Republic of China**, Peking, 1975. Here it is made quite clear that the revolutionary committees had simply become administrative bodies elected by the local people's congress and subject to recall by that congress. Moreover, both the power of recall and the election results were subject to approval by the organ of state at the next higher level. (see article 22).
 8. It is particularly interesting to note in this context the way in which the heritage of Mao's writings is being dealt with by the current Chinese leaders. The only volume of Mao's post-revolutionary writings that has so far been published for mass distribution within China is that from the period 1949 to 1957, a period when China's main concern was understandably with rapid economic

- development. How long the Chinese people will have to wait for further volumes is anyone's guess. Furthermore, the task of 'inoculating' the Chinese against Mao's thought has already begun. A joint editorial (10.0.77) of People's Daily, Red Flag, and the People's Liberation Army Magazine, has urged caution in using Mao's works: 'We must not mechanically apply quotations from Chairman Mao's works in disregard of the concrete time, place and circumstances, but we must grasp the essence of his works as a whole'. (PR, 13.9.77, Nos. 37-38.)
9. **Marx, Engels and Lenin on the Dictatorship of the Proletariat** (1) and (2) PR, Nos. 40-41, 3.10.75 and 10.10.75.
 10. Hsiang Chen, **An Attempt to Restore Capitalism Under the Signboard of Opposing Restoration**, PR No. 34, 19.8.77.
 11. *ibid.*
 12. For an extensive treatment of this issue see **Marx, Engels and Lenin on the Dictatorship of the Proletariat: Questions and Answers** (1) - (12), PR Nos. 40-51, 1975.
 13. Yu Chiu-li, **Mobilise the Whole Party and the Nation's Working Class and Strive to Build Taching-Type enterprises throughout the country**. PR No. 22, 27.5.77.
 14. People's Daily (Editorial) 19.4.77: **Grasp the Key Line in Running the Country Well and Promote a New Leap Forward in the National Economy**, translated in PR No. 18, 29.4.77.
 15. Carl Riskin, **Workers' Incentives in Chinese Industry** in Joint Economic Committee US Congress, **China: A re-Assessment of the Economy**. Washington DC, 1975, p. 222.
 16. Hua Kuo-feng **Let the Whole Party Mobilise for a Vast Effort to Develop Agriculture and Build Tachai-type counties throughout the Country**, (15.10.75) Peking, 1975.
 17. Chang Chun-chiao **On Exercising All-Round Dictatorship over the Bourgeoisie**, Peking, 1975, p. 12.
 18. Li Hsien-nien **Opening Speech on the Conference on Learning from Taching in Industry**, PR No. 18, 29.4.77.
 19. Dwight H Perkins, **Constraints Influencing China's Agricultural Performance** in Joint Economic Committee, **US Congress, 1975, op.cit.** p. 352.
 20. Robert Michael Field, **Civilian Industrial Production in the People's Republic of China 1949-1974**. *ibid.*, p. 150.
 21. Perkins, 1975, *op.cit.*, p. 352.
 22. One estimate puts China's rate of Gross Domestic Capital Formation (i.e. as a percentage of Gross Domestic Product) in 1970 at between 23 and 32 per cent, depending on the prices used, which is well above the average for less-developed countries. (Source: Dwight H Perkins, **Growth and Changing Structure of China's Twentieth Century Economy** in Dwight H Perkins (ed.) **China's Modern Economy in Historical Perspective**, Stanford 1975, p. 134.
 23. Field, *op.cit.*, p. 150.
 24. One estimate puts the share of small-scale industry in total industrial output of factories in China as less than 6 per cent in 1972. (Source: Thomas G Rawski, **Chinese Economic Planning**, Current Scene, Vol. 14, No. 4, April 1876, p. 5.)
 25. Field, *op.cit.*, p. 165.
 26. Chung Ko, **Scientific Research Speeds Up**, PR No. 30, 22.7.77, p. 7.
 27. *ibid.*
 28. Chien Hsueh-sen **We must catch up with and surpass world's advanced levels within this century**, PR No. 30, 22.7.77, p. 9.
 29. Such indebtedness can of course be viewed as an addition to domestic savings, thereby helping the regime to sustain high investment rates simultaneously with an increase in real consumption levels.
 30. Shannon R Brown, **Foreign Technology and Economic Growth**, Problems of Communism, July-August 1977, Vol. 26, p. 30.
 31. For an extended and lucid treatment of this theme see Jack Gray, **The Two Roads: Alternative Strategies of Social Change and Economic Growth in China**, in Schram, S.R.(ed.) **Authority, Participation and Cultural Change in China**, Cambridge, 1973.
 32. See most notably the various articles of Nigel Harris in the theoretical journal of the British International Socialist Group - **International Socialism**. Thus, Harris writes: "Did the Great Leap illustrate a separate Maoist line, in contrast to the First Five Year Plan, a model ... that had periodically surfaced since the 1920s? It is a myth, without serious evidence to support it.... Both (Mao and Liu Shao-chi) were dedicated to the same end: the most rapid possible industrialisation of China". (from **Why don't they eat cake?** forthcoming article in **Problems of Communism**, London). See also **New Left Review**, whose approach is more complex, (for example: Fred Halliday **Marxist Analysis and Post-Revolutionary China**, Review article No. 100, Nov. 1976-Jan. 1977) but which is so contemptuous of the significance of the Cultural Revolution that it does not even deign to mention it in the introduction to their 100th issue, when listing the events since the magazine's founding that have been of importance in "transforming the environment of Marxist intellectual work - apparently the Cuban revolution and Watergate have done so while the extraordinary struggles in China since liberation have not!