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The Political Economy of the People's Commune in China: Changes and Continuities

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THE establishent of the Chinese rural people's commune in 1958 as a new political and economic organization has aroused considerable interest among observers. One important question in this regard has been the role the commune has played in China's modernization. Since China is committed to both "socialist transformation and construction," modernization in China involves two tasks: revolution and development. As for China's rural problems, the Chinese Communist Party (CCP) regards the commune as the best organization for achieving these two goals during its transition to communism. Yet the commune has undergone a series of changes as a result of interactions between the Party's revolutionary goals and its development requirements, presenting a microcosm of Chinese communism. This article is an attempt to account for changes and continuities in the political economy of the commune.

By political economy I mean the interplay between the revolutionary tasks of transforming social structure and human attitude and the developmental tasks of increasing production and income.[1] The process of change in the commune can be observed in several periods: (1) the Great Leap Forward (GLF), 1958–60; (2) the adjustments and the Socialist Education Movement (SEM), 1960–66; and (3) the Cultural Revolution and thereafter, 1966–74. The focus of this inquiry will be upon managerial aspects of the commune which evolve in each of these periods. In so doing, and particularly in conclusion, I will explore some broad questions the commune poses for China's modernization. By way of clarification, it should be pointed out that a great degree of local variations exist among communes. Therefore, what follows is a description of their most common features as a national model.

I. The Original Features of the Communes, 1958–60: A Prototype for Maoist Revolution and Development

The people's commune originated from the GLF in 1958. It was designed to bridge the widening gap between industry and agriculture created by China's

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[1] This definition comes closer to that of the "old" political economy; it also approximates Mao's use of the term. For this, we now have two invaluable books Mao wrote on economic problems: *Critique of Stalin's "Economic Problems of Socialism in the Soviet Union" (1959)* and *Notes on the Soviet Union's Political Economics" (1961–62)* in *Mao Tse-tung Wan-sui* (Long Live Mao Tse-tung Thought), translated in *Joint Publication Research Service*, Nos. 61269-1 & 2 (February 20, 1974), pp. 181–225 and pp. 241–313. I am aware of the literature on the "new" political economy analyzing politics in terms of exchange of values. See R. L. Lurry, Jr. and L. L. Wade, *A Theory of Political Exchange* (Englewood Cliffs, N. J.: Prentice-Hall, 1968); Warren F. Ilchman and Norman T. Uphoff, *The Political Economy of Change* (Berkeley: University of California Press, 1969).

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First Five-Year Plan. The CCP sought to achieve a "leap" in revolution and production by mobilizing all the resources available on a large scale. The Leap, in this sense, was a Chinese attempt at making a shortcut to communism and industrialism. Mao's theses of "uninterrupted revolution" and "simultaneous development" justified this strategy. When the already large Agricultural Producers Cooperatives (APC) were merged into larger units called "commune" in Honan during early 1958, Mao toured these areas in August and approved of communization. Between August and December, 99 percent of the Chinese peasants joined these communes.[2]

The original form of the commune had four distinct features. The first, and most significant, was its large scale and ownership. The commune boasted of itself as an organization of "one, big and two, public." The former referred to its size (about 5000 households), and the latter to the two forms of public ownership (collective ownership and the "ownership by the entire people").[3] According to this principle, some 750,000 APC's were merged into 26,578 communes. As a result, the new organization was more than twice as large as the standard market town. Work was assigned to the brigade (250 households) and the team (40 households), both of which were larger than the village and neighborhood. This new organization served to disrupt the previously intimate relationships between the peasants and their communities.[4] To achieve the goal of ownership by all the people, the commune collectivized all the means of production and centralized all decision-making functions. This was done on the assumption that central ownership, planning, marketing and distribution would be more amenable to mobilizing resources. The rationale for this was that such social and organizational restructuring would not only expedite transition to communism but also release productivity which previously had been shackled by old social relations.

A second key feature of the commune was its design for structural and functional integration. Structurally, the commune combined the three sectors of polity, society, and economy. Since the previous administrative unit *hsiang* (township) could not provide leadership over larger APC's, the *hsiang* and several APC's were merged into one commune, thereby bridging the traditional bifurcation of the state and society. Functionally, it also combined the five tasks of industry, agriculture, commerce, culture and education, and the military, as it set out to undertake all of them in accordance with the strategy of "simultaneous development." For this purpose, the previously existing organizations for marketing, credit, youth, education, and the militia were all incorporated into the commune structure. The press called upon the commune to "walk on two legs": industry and agriculture, labor and military training, and "half-study and half-work." This comprehensive strategy was supposed to mitigate disparities between the urban and the rural areas, the workers and the peasants, and mental and manual labor. This approach was also expected to nurture an all-round person who would be "red and expert," thereby politically committed to revolution and professionally competent in development.[6]

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[2] *Hung-ch'i*, No. 4 (July 16, 1958), p. 5; *ibid.*, No. 5 (March 1, 1960), pp. 10–11.

[3] *Hsin-hua pan-yüeh-k'an*, No. 24, 1958, p. 5.

[4] *Hung-chi*, No. 8 (September 16, 1958), p. 8; *Jen-min jih-pao* (hereafter *JMJP*), October 18, 1959; "Peitaiho Resolution," in *Communist China, 1955–1959* (Cambridge: Harvard University Press, 1962), p. 454.

[5] *JMJP*, October 1, 1958; *Communist China, 1955–1959*, p. 454.

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A third feature was the commune's attempt to promote mass mobilization and self-reliance. The slogan of "four transformations" illustrated this: organizational militarization, militarization of action, collectivization of life, and democratization of management.[6] The commune indeed organized its work force along military lines so that its members could become soldiers, thus combining labor and military work. Martial spirit was manifested in large construction work and "backyard furnaces." Collective life reached a peak when peasants took their meals at communal mess halls to save productive time, received their clothes from sewing groups, and sent their children to the commune nurseries and kindergartens to free women from household chores. For a time they were given "free supply," distributing food according to their needs. To achieve democratic management, cadres and members alike were supposed to participate in a direct dialogue without any intervening hierarchy. These measures were called "buds of communism." The emphasis on labor-intensive production and self-reliance were designed to maximize the involvement of the "masses" in revolution and development. It was expected that the utilization of human resources could compensate for a lack of other resources and technology.[7]

A fourth feature involved the principle: "politics takes command." All commune activities were geared to the Party's political goals for revolution. In fact, revolutionary dynamism was to be a motivating force for production, as the Party's political campaigns generated social pressures.

These features represented a prototype for Maoist revolution and development. Not only did they parallel Mao's ideological and policy preferences, but they involved Mao personally in communization.[8] One of the underlying assumptions in these features was the quest for equality. At this time they served as a self-fulfilling prophecy for China's modernization, but they had to undergo a process of "reality-testing" in subsequent years.

II. Readjustments and the SEM, 1960–66

In the years 1960–62, the CCP retreated step-by-step from these fetaures and made policy adjustments in light of changing conditions. The Party held almost consecutive conferences between the Peitaiho Conference of August, 1958, which formally declared the onset of the commune, and the Peitaiho Conference of August, 1962, which summed up the adjustments. These conferences served as the vehicle for reconciliation of central policies and local responses. In the years 1962–66, the Party carried the SEM to cope with some of the problems these adjustments had created. Yet, the basic features of the commune that emerged in 1962 have essentially remained intact.[9]

Adjustments were necessary because the original features of the commune were

[6] "Welcome the High Tide of People's Commune," *Hung-chi*, No. 7 (September 1, 1958), pp. 14–15.

[7] *JMJP, November* 29, 1959; for an analytical rendition of this theme, see Martin K. Whyte, "Bureaucracy and Modernization in China: The Maoist Critique," *American Sociological Review*, No. 2 (April, 1973), pp. 156–157.

[8] "Speech at the Lushan Conference," *Chinese Law and Government*, No. 4 (Winter 1968/69), p. 39 & p. 41.

[9] For a detailed account of this adjustment process, see Byung-joon Ahn, "Adjustments in the Great Leap Forward and Their Ideological Legacy," in Chalmers Johnson (ed.), *Ideology and Politics in Contemporary China* (Seattle: University of Washington Press, 1973), pp. 257–300.

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unable to sustain expected performance. Perhaps the most important reason for this was not attributable to their rationale but rather the method by which they were implemented. Above all else, the frenetic phase of pushing communization went too far as the Chinese peasants themselves aptly described it: "too early, too fast and too rude."[10] Not only did its large size and collective ownership disrupt the peasants' natural life cycle, but the rhetoric for mass mobilization invariably generated excesses. The effects of poor weather conditions in the three years beginning in 1959 served to exacerbate these problems. Furthermore, as the peasants in Honan attributed the crisis to the natural disaster by 30 percent and to human factors by 70 percent,[11] the problem was compounded by the fact that the magnitude of the crisis was not fully comprehended by central policy makers. With inflated reports of production, the Party leadership was slow to recognize reality. Thus, implementing the Maoist ideal of mass line resulted in "unanticipated non-ideal results."[12] The intra-Party struggle triggered by P'eng Teh-huai further delayed swift and decisive policy reversals. Only in 1960 did the leadership come to fully grasp the magnitude of the crisis.

Initial adjustments were made to curb such excesses perpetrated by local cadres. The Wuhan Resolution of December, 1958 abandoned the ownership by the entire people and the free supply system, calling instead for "adjustments and consolidation." In 1959, Mao himself urged local cadres to do away with "communist style" (confiscating goods and services) and "commandist style" (coercing people into communization).[13] As for the organizational problem, many communes began to experiment with a system of responsibility for fixed output quotas (*pao-ch'an*), thus restoring the close relationship between labor and reward. This arrangement provided for a contract (called *pao* or *ting*) between a commune and the brigades so that the commune could fix output quotas, land and other production materials to them. If the brigades produced beyond the stipulated quotas, they received bonuses. With this system widespread, the unified leadership of the commune gave way to two-level management. As the Party stressed "the exchange of equal value," wages based on workpoints and piece rates replaced the old supply system based on time rate. Beginning in the spring of 1959, the Party Center called upon the communes to put most of their labor force into agriculture, turning away from the early emphasis on basic construction and steel-smelting. After Mao weathered the challenge of P'eng Teh-huai, who characterized the commune as "petty bourgeois fanaticism," the Lushan Plenum formalized the brigade with about 100 households, as the basic accounting unit under the new principle of "three-level ownership." By this time, the team, comprised of 20 households, had come to share some of the production means. Also, the system of fixing labor quotas was implemented between the brigade and the teams.[14]

[10] *JMJP*, August 29, 1959, editorial.

[11] *Ibid.*, August 15, 1967; *Selections from Chinese Mainland Magazine* (hereafter *SCMM*), (Hong Kong: U. S. Consulate-General), No. 652, p. 27.

[12] Whyte, "Bureaucracy and Modernization," p. 161.

[13] "Wuhan Resolution," in *Communist China, 1955–1959*, pp. 494–495; *Chinese Law and Government*, No. 4 (Winter 1968/1969), p. 49; *Current Background* (hereafter *CB*) (Hong Kong: U. S. Consulate-General), No. 891, pp 34–35.

[14] *Fukien jih-pao*, January 27, 1959; *JMJP*, January 10, 1959; *Szechwan jih-pao*, February 17, 1959; *The Case of Peng Teh-huai* (Hong Kong: Union Research Institute, 1968), pp. 297–305.

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In 1960 China was faced with a severe agricultural crisis. In that summer the Party at last decided to implement China's New Economic Policy, "Agriculture as the Foundation and Industry as the Leading Factor." A sequential development rather than the simultaneous development of the GLF was sought so that all other sectors could serve agriculture. Yet when the autumn crops were harvested, it became painfully clear that piecemeal adjustments could not alleviate the crisis. In November, the Central Committee issued its "Urgent Directive on Rural Work" commonly known as "the Twelve Articles." The directive banned egalitarianism in distribution and sanctioned the contract between the brigade and the teams by the "four fixes and three guarantees" system. The latter arrangement allowed the brigade to "own" land, manpower, draught animals and farm implements, but to "fix" them for the teams to use; the commune or the brigade could no longer withhold any of them; further, the brigade was to entrust output quotas, cost and manpower to the teams. This virtually made the team the decision-making unit for determining labor and distribution. The crux of the Twelve Articles, however, rested upon the restoration of private plots, coupled with family sideline occupations, and the free market. Finally, the directive assured stability by promising that the new policy would not be changed within seven years.[15]

The Ninth Plenum of January, 1961 adopted the new Party line of "*Readjust-Consolidating, Filling Out and Raising Standards*." It was under this slogan that the Party enacted more comprehensive adjustments. On the basis of those incremental decisions made in 1959–60, the Party Center, in March, 1961, formulated the "Draft Regulations Concerning the Rural Communes."[16] This directive again banned coercive measures, discouraged industrial undertakings, allowed suspension of the mess hall, stipulated that the brigade could allot private plots within five percent of the arable land, and prohibited commune authorities from interfering in family sideline occupations and private property.

In 1961–62 the Party Center further experimented with these innovations. In Anhui and Honan, for example, the communes were allowed to exceed limits imposed by the 1961 directive. Though these experiments, the private plots, the free markets, and independent accounting by small enterprises were extended. In some areas, the team fixed output quotas to the households or divided land among them, which in eupheism was called "going it alone" (*tan-kan feng*). The extension of these three "freedoms" and the fixing of output quotas were later called *san-tzu i-pao,* for which Liu Shao-ch'i was accused of having initiated.[17] With the contract system widely used, however, the brigade was found too big to handle the efficient management of work assignment. It was patently unfair for the brigade to enforce a uniform distribution over the teams which showed wide economic disparities due to their ecological differences. To cope with this problem the Center, in January 1962, eventually made the team the basic accounting unit. At the August, 1962 Peitaiho Work Conference the Party Center summarized

[15] *Kung-tso t'ung-hsün,* No. 6 (January 27, 1961), pp. 6–7; Ajia keizaijo, *Jimmin kōsha sōran* (Survey of People's Commune), Tokyo, 1965, p. 573.

[16] *Nung-ts'un jen-min kung-she t'iao-li ch'ao-an* (Draft Regulations Concerning Rural People's Communes), reproduced by the Nationalist Chinese Government, in Taipei, 1965.

[17] For details, see Ahn, "Adjustments in the Great Leap Forward," pp. 273–274.

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the experiences to that point; furthermore, at the September Tenth Plenum, it amended the 1961 Draft Regulations into a Revised Draft, commonly known as the "Sixty Articles."[18]

At the Tenth Plenum Mao called for a renewed class struggle by carrying out the SEM to arrest the thrust toward the extension of private farming and material incentives. As for production management, however, he allowed the Revised Draft to grant even more freedoms and incentives. Thus, a divergence emerged between the Party's ideological rhetoric and its practices. The initial SEM in 1963 was directed at "four cleanups" in the team's account books, warehouse, property and workpoints. This was done to assure adherence by basic-level cadres to the Sixty Articles. In the course of this movement, the cleavage between Mao and his associates at the Center deepened, eventually culminating in the Cultural Revolution. Yet, the movement did not change the basic features of the readjusted commune. For example, the 1965 directive (the "Twenty Three Points" drafted by Mao) only suggested that the production team might adjust its size to approximately 30 households, but this was not implemented.[19]

A. The Commune's Administrative-Political Structure and Leadership

As the table below shows, by 1962 the commune's scale, ownership, structure and functions substantially diverged from its original forms. The number of communes increased from 24,000 to 74,000, showing a reduction in size by two-thirds. The new commune had an average of 1600 households which approximated the size of the marketing community, the town surrounded by about 20 villages, serving as the center of the peasants' social activities.[20] In contrast to the 1958 commune

TABLE 1—COMPARISON OF SCALE AND OWNERSHIP

		Great Leap Forward (1958–60)	Adjustments (1960–66)
Scale:	Communes (Average households)	24,000 (5000)	74,000 (1600)
	Brigades	500,000 (240)	750,000 (100–200)
	Teams	(40)	5,000,000 (20–40)
Ownership:	Unit	Commune	Commune, Brigade, Team
	Type	Collective Ownership + Ownership by the entire people	Three-level Ownership

Source: Hong Kong *Ta-kung pao*, November 8, 1963; *Jen-min jih-pao*, August 29, 1963; Peking *Ta-kung pao*, March 11, 1966.

[18] *JHJP*, January 1, 1962, editorial; *Nung-ts'un jen-min kung-she t'iao-li (hsiu-cheng ch'ao-an)* (Regulations Concerning Rural People's Commune —Revised Draft) (hereafter *1962 Regulations*), reproduced by the Nationalist Chinese Government in Taipei, 1965.

[19] Richard Baum and Frederick C. Teiwes, *Ssu-Ch'ing: Socialist Education Movement of 1962–1966* (University of California, Berkeley, China Research Monograph, 1968), p. 125.

[20] Skinner points out that there were about 60,000 market towns in 1949. See G. William Skinner, "Marketing and Social Structure: Part I," *Journal of Asian Studies*, XXIV, No. 1 (November, 1964), p. 33.

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where no clear-cut division of labor existed, the administrative-political structures of the commune, the brigade, and the team were clearly drawn. The commune owned only small enterprises, motor vehicles, mills, and farm-tool repair shops. The brigade, comprising about 170 households and equivalent to the former higher APC and the villages, also owned some farm tools and facilities. But the team, comprising 20 households and equivalent to the former lower APC and the traditional neighborhood, owned virtually all the important means of production. The commune in particular was comparable to the former *hsiang*, in view of the fact that there were about 80,000 *hsiang* in 1957 based on the market town.[21] But the team became the basic unit for agricultural decision-making, owning land, draught animals and tools. Without approval of the *hsien*, the commune or the brigade could not freely appropriate them. Legally, however, the term "own" here means essentially that the team enjoys the sole authority to use them, for it cannot sell or rent them out. Thus, each level of the commune became a corporate body in itself by owning some property. Therefore, any transfer of them from one level to another could be made by contract, providing for payment of equal value.[22]

The decentralization of decision-making functions first to the brigade and then to the team clearly indicated that a commune of 5000 households could not effectively perform them. Apparently, the Chinese peasants were not prepared either to adopt so abrupt a change or to surrender their private plots. To placate their grievances, the team was allowed to dispose of what it produced. This meant that without a comparable change in mechanization, mere social and organizational change alone could not increase productivity. Hence, the readjusted commune sought more efficiency and more concern for local conditions. With this adjustment the team emerged as the optimum form of agricultural organization.

With the division of three levels, the commune became essentially the political-administrative unit linking the state and the locality, the brigade became the coordinating unit linking the commune and the team, and the team became the basic unit of production. Like the *hsiang*, the commune returned to being the basic unit of local governance. The bifurcation between state and society re-emerged at least functionally as did the traditional marketing communities. At the same time, those units within the commune charged with finance, education and the militia also regained their separate entities (see next section).

As for the commune's administrative structure, there were management committees and supervisory committees (except at the team) elected by each unit's representatives: the commune's management committee elected every two years, the brigade's every two years, and the team's every year.[23] The commune management committee was headed by a director and a few deputy directors. Under them were several functional sections dealing with agriculture, industry, finance and general administration. The most important function of the committee was to

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21 *Ibid.*, No. 3 (May, 1965), p. 368; also see Martin K. Whyte, "The Family," in Michel Oksenberg (ed.), *China's Developmental Experience* (New York: Praeger, 1973), p. 185.

22 *1962 Regulations*, art. 21 and 50; I am in debt to Bennedict Stavis for the last point.

23 For the detailed description of a commune structure and function based on interviews, see A. Doak Barnett, *Cadres, Bureaucracy and Political Power in Communist China* (New York: Columbia University Press, 1967), Part III-A, pp. 311–424.

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implement Party-State policies, always striving to insure that the teams fulfilled the production target set by the state. Its revenue was derived mostly from the state budget, its own enterprises, and also some contribution from the brigades and teams. Unlike the *hsien,* the commune was banned from levying any local tax. As for the production plan, the commune assigned the plan to the teams through the brigades, specifying the target and delivery quotas which the *hsien* calculated on the basis of the previous records. In so doing, it made suggestions for meeting the state duties, thus aiding the *hsien*. The commune management committee also coordinated the brigades and teams by providing instruction on advanced agricultural techniques and other extension services. For example, state-financed "demonstration plots" were operated in most communes. In 1965, over 10,000 agronomists worked in these plots helping the teams adopt new varieties of seeds. In conjunction with these, over one million "mass scientific experiment groups" were set up in 1966.[24] The commune often organized joint projects among the teams to promote mutual benefits.

Another important job of the commune was civil administration. For this purpose it maintained an office for handling population registration and marriage licenses. Police stations, schools and hospitals also operated as the state's field representatives. The *hsien* directly controlled the police stations and the commune's armed force departments. By keeping household registration and issuing travel permits associated with food coupons, the commune was able to control the migration of people. Lastly, the commune administered basic construction and irrigation. When the situation permitted, it was able to develop local industry on a self-sufficient basis.

Since the brigade linked the commune and the teams, the brigade management committee, with a staff similar to but smaller than the commune's, supplemented the commune on the one hand and coordinated the teams on the other. One additional function of the brigade was to lead political campaigns, public security and militia activities as the basic unit of the Party. Most brigades organized "public security committees" to supervise the "five bad elements." They also had "wire broadcast" systems through which they disseminated central policies and other information on agricultural innovation and birth control. Some brigades maintained farm tool repair shops, mills and health centers.

The brigade also was charged with the task of assuring that the teams met the state plan. For this purpose, it carried out administrative coordination by sponsoring joint projects for irrigation, forestation and small industry.[25] In contrast to the commune cadres who were full-time state functionaries, the brigade cadres were half-time functionaries drawing half of their salary from administrative work and the other half from productive work, both of which were estimated in workpoints. The brigade received financial subsidies from the teams, approximating one percent of each team's total income.

The team management committee consisted of a chief, a deputy, a cashier, a custodian, a recorder, and an accountant, all of whom were elected by the team

[24] *JMJP,* April 5, 1965; May 5, 1966.

[25] *Peking Review,* No. 12 (March 18, 1966), p. 8.

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congress and not exempted from labor. The team enjoyed autonomy in production management (for details, see the section on management below).

It should be clear by now that each level of the commune developed clearly defined functions, although it was not fully autonomous of the others. Hence, policy implementation involved constant interaction and negotiation among these three levels. In relative terms, however, the commune as the political-administrative unit was more responsive to the state, the brigade as the coordinating unit responsive to both the commune and the team, and the team as the production unit more responsive to the peasants.

The above account demonstrates that each level of the commune and the units affiliated with it performed somewhat different functions. The Party pulled together these centrifugal forces into a coherent task force, thereby succeeding in integrating what the 1958 commune itself had set out to do. The local Party was charged with the task of assuring that all commune units conformed to the Center's policies. As the sole source of legitimacy, the Party provided leadership over these units with the help of mass organizations. Since the Party controlled the means of propaganda and coercion, it was the real locus of power. The Party also carried out mass campaigns to prevent the local units' preoccupation with production and profit-making at the expense of revolution and the state plan.

The Party structure within the commune varied with regions. In general, Party committees existed at the commune, general branches or branches at the brigade and Party cells at the team. The commune party committee met at least once a week, the branch once every two weeks, and the team cell once a month.[26] The commune committee had several functional departments for political-legal affairs, organization, rural work, youth, study and propaganda; to each of these a secretary was appointed. The branch as the primary Party unit had similar structure with one additional function of leadership over the militia.

The first and foremost prerogatives of Party committees was decision-making. Almost everything concerning the commune was discussed in the committees, and decisions were transmitted to management committees. The first secretary often acted as the chairman of these committees. Non-Party cadres of management committees also were present at discussions. The director and deputy director of the management committees attended the Party committees *ex officio,* while Party secretaries also attended the management committees in the same capacity. In fact, most Party secretaries wore two hats: that of the Party secretary and the director of the management committee. The lower the level, the greater the overlapping of functions due to the lack of qualified cadres. For this reason, the peasants called the Party cadres "omnipotent cadres" (*wan-neng kan-pu*).[27]

Another important task of the local Party was to appoint personnel. The secretaries of the political-legal department or the organization department assigned personnel to administrative posts and mass organizations. In 1963 there were approximately 1.5 million commune cadres and approximately 20 million "leading

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[26] Ts'ai Mao-wen and T'ang Ching-liang, *Nung-ts'un tang-chih-pu tsen-yang chih-ch'ih pao-lu tso-yung* (How Can the Rural Party Branch Support the Bastion Function?) (Shanghai jen-min ch'u-pan she, 1964), pp. 12–15.

[27] Interview Protocol No. 3 (November, 1969). Interviewees were former cadres in Canton.

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cadres" within the brigades and teams.[28] These cadres were recruited through various routes, i.e., guerilla wars, land reforms, collectivization and the SEM.[29]

The basic-level cadres in the commune were the key to successful policy implementation. They were charged with the dual role of implementing the directives from above and of reflecting the local conditions from below, i.e., the mass line. To insure that they performed this role well, the Party devised various institutional arrangements. One of these was to make them participate in labor: the commune cadres were required to labor for at least 60 days a year, the brigade cadres 120 days and the team cadres were not exempted from labor at all. Another device was to send higher level cadres down to the basic level (called *hsia-fang*) so that they could take part in labor and investigate the situation. Similar to this, a third method was to make them "squat at selected points" (*tun-tien*) for extended periods of time. Finally, all cadres had to lead small groups for criticism and self-criticism by studying Mao's writings. The official duties of these cadres were well summarized in the Party's "three disciplines and eight points of attention."[30]

In theory, the cadres had to carry out measures for revolution and production simultaneously. In reality, however, their first preoccupation was production, not only for achieving better income for their constituencies but also for fulfilling the state plan. Actually, the *hsien* Party committees were responsible for this situation because the commune Party committees were busy responding to various kinds of inquiries which the *hsien* made on the production situation, as a 1965 nationwide symposium of the *hsien* Party leadership revealed.[31]

This situation changed as soon as the Center initiated political compaigns. For these the local Party needed the help of mass organizations. The training ground for the Party was the Young Communist League (YCL), which youth between 18 and 25 of age joined. Below this was the Young Pioneers' Corps, which youngsters between seven and 18 joined. The Party also supervised the Women's Representatives Congress. Beginning in 1964 it also organized the Poor and Lower-Middle Peasants Association as an "auxiliary" unit supervising the management committees in the commune.[32]

By and large, the behavior of commune cadres was determined by the political pressures emanating from the Center. When the Center initiated a mass campaign, the cadres most likely stressed politics rather than production, attempting to enforce the central directives before reflecting upon the local condition. The more they did so, however, the more they committed "commandism." Conversely, the less they did so, the more they committeed "tailism." Either way, they were subject to crossfire from above and below. The SEM, for example, was directed towards the corruption and complacency of these cadres. But having experienced so many campaigns before, the cadres had learned how to survive them. This

[28] *JMJP*, July 4, 1963.

[29] Michel Oksenberg, "Local Leaders in Rural China, 1962–1965: Individual Attributes: Bureaucratic Position and Political Recruitment," in A. Doak Barnett (ed.), *Chinese Communist Politics in Action* (Seattle: University of Washington Press, 1969), pp. 159–171.

[30] *1962 Regulations*, art. 48.

[31] *JMJP*, November 12, 1965; *ibid.*, December 20, 1965.

[32] *Ssu-Ch'ing*, Appendix D.

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explains why Liu Shao-ch'i dispatched strong work teams from high Party organizations so that they could squat at the basic levels and reshuffle the local Party apparatus. This method, however, ran counter to the kind of mass campaign—educational and moralizing—which Mao had advocated. As the SEM progressed from bottom up, Mao realized that the Party bureaucracy was blocking his policies. He then formed the conception of the "Party establishment" (*tang-ch'uan p'ai*), and to overthrow it he resorted to the Cultural Revolution.

B. The Commune's Supporting Structures and Their Functions

The commune's supporting units also were differentiated when schools, the Supply and Marketing Cooperative (SMC), the Credit Cooperative, and the militia regained their separate identities. By 1962, the idea of integrating five distinct functions into the commune had been abandoned. This turnabout confirmed, at least partially, the contention of Western organizational theories that the division of labor enhances efficiency by utilizing scarce resources in a differentiated manner.[33] The differentiation of the commune's supporting structures can best be understood in terms of what the Chinese call "systems" (*hsi-t'ung*), functional divisions of work crosscutting Party, State, and mass organizations. Of the six such systems,[34] the political-legal system has already been discussed above, and the agricultural-forestry system will be discussed separately since the team performed most of this function. In this section, the remaining four systems will be described: (1) industry-communication, (2) cultural-education, (3) finance-trade, and (4) military.

(1) The Industry-Communication System The 1962 commune charter, in principal, discouraged the undertaking of industry. Only if two conditions were met were local industries allowed: to serve agriculture and to be feasible in terms of local conditions. As a result, commune industries were generally small-scale projects such as brick making, food processing, flour mills, cotton batting, and agricultural tool maintenance. If the commune or the brigade desired to draw upon the labor force from the teams, they had to establish contracts with them. To utilize surplus labor in the countryside, some communes adopted the "worker-peasant" system by which seasonal workers could work either at collective farms or commune-run enterprises according to the changing needs of the season.[35]

There were two forms of tractor maintenance. First, there were those kept by the state tractor stations and rented to communes for use. Second, there were those directly controlled by the communes and brigades. In 1964, over 88 percent of them were maintained by 2263 stations scattered in 1300 *hsien,* though the commune Party committee had some say over their operation.[36] To reduce cost and increase efficiency, Liu Shao-ch'i in 1964 proposed the formation of tractors and repair station "trusts" under the Eighth Ministry of Machine Building. In 1965 the ministry actually established the China Agricultural Machine Building Service Company to centralize tractor production and maintenance, but it did not

[33] Amitai Etzioni, *Modern Organizations* (Englewood Cliffs, N. J.: Prentice-Hall, 1964), pp. 14–16.

[34] Barnett, *Cadres,* pp. 6–9. I added the military system to the five systems Barnett identified, for convenience.

[35] *JMJP,* December 12, 1964.

[36] *Ibid.,* October 20, 1964; *Kuang-ming jih-pao,* November 30, 1964.

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begin operation because of Mao's opposition.[37] The commune level likewise undertook limited tasks in industry and communication.

(2) The Cultural-Education System The 1958 commune set out to combine education and production by directly administering three-year middle schools and six-year primary schools. By 1962, however, all these schools were restored to the control of the *hsien* education department. This department, in turn, administered the schools on a full-time basis except for the agricultural middle schools which were still run by the commune on a half-study and half-work basis. The state paid the teachers' salaries and the schools' operating costs. After graduating from the primary schools some pupils continued to the full-time middle schools or to the agricultural middle schools. Since the latter were community-controlled vocational schools, their graduates became technicians, cashiers and accountants at the teams. Thus, China's rural education, in effect, supported a two-track school system. For cultural activities the *hsien* cultural department circulated films and sponsored plays to the brigades, some of which had "people's halls" for showing them.

For health service, too, the *hsien* health department administered the commune hospitals which were staffed by one or two regularly trained doctors or mostly the traditional Chinese doctors (*chung-i*). Some brigades operated their own health centers where a few nurses attended minor cases. Whether at hospitals or health centers, the peasants paid fees.

(3) The Finance and Trade System The 1958 commune directly handled finance and trade through its Finance Department, Supply and Marketing Department, and Credit Department. By a January, 1959 State Council decree, the central government further decentralized financial administration to implement "two transfers, three unifications, and one guarantee." The two transfers referred to the transfer of personnel and property of all commercial agencies, such as bank and credit cooperatives, to the commune. Three unifications referred to the unification of plan, policy and management to be achieved by the commune. The one guarantee meant that the commune could collect taxes and dispose of commodities.[38] By 1962, however, all these measures ceased to function.

Since the State set the tax rate, the price of commodities, and the amount of grain procurement, all local financial and commercial units were geared to facilitate a unified State economic plan.[39] Instead of the commune finance department, the *hsien* Tax Office was reactivated to collect taxes. The teams delivered the taxes and procurement grain directly to the *hsien* granaries operating in the commune. As for banking, the People's Bank and the Agricultural Bank granted two kinds of loans to the teams: long-term relatively interest-free loans extending over two years and short-term loans due within a year with a low interest rate. But rarely did the average team secure such loans because of governmental stress on self-reliance. Under the supervision of these two banks, the Credit Cooperatives operated mostly at the brigade level, promoting mutual self-help among the

[37] For details of "trust," see Byung-joon Ahn, *Ideology, Policy and Power in Chinese Politics and the Evolution of the Cultural Revolution, 1959–65* (Ph.D. Dissertation, Columbia University, 1972), ch. 6.

[38] Li Hsien-nien, "How Shall We Understand The Reform of Finance and Trade in the Countryside?" *Hung-ch'i*, No. 2 (January 16, 1959).

[39] What follows is based on interviews I carried out in Hong Kong with former cadres in Canton. Interview Protocol, No. 4 (November, 1969); also see *Far Eastern Economic Review* (May 11, 1967), pp. 30–32.

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peasants. There was, however, no national agency administering these cooperatives, since the peasants themselves contributed funds for operating capital. In 1964 these cooperatives handled about 60 percent of the peasants' deposits and loans, helping them with short-term loans. Usually, one or two cadres managed the cooperatives; though not exempted from labor, they also worked as agents for the state banks as well.

The State regulated rural trade through its "unified procurement" (*t'ung-kuo*) system. The State classified all commodities into three categories. The first category included 28 items of vital goods such as grain, edible oil, and cotton. The State procured these items on the basis of a "fixed price" (*p'ai-chia*) and banned them from the free market. Production teams had to meet delivery quotas on these items. If a team wished to sell some goods above the required quota, it still had to sell them at the same fixed price since the State monopolized first category items and rationed them.

The second category included 260 items, mostly economic crops such as tobacco, peanut and jute. The State procured them at a fixed price, also, and the teams were required to meet their quotas. The difference between the first and the second categories was that the team could sell the second category goods on the free market after meeting State targets. The third category included all the goods which teams did not have to deliver to the State and could freely sell on the free market.

The first and second categories were obviously subject to the State plan. Legally, the State concluded procurement contracts with the production teams for the delivery of these goods. Contracts were part of the device facilitating the planned economy. By and large, the State-fixed price was about 70 percent of the market price, though it depended on the kinds of commodities.[40] The teams overfulfilling their targets for the unified procurement received rewards, generally in extra ration coupons such as grain coupons, fabric coupons, meat coupons and fertilizer coupons.

The *hsien* commercial departments directly collected category one and two commodities through the Supply and Marketing Cooperatives (*kung-hsiao ho-tso-she*). The Supply and Marketing Cooperatives (SMC) were organized into a nationwide network under the All China Supply and Marketing Cooperatives General Headquarters. The SMC, which also distributed fertilizer, usually had a commune office, branches in brigades and market places, and agents with the teams. On behalf of the State, the SMC's concluded procurement contracts (*p'ai-kou ho-t'ung*) with the teams. The peasants also participated in these cooperatives by buying certain numbers of shares. These cooperatives were the only agencies supplying them with daily necessities and purchasing their surplus second-category products, thus serving as a central place for the flow of goods between the urban areas and the rural areas. Unlike the Credit Cooperative, the SMC maintained a full-time staff. Closely related to the SMC were the "commodity exchange conferences" (*wu-chih chiao-liu hui*) frequently held among communes. These conferences served not only as instruments of exchange among local units, but also as fairs and exhibitions for government procurement agencies, including the

[40] *Far Eastern Economic Review* (February 19, 1973), p. 20.

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Army's Rear Service which often concluded various forms of "delivery contract" (*kung-hsiao ho-t'ung*) with local units.

Third category goods were freely transacted on the free market. Traditionally, the rural markets (called *kan-chih* in the North and *ch'en-hsu* in Kwangtung) were held periodically as centers of rural life.[41] With the rise of the commune in 1958, communist authorities sought to abolish them, first by administrative measures, and later on, by allowing them to convene only once or twice a month. But they never succeeded simply because black markets flourished whenever goods were in short supply. In 1960 the government instituted "commodity shops" (*huo-chan*), a variant of State-run brokerages, to curb the black market, but failed again, and in November reopened the free market. Since then, the Commune Market Management Committees have administered the free markets, investigating and setting price quotations. It was at these markets that the peasants sold and bought produce from their private plots and sideline occupations. In addition to these legal markets, black markets also rose within the free markets. The government tried curtailing instead of eliminating them completely, for they performed an indispensable economic function for the consumers who were able to purchase there what they could not get either at the state shops or on the free market. To be sure, the Commune Public Security Branch and a mass organization known as the "United Industry and Commerce Committee" kept constant check on the black market but they did not attempt an outright ban.[42] Thus, these financial networks also were structured first to fulfill the state plan and then to meet the local needs.

(4) The Military System The *hsien* maintained a military service department (*ping-i pu*) and an armed forces department (*wu-chang-pu*) but the commune had only the latter branch. The *hsien* armed forces department supervised the commune's militia which had a separate command, independent of the commune structure. Usually the regiment at the commune, the battalion or company at the brigade, and the platoon at the team were placed under the dual leadership of the Party and their own command. The platoon was subdivided into two units: the "backbone militia" consisting of males between 16 and 30, and females between 16 and 25, and the "ordinary militia" consisting of males between 31 and 45, and females between 26 and 35. Demobilized soldiers trained the backbone militia, while brigade and team cadres could not serve concurrently as militia leaders.[43]

From the above account we can observe that the commune's supporting units performed the dual function of supporting the state (*hsien*) and serving the teams. Along with the commune, they comprised the administrative infrastructure for management of the team, the basic economic unit of the commune.

C. *Management of the Production Team*

Unlike the 1958 commune which purported to manage production through

[41] For details of this market system, see Skinner, "Marketing and Social Structure in Rural China: Parts I, II, III," *Journal of Asian Studies*, XXIV: 1–3 (November, 1964, February, 1965, May, 1965), pp. 3–43, pp. 195–228, and pp. 363–399.

[42] Interview Protocol, No. 4 (November 1969).

[43] *Fei min-ping kung-tso t'iao-li* (Regulations Concerning Militia Work), reproduced by Nationalist Chinese Government in Taipei, 1965.

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mass mobilization, the post-1962 team gradually displayed a routine and autonomous management. Of the 1958 mobilization slogans, however, "democratization of management" has survived not in the commune but in the team, indicating that an organization of 20 households rather than 5000 is more amenable to participatory management. Agricultural production actually declined in 1959–60 when the level of mobilization was the highest and gradually increased in 1961–62 when the new team management became fairly stabilized. Interestingly, China's food grain production rose in 1958, rapidly fell in 1959–60, slowly recovered in 1962–63, and again rapidly rose in 1964–67 at an average rate of six per cent per year according to one estimate.[44] Clearly, the slow recovery of production beginning in 1962 was due to the increase of work incentives and efficiency in team management. As Stavis' analysis shows, such growth in productivity during 1964–67 was due mainly to the increase of technical inputs which the regime accelerated under the slogan of "four transformations": electrification, irrigation, chemicalization and mechanization.[45] This reveals interesting facts about the role of mass mobilization and technology in modernization. Social and organizational change can be instrumental in labor-intensive projects such as irrigation and construction, substituting in the long run for resources and technology. But in order for these endeavors to be effective, they must be properly implemented in light of the local conditions. The team's management of production, labor, distribution, and accounting demonstrates these points.

(1) Production By 1962 the team had replaced the commune as the basic unit for organizing production. After receiving the annual production target determined by the *hsien*, the team worked out its annual plan in accordance with local conditions. It decided how to use land, manpower, draft animals, and farm tools; it determined when to plow and plant, and selected seeds and fertilizer. In formulating the plan, team leadership often sought opinions from experienced peasants, with the team congress finalizing the overall plan. After approval by the congress, the team sent it back to the brigade and the commune for additional suggestions.[46] As long as the team met state targets, it could plan production increases, provided they were feasible and did not damage natural resources. Actually, the state encouraged the team to cultivate "grain as the basis and develop multiple undertaking" by exploring its collective sideline jobs and tapping wasteland. In this way, the team sought to accomplish a stable and high-yield land uneffected by drought and flood through essentially intensive farming, since mechanization was still limited, and to produce mainly for self-sufficiency rather than commercial purposes.

(2) Labor The team also organized its labor force. All peasants, including women and youngsters, became team members. Two kinds of memberships existed, however: regular members and "probationary members." The latter included the "five elements" constituting one or two per cent of the local population:[47] landlords, rich peasants, counterrevolutionaries, rightists and other bad elements who participated in collective labor and received income for their work just as the regular

[44] Bennedict Stavis, *China's Green Revolution* (Cornell University East Asia Papers, 1974), No. 2, p. 15.

[45] *Ibid.*, pp. 9–15.

[46] Peking *Ta-kung pao*, September 19, 1965.

[47] A. Doak Barnett, *Uncertain Passage: China's Transition to the Post-Mao Era* (Washington, D. C.: Brookings, 1974), p. 49.

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members but were not allowed to participate in the decision-making process. In addition, these elements performed a few days of "educational labor" each month without compensation. Not only were they put under constant surveillance by the commune police stations, the brigade public security committee, and the militia, but whenever a political campaign was being conducted, they were the first to be criticized. Whether regular members or not, all peasants worked on the collective farms except for three or four days off for males and five or six days off for females per month.

The team adopted two principal methods of allotting the collective work among its members: assigning work (*p'ai-kung*) and fixing work (*pao-kung*). The team generally followed the rule of assigning larger tasks such as grain production to work groups on a rotating basis, and of fixing small tasks to a small group of three or four men often with a permanent responsibility. In making work assignments, the team chief usually consulted with experienced peasants, and then divided team members into several groups with specific tasks, trying to assign the most qualified men to the most suitable jobs. This was necessary not only because labor productivity was at stake but because the members themselves were so concerned about the amount of "workpoints" they would obtain from their assignment.

The method of fixing labor quotas originated from the "three guarantees and one reward" system experimented with during 1959–62. The team fixed a strip of land or a piece of work either to small group or to individuals in such a way that they could be held responsible for the work entrusted to them. The team used this method on a seasonal or permanent basis, depending upon the type of work performed. During 1960–62 many teams fixed output quotas even to individual households. Only after the SEM penetrated the countryside was this practice halted. In developing multiple undertakings and sideline occupations, the team relied primarily on this responsibility system. But in evaluating the result of work, the team carried out a rigorous inspection to ensure that small groups did not claim unearned bonuses. The team allowed its members to form such groups on the basis of personal ties, residential continguity, and even kindship relations.[48]

In addition to collective work, the team set aside one or two days every three months for "basic construction" within three percent of a member's annual working days. If it extended beyond this limit, the team paid wages from its reserve fund. For small-scale construction such as repairing roads and dikes, the peasants received workpoints similar to other farm work.

For labor evaluation, the team used the "workpoint" system. The method of calculating workpoints, however, varied with different regions. Before 1962 most communes had used variants of time-rate. The brigades and the teams awarded workpoints to the number of days their members worked in a month, usually regarding one day's work as ten points and then computing each member's working days against the "basic working days" per month the brigade or the team had set. If an individual exceeded them, he received additional points, and if he failed to reach them, he lost some. This system failed to take into account each individual's labor productivity. To avoid "equalitarianism," the teams experimented

[48] *Nan-fang jih-pao*, February 1, 1963.

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with two other systems. Later, a third system—the Tachai model—received wide publicity.

One of the two methods was the "labor base-point" (*lao-tung ti-pen*) system. In Niwan Commune, Kwangtung, for example, the teams classified their members into three labor grades: the first, the second and the third. For a day's labor the teams allotted 10 points to the first grade, eight points to the second grade and seven points to the third grade.[49] Basically a time-rate evaluation, this system did take into account differential labor productivity. Its main weakness was the difficulty of classifying each peasant into one of three grades since each member's performance varied with the specific conditions and types of jobs he performed.

A more widely used method was the "labor norm" (*lao-tung ting-e*) system. The team rated every possible piece of work in light of its nature, the skills required to perform it and the hardship involved. It required ingenuity and experience for the team to rationally evaluate each task, for most agricultural jobs, unlike industrial ones, did not yield clear-cut piece rates. For tasks which did not yield labor norms, the team determined workpoints in an *ad hoc* fashion. For work during busy seasons, for example, it allotted higher workpoints than in normal times. The strength of this system was to account for each peasant's performance, thereby providing work incentives for one's efforts and talents.[50] Its weakness, however, was the difficulty, if not impossibility, of setting rational norms for so many pieces of work and moreover, of assessing the quality of of completed work.

The defects of these two systems prompted the Tachai Brigade to adopt a third system called "model workpoint cum self-report and public evaluation" in 1963. This new system aimed to overcome the peasants' obsession with workpoints. The brigade's workpoint recorder registered each member's performances and the number of days he worked every month. At the end of the month, the brigade selected a model peasant who had shown not only the best work performance but also the best political attitude, and decided upon how many points he deserved for a day. Using this pace-setter as a measuring rod, each member evaluated his work and politics, and reported how many points he thought he deserved. All the members discussed each member's claim and finally decided awards case by case. This system could curtail the peasants' craving for workpoints and the result of wage differentials, but it could gloss over labor productivity and work incentives, since political activism was difficult to measure.[51]

Whichever system the teams adopted, they all evaluated work on the basis of workpoints. The team recorder (*chi-pen yuan*) noted each member's workpoints in his books and made them public every month. At the same time, he also noted them in the "workpoint handbook" which every member kept. If any disparity occurred between the team's books and the handbooks, the team chief

[49] Yi Fan, "Labor Management of Rural People's Commune," *Tsu-kuo* (China Monthly), January, 1969, p. 3.

[50] For details, see Gargi Dutt, *Rural Communes of China, Organizational Problems* (Bombay: Asia Publishing House, 1967), p. 167; Hélène Marchisio, III, "Les systèmes de rémunération dans les communes populaires," in Charles Bettelheim, et al., *La construction du socialisme en Chine* (Paris: François Mappero, 1965), pp. 71–99.

[51] *JMJP*, March 22, 1966; also see Martin King Whyte, "The Tachai Brigade and Incentives for the Peasants," *Current Scene*, No. 16 (1969), pp. 8–9.

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investigated the matter.[52] The team also awarded workpoints for the collection of fertilizer fodder, but for convenience, the recorder kept a separate book for fertilizer workpoints. The actual value of a workpoint, however, was determined at the end of each fiscal year when the share of distributable income was computed. Since economic conditions varied, it also varied with teams. But one thing was clear: the workpoint system firmly established a direct linkage between one's work and due reward.

(3) Distribution and Accounting The team was the autonomous unit for distribution and accounting. Because the final compilation of distributable income was done at the end of the year, the team made advance distribution of food grain (*k'ou-liang*) and cash, usually twice a year after the summer and autumn harvests. All of the layouts were recorded as advance debits by the accountant (*k'uai-chi*). The team set a proper ratio of distribution among the State, the collective, and the individual, trying to fulfill its duty to the State and the collective before distributing the rest of income to its members.[53]

After computing the gross team product, the team set aside grain for the agricultural tax (called *nung-yeh shui* or *kung-liang*) and the unified procurement grain (called *t'ung-kou liang* or *kou-liang*) to be delivered to the state. The tax has been set at 15.5 per cent of the previous annual output since 1961. In Kwangtung, the rate has been fixed at about ten per cent of the 1961 output.[54] In addition, the team sold to the state the procurement grain at the fixed price. The actual figures of these deliveries again varied with localities but ranged from 10 to 30 per cent of its total income if the tax and procurement were combined and the difference between the fixed price and the market price of the procurement grain was taken into account.[55] By delivering the tax and sale grain, the team was making a vital contribution to China's national development. Although the agricultural tax comprised only seven per cent of the entire government revenue,[56] grain from the tax and the procurement fed the urban population and the Army while some of them, particularly economic crops, were exported. As for the team itself, the income from the grain sale went into its treasury, but the team customarily deposited it in the People's Bank to pay for production expenses rather than distributing it to its members.

After obligations to the State, the team took care of collective interests, i.e., production expenses, reserve grain (*chu-pei liang*), public accumulation fund (*kung-chi chin*) and welfare fund (*kung-yi chin*). Party policy called for a proper ratio between accumulation and consumption. The major item in the collective category was production expenses for buying or renting seeds, fertilizer, insecticides, tractors, farm implements and draft animals. The ratio of these expenses ranged from 20 to 30 per cent of total income. Next came reserve grain, averaging one or two percent of total distributable grain (meaning the portion after meeting State requirements), though the team determined its precise amount

52 "Three Stories from the Chinese Countryside," *China News Analysis*, No. 960 (May 17, 1974), pp. 2–3.

53 *1962 Regulations*, art. 32.

54 Interview Protocol, No. 4; also see *NCNA* (Peking), February 19, 1966.

55 C. S. Chen (ed.), *Rural People's Communes in Lien-chiang* (Stanford: Hoover Institution, 1969), p. 27.

56 François J. Durand, *Le financement du budget en Chine populaire. Un exemple de dévelopement fiscal dans une économie de croissance* (Hong Kong: Caritas Printing Training Centre, 1965), pp. 245–269.

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according to the size of each harvest. The team used this grain for assisting needy households, especially those "five protected households" (*wu-pao hu*): the disabled, the childless, old widowers, old widows and orphans. The team then allocated the public accumulation fund within five per cent of the distributable income to pay for terracing, reclamation, basic construction and subsidiary workpoints (*fu-chen*) for the brigade's and its own cadres. Finally, the team set the welfare fund within two or three per cent of the distributable income to aid the sick, care for accidents, and provide public entertainment.[57] This fund, together with the reserve fund, provided those who had no dependents with social security measures, called "five guarantees": food, clothes, shelter, necessities and funerals.

After setting aside the shares for the State and the collective, the team distributed the remaining grain and cash to its members. Although the size of this category varied with teams, it ranged from 30 to 60 per cent of the total income. According to the 1962 Commune Charter, the team was to distribute its grain in two parts: the "basic food-grain" and the "workpoint food-grain." The team first rationed the former to all the people residing in its boundary as their basic food, whether they worked or not. It then allotted the remaining grain to those who had earned it on the basis of their workpoints. The ratio of the former to the latter was for the team to determine, but seven to three was the common ratio.[58] Most teams, however, suspended the basic food grain and distributed all the grain solely on the basis of workpoints while subsidizing people without support from the public accumulation grain and the welfare funds.

At the end of each fiscal year, the team computed each member's net income. The value of one workpoint was determined when the team divided its entire distributable income by the total sum of workpoints earned by its working members. As the next equation shows, each member figured out their annual income when they multiplied the value of one workpoint by the total number of workpoints earned.

$$\text{Peasant A's Annual Income} = \frac{\text{The Total Distributable Income of an Accounting Unit}}{\text{The Total Number of the Workpoints Gained by the Members}} \times \text{The Number of Workpoints Gained by Peasant A}$$

In general, the team paid the wages with 50 per cent in kind and 50 per cent in cash.[59] Although the precise ratio of distribution was dependent on the situation of each team, the following table shows just one example of a team near Peking. This distribution method assured a reasonable system of equity and incentives for both the individuals and the collective. Because the value of each workpoint was dependent upon the overall productivity of the team as a whole, team members shared a common stake in the collective.

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[57] *1962 Regulations*, art. 34–36; Peking *Ta-kung pao*, October 26, 1964.

[58] Anna Louise Strong, *The Rise of the Chinese People's Communes—and Six Years After* (Peking: New World Press, 1964), p. 196; Chen (ed.), *Rural People's Communes in Lien-chiang*, p. 26.

[59] Shahid Javed Burki, *A Study of Chinese Commune, 1965* (Harvard University, East Asian Monograph, 1969), p. 27.

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TABLE 2—INCOME AND DISTRIBUTION IN 1966, SECOND TEAM OF BAQUING BRIGADE, YANGTAN COMMUNE

Grain Income in Yuan	Expenditure	Amount in Yuan	Percentage of Expenditure
33,950	Production Expense	13,124	38.6
	Agricultural Tax	2,207	6.5
	Reserve Fund	1,697	5.0
	Walfare Fund	330	1.0
	Reserve Grain	1,488	4.4
	Distribution to Members	15,104	44.5
33,950		33,950	100.0

Source: *Peking Review*, No. 13 (March 25, 1966), p. 16.

It is clear that careful and fair accounting was crucial to efficient team management. In principle, all expenditures had to be scrupulously regulated. Any purchase was usually discussed by the team congress. Thus, the accountant and cashiers (*ch'u-na yuan*) could veto any expenditure which regulations prohibited. The custodian (*pao-kuan yuan*) took care of the team's grain, tools and other materials. The team chief supervised the financial and custodian operation but did not directly control cash and goods. Neither the commune nor the brigade could meddle in the team's finance except for auditing it.

Yet, by no means was rational accounting simple. To prevent embezzlement, the accountant and cashiers kept two identical books for cash and goods. Only when the figures in both books were identical was an outlay made. Despite this preventive measure, if the team chief and the financial officers collaborated, few safeguards could prevent them from taking advantage of their positions. Since these cadres were locally recruited and enjoyed little preferential treatment, they often acted corruptly by taking public funds. This explains why the peasants were so sensitive about accounting procedures and actively participated in them. In 1965, for example, many peasants asked for the abolition of double-entry booking because it was so complicated that at least one accountant spent half a day to locate a single error! Against this background, the Ministry of Agriculture, the Ministry of Finance, and the People's Bank held a joint conference on rural finance in October. This conference reaffirmed democratic management by calling upon the poor peasants to maintain a close watch on team finance.[60]

(4) The Private Sector: The Individuals and Families The private sector was an integral part of team management as individuals and their families enjoyed certain legitimate rights guaranteed by the team. Despite the GLF, the commune did not disrupt the Chinese family system. Most people still lived where they had been living with their families and relatives.[61] Families were entitled to own some private properties such as houses, furniture, clothing, bicycles, and sewing machines. They could also freely dispose of their bank deposits. Fruit trees existing around the private houses belonged to the families. For these items the

[60] *Nan-fang jih-pao*, May 25, 1965; *Chūgoku kenkyū geppō* (Chinese Studies Monthly), No. 244 (June, 1968), pp. 1–32.

[61] Martin K. Whyte, "The Family," in Michel Oksenberg, *China's Developmental Experience* (New York: Praeger, 1973), p. 185.

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term "own" made legal sense because the owners could lawfully sell or rent them.

The team also granted some additional rights to its members. The most important of these was the "private plots" (*tzu-liu ti*), which allotted on a per capita basis to families within a five to seven per cent limit of their arable land. Once this ratio was determined, it was fixed over a long period, though adjusted periodically. In reality, many teams exceeded this ratio, reaching eight percent in some cases.[62] The team also allotted bare mountains for private cultivation and with the approval of the commune and the brigade, also permitted its members to tap wasteland within the limit of five to ten percent of the whole area so long as the cultivation did not affect natural resources. The families developed their sideline occupations on these plots, raising any domestic animals except draft animals, planting vegetables and fruits.

The private properties and plots, coupled with the family sideline occupations, provided the families with legitimate outlets for seeking private interests. In fact, they supplemented the deficiency of the collective. Since the team could hardly meet the peasants' demand for diverse goods and cash, the government actually encouraged the People's Bank and the SMC to assist family sideline occupations as a supplementary part of the socialist economy. Another indispensable institution contributing to private undertaking was the free market where the peasants freely disposed of their produce. As a result, the peasants cared more intensely for their undertakings. The income which accrued from these ranged anywhere from 10 to 30 per cent of their total income.[63]

Income differentiation among the peasant families derived from two sources: the overall economic standing of their team and their own performance. As for the latter, two factors were vital: their workpoints earned in the collective and their private undertaking. Some 70 to 80 per cent of the peasants' income came from the collective, with the remainder from the private jobs. In both of these the size and productivity of each family's labor force were the determinants of income differentials. As a result, those families with larger labor forces and higher productivity—usually more working adults—earned higher incomes, whereas those with smaller labor forces and lower productivity—more old men and children—suffered most. Some residual factors also accounted for differentials. Families with larger households cultivated more crop. In Kwangtung and Fukien those having Overseas Chinese relatives lived better than others.

Thus, sources of income differentiation still existed even after land had been redistributed. In fact, the official class division in China has remained unchanged since the Land Reform Law of 1951. Since 1951, the middle peasants have benefited most from the collective because of their larger labor force. This explains why Mao in 1955 redivided the middle peasants into two categories: the "well-to-do middle peasants" and the lower-middle peasants, thus giving rise to the "poor and lower-middle peasants" as the backbone of revolution in the countryside.[64] Yet the economic life of these peasants was no better than some of the former landlords and rich peasants who had more labor force and residual benefits. To the extent that the poor peasants were paid according to their labor just as others, their exploitation had

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[62] Burki, *A Study of Chinese Commune*, 1965, p. 37.

[63] *Ibid.*, p. 40.

[64] *Selected Readings from the Works of Mao Tse-tung* (Peking: Foreign Language Press, 1967), pp. 325–326.

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ceased. Whether poor or middle peasants, however, their lives and dignity were secured by the commune.

It should be re-emphasized here that the description of the team thus far presents only the basic features, for a great degree of local variations existed. Ecology was one of them. Teams which happened to be located on fertile soil were richer, while those on rugged hills were poorer. Teams cultivating economic crops and selling them to nearby cities became even wealthier. The caliber of leadership also made another difference. These variations increased inequality among teams, which has been one of the most serious problems facing the current team system. Despite this, the team became a self-sufficient unit of routine management with a system of incentives, striking a balance between its collective and private undertakings; at this level democratic management did take place. The 1962 commune charter promised that the contemporary team with these features would not be changed for at least 30 years.[65] And indeed, the team has emerged unaffected from the Cultural Revolution.

III. The Cultural Revolution and Thereafter, 1966–74

The Cultural Revolution, unlike the GLF, was directed primarily toward the urban intellectual community and the Party establishment—the superstructure. But as it progressed from the top down, it eventually affected the commune as well. In its initial phase, conscious efforts were made to confine the revolution to the cities but it gradually spread to the communes, particularly those near urban centers. In 1967–68 some communes in Kiangsi and Kwangtung amalgamated teams into larger brigades and even suspended the private plots, as the renewed campaign for "learning from Tachai" gained further momentum.[66] But these cases were scattered and did not represent a shift of Party policy.

Where the Cultural Revolution most affected the commune was in service-oriented areas such as local industries, educational reforms, and health care, occurring mostly at the commune and brigade levels. The increasing role of the poor peasants in these was another impact of the revolution. These innovations have been achieved in response to Mao's May 7, 1966, directive calling upon the Army, schools, enterprises and communes to undertake industry, agriculture and military training simultaneously, reviving some of the GLF themes. In 1968, he also repeated his falls for reforming education and sending medical personnel down to the countryside.

The Cultural Revolution also simplified the commune's administrative structure when revolutionary committees were organized. But as for production management, it did not change the team management system in any significant way but actually consolidated it. Perhaps to contain any excesses that might result from the revolution, the Draft State Constitution of 1970 reaffirmed the three-level ownership with the team as a basic unit. Mao himself issued a directive in February, 1971, proscribing any alteration of team management.[67] In December, 1971, the Party Center issued

[65] *1962 Regulations*, art. 20.

[66] Richard Baum, "The Cultural Revolution in the Countryside: Anatomy of a Limited Rebellion," in Thomas Robinson (ed.), *The Cultural Revolution in China* (Berkeley: University of California Press, 1971), pp. 367–466; *Kiangsi jih-pao*, December 9, 1968.

[67] See art. 7 of the Constitution as reported in Taipei *Chung-yang jih-pao*, November 5, 1970; *JMJP*, February 18, 1971.

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another document, "Directive on Problems of Distribution in the People's Commune," on this same subject.[68] This new directive supplemented the 1962 commune charter by adding new measures encouraging the commune and brigade to develop local enterprises, and the team to adopt "grain as the basis and overall undertaking." As in 1960-62, the emphasis has again been on preventing "absolute egalitarianism," charging such slogans as "it is better to be left than right" "ultraleftist Liu-type deviation"! The recent anti-Lin Piao and Confucius campaign started after the 1973 Tenth Party Congress has focused on refuting Confucius' alleged advocacy of "fate" and "intelligent elite and ignorant masses."[69]

No changes have been introduced either in the scale or the ownership of each level. Only in its structure has there been some change since revolutionary committees were organized at the commune and brigade, and its equivalent group at the team, replacing the former management committees. Unlike the *hsien,* the "three-way alliance" in the commune revolutionary committee consisted of cadres, the poor and lower-middle peasants, and demobilized soldiers or militia. These committees combined the role of the Party committee, the management committee and the military units. After the Ninth Party Congress when the new Party committees were organized, however, they assumed mainly the role of the former management committees, while the militia, too, was reorganized. One change wrought by the Cultural Revolution is the somewhat reduced role of higher level Party units in appointing lower level cadres, as the Party Constitution now emphasizes "consultation" in the selection process. In response to Mao's call for "simple and good government," the size of the revolutionary committees was reduced to roughly one-third of the former management committees. The commune revolutionary committee maintains several *ad hoc* groups in charge of civil administration, political work, production, finance, education, health care, militia, and youth.[70]

The role of the Party, too, has been restored to pre-Cultural Revolution status. The Party is again trying to strike a balance between the state plan and the team plan, and collective and private undertakings. Compared to the higher levels, the commune Party seems least affected by the revolution. Most of the old Party members seem to have remained in the new "three-way alliance" of the old, the middle aged, and the young. Since the Ninth Party Congress in 1969, and especially after the Lin Piao incident in 1971, the Center has stressed "unified Party leadership." The new Party Constitution adopted by the Tenth Party Congress in 1973 specifically states that primary Party committees be elected in communes every two years.[71] The YCL and other mass organizations also have been reorganized while the Party is resuming its leadership over the commune administration.

In terms of functions, the Cultural Revolution increased the commune and brigade's role in developing local industry, education, health care, and trade. Since the Cultural Revolution, the commune and brigade have renewed their efforts to develop "small and medium industries" on a self-sufficient basis, trying to utilize surplus labor and tap local resources. Their leadership plays a key role in allocating

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[68] *Chung-kung yen-chiu,* September, 1972, pp. 98–104: this document is hereafter referred to as *1971 Directive.*

[69] *JMJP,* October 16, 1972 & February 9, 1974.

[70] Hong Kong *Ta-kung pao,* October 5–9, 1971.

[71] *Peking Review,* No. 35/36 (September 7, 1973), p. 28.

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labor and investments.[72] These efforts have resulted in factories producing and repairing farm tools. In 1969, 1000 such commune-run enterprises were reported in Honan. In 1973, 230,000 mechanized rice-transplanters were produced in China.[73]

This resurgence of local industry creates, in effect, at least a temporary dual economy of rural industry with lower wages and productivity and of urban industry with higher wages and productivity. It is expected, however, that such labor-intensive local projects will tap currently underutilized resources, and gradually facilitate linkage between agriculture and modern industry before the national economy is integrated. Commune industries, if so extended in scale, can be linked first with the *hsien* industries which reportedly produce 60 per cent of China's chemical fertilizers. In this way, rural industries are tailored to her overall developmental strategy by generating new technology and local capital accumulation independent of the modern sector.[74]

The Cultural Revolution affected education more than any other area. A great deal of experimentation has been made in rural education. The school years for primary universal education have been shortened to five years and those for middle schools to two years. In some regions middle and high schools have been combined with the four-year secondary schools. The curriculum has been revised to include more production knowledge and Mao's writings so that education can serve the peasants' practical needs. While communes still administer middle schools, more and more brigades have taken over primary schools on a self-sufficient basis. Since Mao's August, 1968 directive calling upon the poor and lower-middle peasants to control these schools, the poor peasants have gained a major decision-making role in selecting students, teaching materials, and teachers.

When the brigade controls the primary schools, the teachers are paid in work-point, thus linking their performance directly with the brigade's. If conditions allow, the brigade can abolish tuition. In most cases, however, the state still pays the operating costs while the brigade contributes facilities. As a result of these innovations many communes have reportedly increased student enrollment up to 90 per cent. This, in turn, has resulted in a shortage of teachers and classrooms. To cope with the teacher shortage, some 420,000 workers, peasants, and soldiers served as part-time teachers in 1973. Some of the eight million educated youths who have been sent down to communes since 1968 also become teachers. These innovations have also created new problems. Some peasants have called them "irregular" practices lowering the quality of education. Since most of the new enrollments were poor peasants' children, these peasants have lost workpoints which they would otherwise have received. For this reason, some of their children have actually dropped out of the schools.[75]

The emphasis on the decentralization of health service was another aspect of the Cultural Revolution. Medical personnel have been sent down to commune hospitals

[72] Marianne Bastid, "Levels of Economic Decision-Making," in Stuart R. Schram, *Authority, Participation and Cultural Change in China* (London: Cambridge University Press, 1973), pp. 179–180; Carl Riskin, "Small Industry and the Chinese Model of Development," *China Quarterly*, No. 46 (April–June, 1971), pp. 269–273.

[73] *JMJP*, October 25, 1969; *Far Eastern Economic Review*, October 1, 1973, p. 16; "People's Commune (III)," *Peking Review*, No. 36 (September 6, 1974), p. 21.

[74] See Jon Sigurdson, "Rural Economic Planning," in Oksenberg (ed.), *China's Developmental Experience*, p. 78 and his "Rural Industry and the Internal Transfer of Technology," in Schram (ed.), *Authority*, pp. 203–208.

[75] *JMJP*, February 15, 1972, May 17, 1972, October 22, 1973.

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to "serve the people." In 1969-70, the People's Liberation Army sent down 6700 mobile medical teams with 80,000 members. Medical doctors at urban hospitals also have been sent to commune hospitals so that they can practice curative as well as preventive medicine by providing both health delivery and education.[76] Most of the rural doctors are general practitioners performing this dual role. They train medical auxiliaries called "barefoot doctors" (who are neither barefoot nor doctors) for five months so that these paraprofessionals can go down to the brigade health centers and handle ordinary cases, while referring serious ones to the commune hospitals. The commune hospitals also incorporate the traditional Chinese herb medicine into their services to alleviate the shortage of medical personnel.

The "barefoot doctors" manage the brigade health centers and are paid in workpoints. They are generally secondary school graduates recruited from the poor peasants. The bulk of their services involves preventive medicine such as education, environmental hygiene, and birth control. They distribute drugs and birth control devices while carrying out education on reforming toilet, and preventing parasite and communicative diseases. They also provide traditional treatment (*tu-fang*) including acupuncture, and run "medical cooperatives" set up since 1969, which the peasants join by giving one or two yuan per year.[77] Thus, rural health service, too, is tailored to local demands, trying to improve the welfare of the many with less state subsidies and more local initiatives.

As for the population problem, China promotes planned childbirth. The emphasis has been on social control through propaganda on birth control and late marriage, aimed at changing human attitudes which, according to some observers, produces similar effects as those resulting from rapid industrialization in Taiwan.[78] Yet recent visitors from China report that oral contraceptives also are available at commune hospitals and brigade health centers for married couples.[79] As a result, the birth rate is declining. The team management systems becomes an additional incentive for planned fertility. Since daycare centers are not widespread, women still care for their children. To the extent that they can equally work in the collective farm, these women are emancipated from their domestic chores. Since caring for too many children at home means the loss of their workpoints, they may seek planned birth to increase their immediate income. For the distant future, however, their desire for more children, especially for more boys, still persists. They hope to rely on the support of their children when they become either sick or aged because the team's collective resources for social security are limited. Under state guidance, however, the commune carries out education to discharge this age-old attitude through its women's organizations.[80]

Finally, for rural finance and trade, the poor and lower-middle peasants have gained more power in the SMC and the Credit Cooperatives. These innovations are likewise designed to render better service for the teams and the peasants.

[76] Susan B. Rifkin and Raphael Kaplinsky, "Health Strategy and Development Planning: Lessons from the PRC," *Journal of Development Studies*, No. 2 (January, 1973), p. 220.

[77] *Kuang-ming jih-pao*, December 18, 1969; *JMJP*, February 8, 1974.

[78] Raymond C. Morrison, Jr. and Jack D. Salmer, "Population Control in China: A Reinterpretation," *Asian Survey*, September, 1973, p. 890.

[79] Carl Djerassi, "Some Observations on Current Fertility Control in China," *China Quarterly*, No. 57 (January-March, 1974), pp. 43–54.

[80] "Family Planning Gains Popularity," *Peking Review*, No. 38 (September 20, 1974), pp. 17–18.

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In contrast to these administrative services, little change was effected in team management. But the leadership has paid keen attention to some new problems of team management. Cognizant of the increasing inequality among teams, for example, the 1971 Party Directive called upon "backward teams" to catch up with advanced teams, and "overconsuming teams" to restore a proper balance between accumulation and consumption. The Party Center also changed the priority of agricultural production slightly by emphasizing the slogan "grain as the basis and overall undertaking" instead of "grain as the basis and multiple undertaking." This was done to discourage the teams' drive for profit-making economic crops at the expense of collective grain production. As part of these efforts, the press has called upon the teams to "learn from Tachai." The Tachai Brigade has epitomized self-reliance and hard struggle while continuously meeting the state plan. It has abandoned the private plot since 1963, and the model worker to evaluate workpoints only on the basis of self-report and public discussion since 1968. Films and exhibitions about the brigade have been shown at communes. During 1964-71, 4.5 million people have visited the brigade. In addition, Tachai's hero and now a Politburo member, Ch'en Yung-kui, has widely traveled throughout the country, asking that provinces make more vigorous efforts to emulate the Tachai model. Yet this campaign is largely educational, for the final decision is up to each team. The 1971 Directive states that the team should consult with the masses in learning from Tachai but never attempt to "transplant Tachai."[81]

After the Cultural Revolution, the Center has paid more attention to the distribution of income. Although Mao's call for more accumulation "to prepare for war and disaster and to serve the people" is repeated, the emphasis is on gradual grain storage based on local conditions. The team must consent to sell more grain to the state beyond its quotas even though it receives a 30 per cent higher price for the overfulfilled amount.[82] In fact, the grain sale quotas have been fixed for the entire fourth five-year plan. Warning against "artificial egalitarianism," the 1971 Directive points out that food grain should be delivered to each household and when so delivered, it is subject to the household's control, and women should get an equal share for their work.[83]

IV. Conclusions: An Assessment

The survey of the Chinese people's commune reveals some changes, continuities, and problems. The basic configuration of the commune has been continued but its size and ownership have been scaled down. We find a surprising durability of the traditional social units which correspond, though with different names, to the market town, the village, and the neighborhood. Accompanying the reduction of scale has been the evolution of three-level ownership allowing for the free market and private plots. These changes represent a compromise between revolution and development necessary for intensive farming based on human labor and self-sufficient production. If Chinese agriculture becomes sufficiently mechanized and commercialized in the distant future, perhaps their scale can be enlarged again, but the regime has not yet shown such a plan.

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[81] Klaus Mehnert, *China Returns* (New York: E. P. Dutton, 1972), pp. 51–57; *1971 Directive*, art. 3; "The Tachai Road," *Peking Review*, No. 40 (October 4, 1974), pp. 18–25.

[82] NCNA (Schihchichuang), February 6, 1973.

[83] *1971 Directive*, art. 2–3.

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The basic structure of the post-1962 commune has continued, but the Cultural Revolution added additional functions to the commune and brigade mostly in the form of services. The commune is still the basic unit of local governance, performing political and administrative functions with a few projects of its own. Charged with a dual role of representing the state and the locality, it has little autonomy in implementing state policies but enjoys considerable leeway in developing its own projects. The brigade assists the commune while coordinating the teams' productive activities with enlarged functions for health care, education, and marketing. The team still is the basic unit of production. The Party continues to provide political leadership, setting the tone of the commune's organizational life. The commune as a whole displays a hierarchy of responsibility accountable to both the Center and the masses, channeling downward and upward communication so crucial to development.

Team management exhibits an intricate system of cooperation and labor incentives geared to a self-sufficient economic unit. This represents another compromise between a more equal distribution of income and the demands of productivity. Despite frequent political turmoil which has swept through the higher echlons of the Chinese political system, we find an increasing degree of institutionalization at the commune level.

To a great extent, commune practices have resulted from the constant interaction between the CCP's revolutionary goals and developmental imperatives. The Chinese leadership has emphasized that organizational and attitudinal change can contribute to equality as well as to productivity. But they have also learned the lesson that there are limits in organizational and psychological inputs beyond which only technological and material inputs can make a significant difference in productivity. The political economy of the commune in this respect reveals a series of dilemmas between collectivism and privatism, the state plan and localism, and equality and efficiency. By adopting a strategy of sequential development with its priority in agriculture, the Chinese leadership encourages the commune to be self-sufficient after meeting the state plan. But this results in a "cellular" economy[84] of tiny self-sufficient enclaves which in turn create further inequality among regions, communes, teams and individuals. In the long run, only a substantial dose of technology and investment can integrate such disjointed units into a comprehensive national economy. But Chinese agriculture is still contingent upon the soil, the weather, water resources, and labor. Seen in this perspective, low poductivity coupled with the population density of rural China poses an acute problem. According to one estimate, the average annual growth rate of food grain production from 1956 to 1971 was 1.9 per cent which is below the population growth rate of two per cent.[85] The problem is compounded by the fact that approximately 80 per cent of the population live on 10 per cent of the land.

Despite these problems, the commune seems to be a viable institution for solving China's rural problems, and offers valuable suggestions for developing and even developed countries. First, it is important to note that the current commune does keep the CCP's revolutionary commitment alive. The commune provides equity in

[84] Audrey Donnithorne, "China's Cellular Economy: Some Economic Trends Since the Cultural Revolution," *China Quarterly*, No. 52 (October–December, 1972), pp. 605–618.

[85] Stavis, *China's Green Revolution*, p. 11.

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distribution and social welfare. Certainly, China's rural life is better than before 1949 and more importantly, secure from the whim of famine, flood, and diseases. There is no longer abject poverty, still common to other developing countries, nor is there any gross inequality of initial opportunity, as the poor receive almost free education, medical care and information, though by no means are they perfect.

Second, the commune's contributions to development also are substantial. The commune administration is structured to implement the state plan and to facilitate local self-sufficiency. Its collective efforts, if managed efficiently, can increase productivity and income at least indirectly. Its ability to mobilize resources in such labor-intensive overhead investments as terracing, water control, and mechanization will also raise productivity in the long run. Commune or brigade industries are likely to utilize locally untapped resources and to generate technologies, and the teams' efforts to diversify its crops will increase its members' income. These units, if properly administered, can effectively channel the state plan from above and their self-sufficient undertakings from below into mutually reinforcing endeavors. The commune's administrative power to implement and popularize innovation with a clear sense of direction set by the Party and, yet with a relatively small bureaucracy, further facilitates development. For example, a group of American plant scientists has recently confirmed this after visiting China. Dr. Sterling Wotman notes that the Chinese "have been tremendously successful in getting all available knowledge into use at the farm level." Dr. Norman B. Borlaug concurs that the practical application of scientific findings is one of the things India and other Asian countries should learn from China.[86] The provision that all officials do physical labor increases administrative responsiveness. All these aspects favorably compare with what Myrdal calls "soft states" where the governments have great difficulty getting their programs implemented.[87] The commune's role in birth control through a combination of social pressures, contraceptives, and incentives, if successful, can be one of China's greatest contribution to the world's population problems.

Lastly, some of the commune services, such as health care stressing preventive medicine and general practitioners, and local control of education, suggest stimulating ideas for highly developed countries. To be sure, these improvements have been made while the Chinese peasants are deprived of their right to own and hire, to speak and assemble freely. In this sense, the Chinese commune presents some important lessons for modernization by striking a balance between two conflicting and yet complementing tasks: revolution and development.

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[86] *New York Times*, September 24, 1974 & October 7, 1974.

[87] Gunnar Myrdel, *The Challenge of World Poverty: A World Anti-Poverty Program in Outline* (New York: Random House, 1970), pp. 208–210.

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