

De-Industrialization in the Chinese Countryside: Handicrafts and Development in Jiajiang (Sichuan), 1935 to 1978*

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ABSTRACT Rural industrialization is often seen as a characteristic feature of Chinese socialism, under both Mao and his successors. It is less often recognized that rural industrialization did not start from scratch: the pre-1949 Chinese countryside was already industrialized to a considerable degree, though most rural industries were unmechanized “proto-industries” – small-scale, decentralized, and household-based. Modernizing governments, including both the Kuomintang and CCP regimes, tended to see such industries as obstacles on their march towards industrial modernity, understood as mass production in urban factories. This article focuses on one particular industry, handicraft papermaking in Jiajiang county, Sichuan. It argues that Maoist policies, with their emphasis on local grain self-sufficiency, discriminated against communities that depended on specialized production and exchange. To the extent that these communities had specialized in crafts in order to compensate for an inhospitable natural environment (as was the case in many upland areas), Maoist policies penalized the already disadvantaged – with sometimes disastrous consequences.

Industrialization is rarely a painless process. Successful industries in one place replace less successful ones elsewhere, leading in some cases to permanent regional decline. The consequences are particularly severe in the early stages of industrial development, when factories replace labour-intensive handicrafts, leading to massive unemployment. De-industrialization has been a staple of political debate in the colonial and post-colonial world. In China, leaders from Sun to Mao dated the nation’s crisis from the forced opening of its markets in the Opium Wars, and lamented the havoc wreaked by foreign imports on Chinese industry. Mao, in particular, constructed his “narrative of loss and redemption” around the claim that China’s economy had disintegrated under the onslaught of imperialism.¹ Ever since, the CCP has claimed to have inherited a ruined and de-industrialized countryside, and has derived legitimacy from its claim to have restored the nation’s economic integrity.

It is therefore ironic that the CCP systematically phased out rural industries, especially in the years following the Great Leap Forward (1957–59). While total non-agricultural employment more than doubled

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1. See David E. Apter and Tony Saich, *Revolutionary Discourse in Mao’s Republic* (Cambridge, MA: Harvard University Press, 1994), pp. 116–17.

between 1949 and 1958,² many rural craft industries were discontinued, either because their products “no longer met social demands” or because they competed with the modern sector. Handloom weaving, still China’s largest rural industry in the 1930–40s, disappeared after the introduction of the state monopoly for cotton in 1953; “spontaneous” revivals of the industry were suppressed by the state.³ Other craft industries declined as labour was transferred to modern industry or agriculture, and raw materials were concentrated in the hands of the state. By the time of Mao’s death, rural handicrafts – a sector that in 1952 employed 3.9 million fully specialized workers and an unknown number of sideline producers – had all but disappeared.

This article describes the decline of handicraft papermaking in Jiajiang county, Sichuan province, during the Maoist period. Its aim is not to assess the overall rationality of Maoist developmental strategies. It is possible that the state-induced decline of traditional industry in the Maoist period cleared the path for the development of modern industry after Mao’s death, and that temporary de-industrialization in the countryside was a price worth paying for China’s generally successful transition to industrial modernity. A look at states that protected their craft industries and performed poorly compared to China, such as India, can only reinforce the view that China was right to phase out “obsolete” industries.⁴ However, whether “rational” or not, industrial restructuring brought with it human and economic costs that merit attention. These costs have been obscured by a rhetoric of successful socialist modernization. Somewhat redundantly, historians have claimed that Chinese industry had already been wiped out when the CCP came to power, that the impact of socialist industrialization on surviving industries was entirely benign, and that in those cases where it was not, the costs were necessary and justified. Contradictory as these statements are, they have rarely been challenged: while volumes have been written on the “costs of progress” paid by poor rural people in late imperial and Republican China, similar costs in the PRC have gone unexplored.

A second and related point is that de-industrialization had important distributional consequences, which were often at odds with the Maoist aim of reducing spatial inequalities. Sidelines, handicrafts and trade were the main routes to wealth in the countryside of pre-revolutionary China, and are often seen as part of a “rich peasant economy.” It is therefore often assumed that their suppression under Mao – whatever one may think of its economic rationality and its effect on rural–urban disparities – at least reduced income inequalities within rural society. The Jiajiang case reveals a different pattern: non-agricultural production in Jiajiang was not the preserve of the upwardly mobile but the mainstay of the local

2. John Philip Emerson, *Non-Agricultural Employment in Mainland China, 1949–1958* (Washington, DC: Bureau of the Census, 1965), p. 128.

3. Kang Chao, *The Development of Cotton Textile Production in China* (Cambridge, MA: East Asian Research Center, 1977), pp. 241, 244.

4. See Tirthankar Roy, *Artisans and Industrialization: Indian Weaving in the Twentieth Century* (Delhi: Oxford University Press, 1993), pp. 175–204.

economy; its decline affected the rich and the poor alike. What is more, specialization had evolved in relatively disadvantaged areas, as a response to unfavourable ecological conditions. By forcing specialists back into subsistence farming, the state exacerbated rural–rural inequalities.

Industrial Restructuring and the Socialist State

When the CCP came to power, handicrafts equalled or surpassed modern industry in size. According to official 1952 figures, handicrafts produced 6.6 per cent of the net domestic product against 9 per cent produced in factories, and employed 7.4 million against 5.3 million in modern industry.⁵ These figures underestimate the size of the sector: Liu and Yeh's adjusted estimate for handicraft employment in 1952 is 13.5 million, against 3.5 million in the factories.⁶ The term handicraft, as used by the CCP, signified “a traditional and technically outmoded method of production,” whose very existence in the economy was “indicative of a state of economic backwardness which is to be overcome in an historical process of economic development on Socialist premises.”⁷ In theory, handicraft industry was to be gradually absorbed into modern industry, a process that might take several decades. This conversion was to be financed by the craftspeople themselves: like agriculture, handicrafts were exhorted to “rely on their own strength” rather than expect handouts from the state. The appropriate form for handicrafts was collective ownership; only when conditions were “ripe” and collectives had accumulated enough capital to mechanize would they be upgraded to state ownership.

Despite the influence of artisanal traditions on PRC institutions,⁸ artisans as a class were politically suspect. Like peasants, they were petty owners of means of production, and therefore prone to the “daily, hourly, spontaneous, large-scale reproduction of capitalism and the bourgeoisie.”⁹ Liu Shaoqi, in a 1953 speech, drew a clear line between artisans and real proletarians: “They [artisans after collectivization] are not yet workers (*gongren jieji*) and cannot join the Trade Union. Handicraft co-op members do useful work for the nation and the people; this is glorious.

5. Liu Ta-Chung and Yeh Kung-Chia, *The Economy of the Chinese Mainland: National Income and Economic Development, 1933–1959* (Princeton: Princeton University Press, 1965), pp. 88, 209; Emerson, *Non-Agricultural Employment*, pp. 83, 128.

6. Liu and Yeh, *Economy*, pp. 193–196. Zhu De in 1953 quoted a number of 19.3 million handicraft workers. See Zhu De, “Ba shougongye zhe zuzhi qilai, zou shehuizhuyi daolu” (“Organize artisans, take the road of socialism”), in Zhonghua quanguo shougongye hezuo zongshe (All-China Handicraft Co-operative) (ed.), *Zhongguo shougongye hezuohua he chengzhen jiti gongye de fazhan* (*The Collectivization of China's Handicrafts and Development of Collective Urban Industry*) (Beijing: Dangshi, 1992), Vol. 1, p. 100.

7. Peter Schran, “Handicrafts in Communist China,” *The China Quarterly*, No. 17 (1965), pp. 152–53.

8. Elizabeth Perry, “From native place to workplace: labor origins and outcomes of China's *danwei* system,” in Elizabeth Perry and Lü Xiaobo (eds.), *Danwei: The Changing Chinese Workplace in Historical and Comparative Perspective* (Armonk, NY: M. E. Sharpe, 1997), pp. 42–59.

9. Liu Shaoqi, “Guanyu xin Zhongguo de jingji jianshe fangzhen” (“New China's economic development strategy”), in All-China Handicraft Co-operative, *Collectivization and Development*, Vol. 1, p. 27. The original formulation is from Lenin, whom Liu quotes.

Their social position ought to be clarified: they are labouring people (*laodong renmin*); they can visit the Culture Palace of the Working People, go to the night school, to the movies ...”¹⁰ Culture Palace yes, Trade Union no – no wonder that the Party centre admonished handicraft organizers “not to develop an inferiority complex” (*bu yao you zibeigan*).¹¹

The collectivization of handicrafts in 1954–56 reduced employment in the sector from 8.1 million to 5.5 million – a 32 per cent fall in two years. In rural handicrafts, the decline was even more pronounced: from 4.7 to 2.2 million, or 53 per cent.¹² The Great Leap Forward, despite its emphasis on “walking on two legs,” did not reverse that trend. Most of the expansion in non-agricultural employment took place in construction projects and steel smelting, not in craft industries. The main change in the craft sector was organizational: nearly all co-ops were merged into state or commune-owned “factories,” which in 1958 employed 87 per cent of the former handicraft co-op members. As Riskin has shown, the new industries created in these years “relied in their formative stages upon the annexation of assets of local industry and handicrafts.... Redistribution, or ‘primitive socialist accumulation’ in the Preobrazhenskian phrase, was the principal resource base for the industrial ‘walking on two legs’ movement in the Great Leap Forward.”¹³

After the catastrophic failure of the Leap, the central leadership closed down most local industries. Consolidation was certainly necessary after the reckless expansion of the Leap, but the retrenchment of the early 1960s nearly wiped out China’s handicrafts. The State Council’s 1962 “Decision to further streamline the workforce and reduce the urban population” stipulated a reduction of the non-agricultural workforce (*zhigong*) by 10.5 million (from 43 million) and of the total urban population by 20 million (from 120 million).¹⁴ In contrast to the usual practice, craft industries were not given fixed reduction quotas, because they were expected to absorb surplus workers expelled from state factories. However, craft industries did more than their share to reduce the costly non-agricultural workforce. Rural commune industries were almost universally closed down, their remaining assets devolved to brigade or, more frequently, team ownership. Most rural crafts became “sidelines” owned and operated by agricultural production teams. The devolution of rural crafts to the teams was accompanied by a turn against rural–rural

10. Liu Shaoqi, “Guanyu shougongye hezuoshe wenti” (“On the problems of handicraft co-operatives”), in *ibid.* p. 105.

11. “Zhonggong zhongyang guanyu xunshu huifu he jinyibu fazhan shougongye shengchan de zhishi” (“Directive by the CCP Party centre to quickly restore and further develop handicraft production, August 1959”), in *ibid.*, Vol. 2, p. 185.

12. All-China Handicraft Co-operative, *Collectivization and Development*, Vol. 1, p. 708 (table 4).

13. Carl Riskin, “Small industry and the Chinese model of development,” *The China Quarterly*, No. 46 (1971), p. 263.

14. “Zhonggong zhongyang, guowuyuan guanyu jinyibu jingjian zhigong he jianshao chengzhen renkou de jue ding” (“Decision by the Party centre and the State Council to further streamline the workforce and reduce the urban population”), in *ibid.* pp. 284–88.

exchange: while before 1965, almost half of the grain purchased by the state was resold to rural areas, such “reverse sales” (*fanxiao*) were sharply reduced after 1965. In consequence, rural people who previously had grown cash crops or engaged in craft industries were forced to de-specialize.¹⁵

The Leap catapulted handicraft workers upwards into state and commune factories; its failure sent them down again to the collective workshops, and in many cases further down to team and household owned production. From 1956 to 1963, the number of artisans fell 31 per cent, from 5.5 million to 3.8 million; rural handicraft employment fell 77 per cent, from 2.2 to 0.5 million.¹⁶ Some portion of these changes may have been due to the administrative labelling of artisans as peasants without any real changes on the ground, but given the political pressures of the time, it seems likely that most rural craft industries were actually phased out. At the same time, the state began to re-industrialize the countryside with industries of a different type: the so-called “five small industries” (farm tools, rural energy, iron and steel, concrete, and fertilizer), which were designed to “serve agriculture,” so that agriculture could better serve the all-important aim of rapid industrialization.

The Jiajiang Paper Industry

Paper production in Jiajiang – a county between Chengdu and Leshan, on the edge of the Sichuan basin – is documented since the Kangxi reign (1662–1722) of the Qing dynasty, when Jiajiang was ordered to supply “tribute paper for the examination sheds” (*wenwei juanzhi*). Throughout the Qing and Republic, Jiajiang produced writing and printing paper of high quality. The “golden age” of Jiajiang papermaking came after the outbreak of the Second World War, when paper imports into Sichuan were cut off while the move of government institutions to Sichuan increased paper demand. In 1943, an estimated 60,000 people – one-third of the county’s population – worked in 3,500 paper workshops and related trades.¹⁷ Paper output dropped after the end of the war, because of inflation and unrest. When the People’s Liberation Army arrived in Jiajiang in early 1950, one of its first actions was to restore the industry. In 1951, papermaking reached its post-liberation peak; from then on, it declined (see Table 1). Production recovered after 1978, after personal intervention by Vice-Premier Li Xiannian, who also called for a shift from the drab *duifang* (literally “facing squares”) paper produced in the 1970s to high-quality art and calligraphy (*guohua*) paper.

15. Nicholas Lardy, *Agriculture in China’s Modern Economic Development* (Cambridge: Cambridge University Press 1983), pp. 48–50.

16. The figures apply to all specialized handicrafts (excluding “rural sidelines”) plus mechanized industries under 2nd Light Industry management. Calculated from All-China Handicraft Co-operative, *Collectivization and Development*, Vol. 2, p. 800.

17. Zhong Chongmin, Zhu Shouren, and Li Quan, *Sichuan shougong zhiye diaocha baogao (Report on the Handicraft Paper Industry of Sichuan)* (Chongqing: Zhongguo nongmin yinhang jingji yanjiusuo, 1943), pp. 2, 15–16.

Table 1: **Output of the Jiayang Handicraft Paper Industry**

<i>Year</i>	<i>Output (tons)</i>	<i>Year</i>	<i>Output (tons)</i>	<i>Of which guohua</i>
Around 1905	4,722	1967	1,866	N/A
1936	2,525	1969	1,668	N/A
1937	7,476	1971	1,138	N/A
1939	9,200	1973	1,429	N/A
1943	6–7,000	1975	1,599	N/A
1949	2,070	1977	511	N/A
1951	4,700	1979	1,911	129
1953	4,236	1981	1,899	167
1955	4,034	1983	1,399	216
1957	3,900	1985	682	412
1959	2,400	1987	2,850	1,350
1961	600	1990	2,228	1,537
1963	1,234	1991	2,946	1,811
1965	2,739	1993	3,150	2,016

Sources:

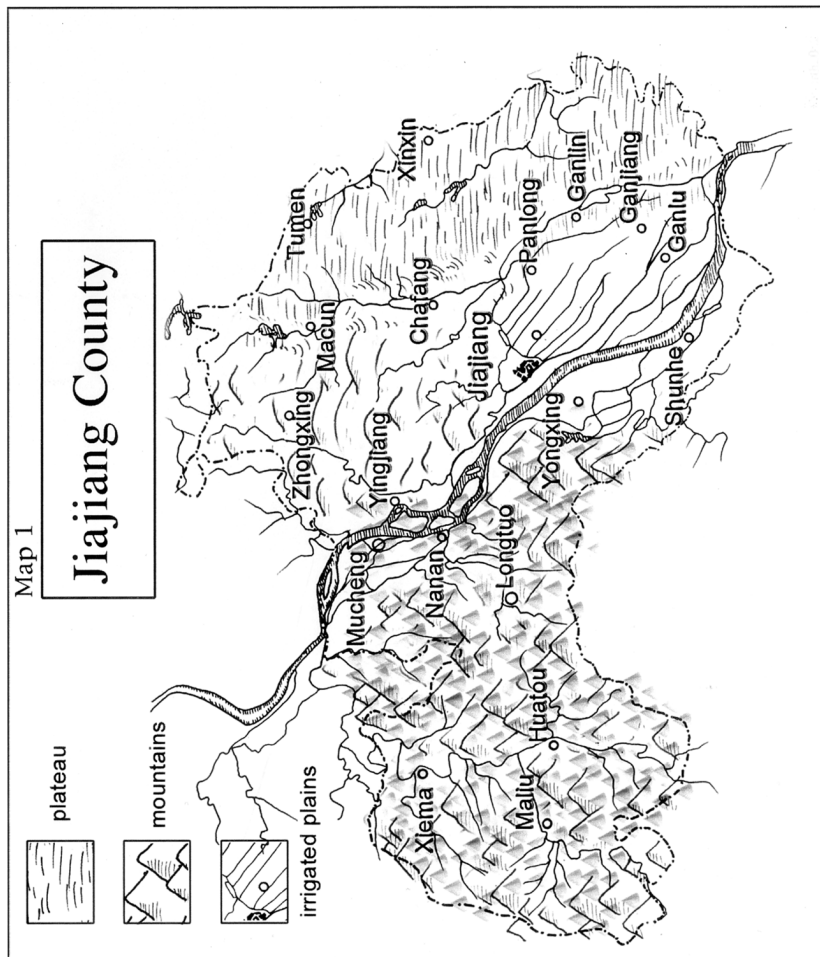
Anon. *Jiayang xiangtuzhi* (*Description of Jiayang's Townships*), no date, p. 54; *Jiayang xianzhi* (*Gazetteer of Jiayang County*) (Chengdu: Sichuan renmin, 1989), p. 217; Liu Shaoquan, *Jiayang de zhiye yu guoji jiaoliu* (*Jiayang's Paper Industry and International Exchange*) (Chengdu: Sichuan daxue, 1992), p. 76; Zhongguo renmin yinhang Jiayang zhihang (People's Bank of China, Jiayang Branch): *Diaocha yu xinxi* (*Research and News*) (Jiayang, 1998), p. 4.

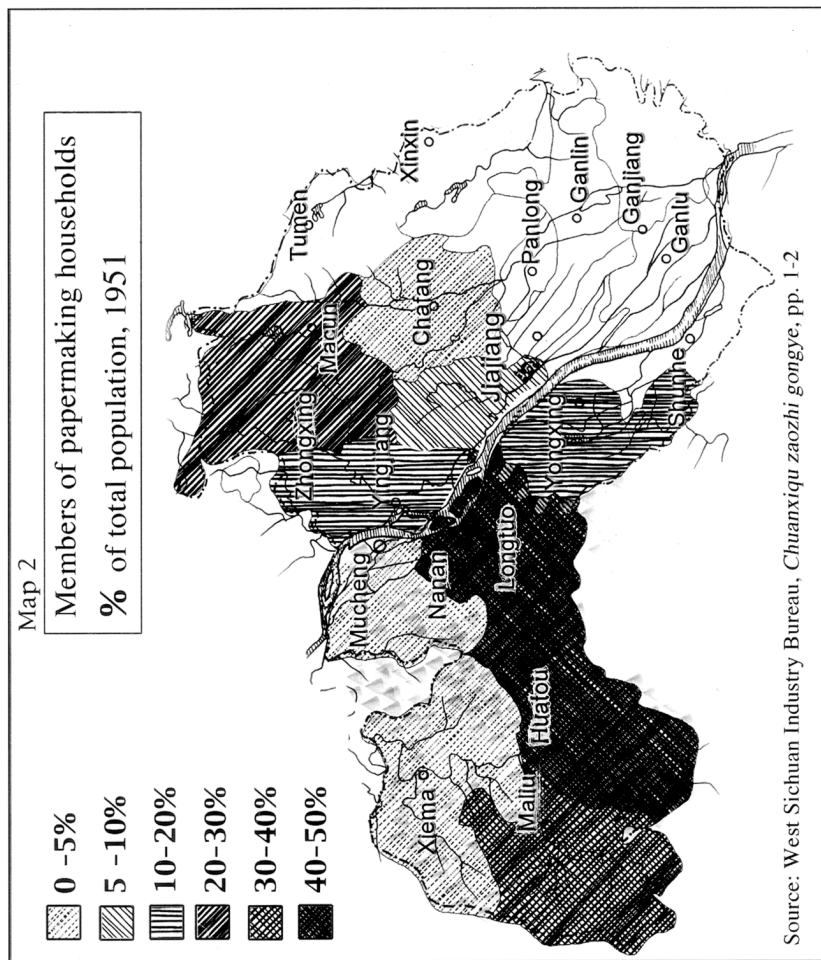
Geographical Distribution of the Industry

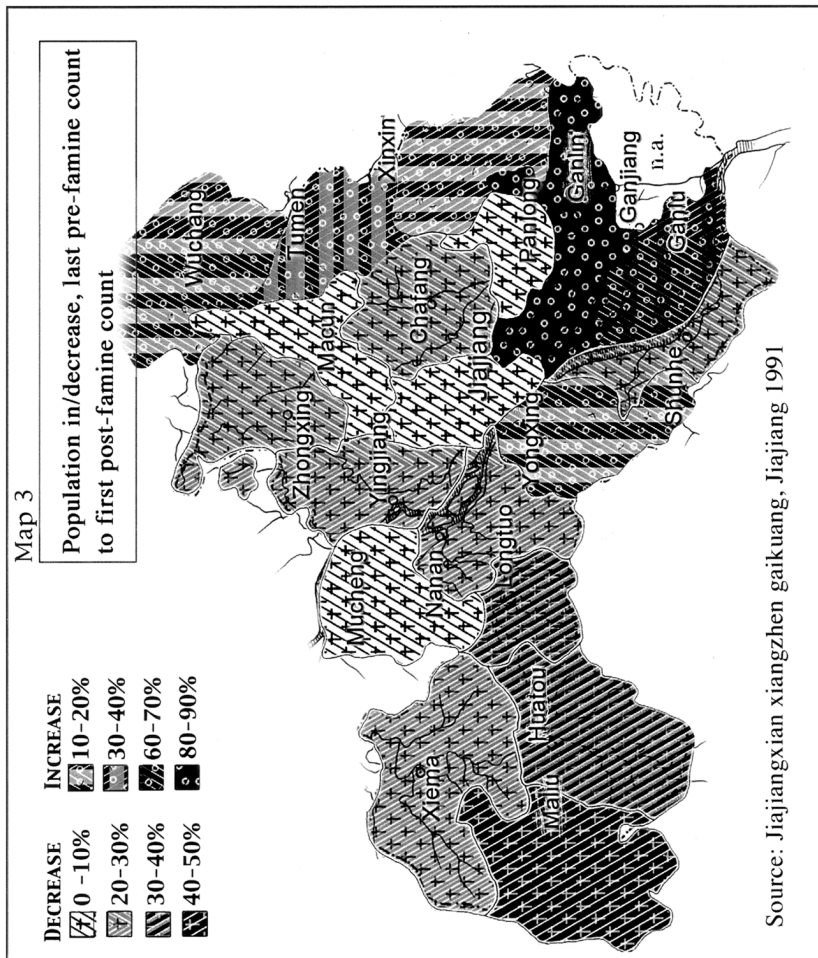
Jiayang county consists of two parts of roughly equal size: irrigated plains, low hills and sandy plateaux in the south-east, high hills and mountains (up to 1,463 metres) in the north-west (see Map 1). Paper production was concentrated in the mountainous north-west, where acidic sandstone soils and steep slopes make agriculture impossible or unprofitable. One of the few crops that grow well in the area is bamboo, which provides the raw material for papermaking. Map 2 shows the geographical distribution of the paper industry in 1951.

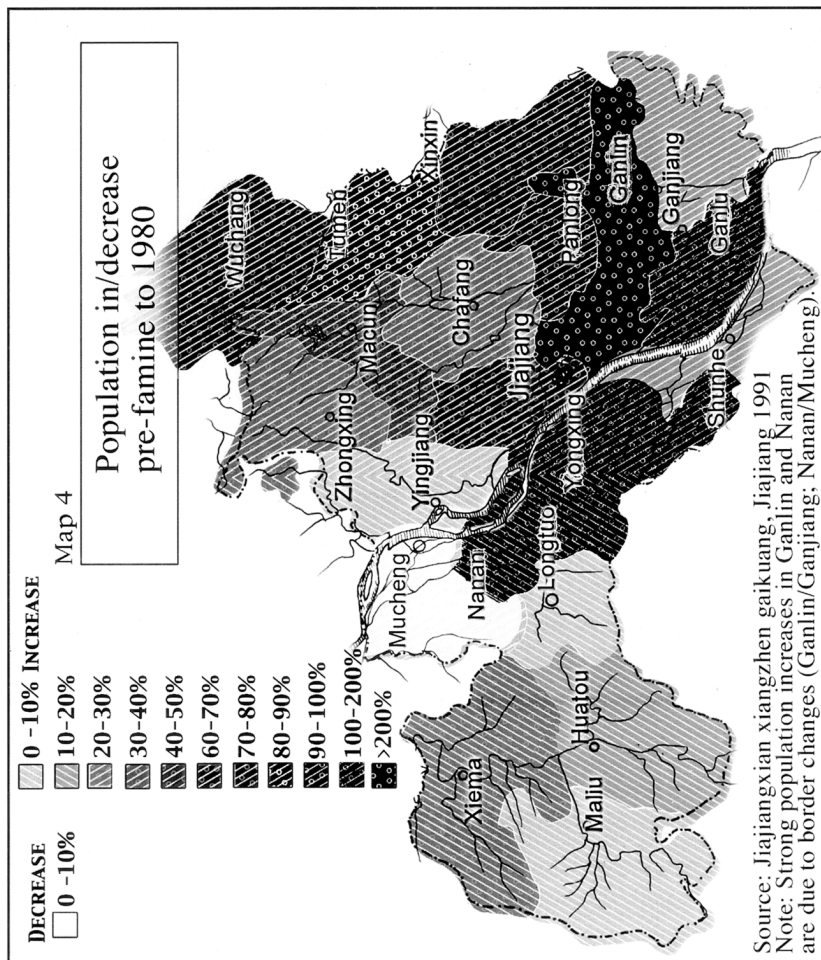
Papermakers under the Republic

Throughout the Qing and early Republic, local officials supported the paper industry. Paper producers were not taxed, and paper traders were taxed only at a modest rate. In the view of officials, papermaking was desirable not only because it supplied the state with a much-needed input, but also because it provided secure incomes for people who would otherwise be destitute. In this view, people in the hills had a moral obligation towards state and ancestors to preserve their "inherited trade." This conservative rhetoric remained unchallenged until 1935, when reformist governments under the warlord Liu Xiang and the Kuomintang embarked on a policy of rapid industrialization. In keeping with the May









Fourth stereotype of peasants as the antithesis of modernity,¹⁸ papermakers were redefined as “conservative” (*baoshou*), “ignorant” (*jianlou*), “dispersed and unable to co-operate” (*lingxing buneng hezuo*) and “indifferent to reform” (*buqiu gailiang*). Those who produced so-called “superstition paper” (*mixin zhi*) were cryptically accused of “using national resources for the benefit of the [Communist] bandits” (*yi guoyuan li fei*).¹⁹ The worst epithets were reserved for paper merchants, who were seen as exploiters who “gouged the flesh from the hearts” (*wadiao xintou de rou*) of papermakers.²⁰ As the following quotation illustrates, this was essentially a conflict over control:

[Jiajiang papermakers] have passed on their trade secrets from father to son for ten or 20 generations. Even friends and relatives who visit the workshops ... are not told any secrets. This shows the fierceness of their conservatism. Their ignorance of progress stems from the same reason. A government wanting to promote industry must destroy these evil habits (*dapo cixiang louxi*), otherwise it will not succeed.²¹

Kuomintang officials saw paper as a strategic resource, needed to run the state administration and mobilize the population for the coming war with Japan. What the country needed was mass-produced paper, mainly newsprint, produced in ways that were less wasteful of raw materials and labour, and sold to the state at a low price. In the long run handicraft production was to be replaced by modern factories, but Sichuan's modern sector was far too small to keep up with rising demands. In 1943, the modern sector accounted for only 20 per cent of Sichuan's paper output, and rapid factory expansion was impossible during the war. In the short run, therefore, there was no alternative to using the existing structure. Like their successors, Kuomintang officials attempted to control and reform the industry, but unlike them, they were unable to overcome the resistance of papermakers who were unwilling to relinquish their control over a profitable trade.

Papermakers and the PRC State

Like their Kuomintang predecessors, PRC administrators needed paper for their propaganda apparatus, especially after the outbreak of the Korean War. Paper, delegates from the paper industry were told in 1950, “is one of the indispensable weapons [in the movement to resist America and aid Korea]. We have to bring into play our greatest enthusiasm and energy to fulfil our most historical, militant, internationalist glorious production task” (*zui you lishixing, zhandouxing, guojixing de guangrong*

18. Myron L. Cohen, “Cultural and political inventions in modern China: the case of the Chinese ‘peasant’,” *Daedalus*, Vol. 122, No. 2 (1993), pp. 151–170.

19. Reconstruction Bureau, folder 9338, file 5, dated 26 May 1942.

20. “Sanshisan nian Jiajiang jingji dongtai” (“Economic tendencies in 1944 Jiajiang”), in *Sichuan jingji jikan*, Vol. 2, No. 2 (April 1945), pp. 199–200.

21. “Jiajiang zhiye diaocha” (“Survey of the Jiajiang paper industry”), *Sichuan jingji yuekan*, Vol. 3, No. 2 (1935), pp. 89–90.

de shengchan renwu).²² This “glorious production task” was largely shouldered by rural producers: in the Chengdu region, rural paper workshops produced 91 per cent of total paper output, against 9 per cent in urban mills. What is more, urban mills could meet their modest quotas only because rural workshops supplied them with pre-cooked pulp.²³ Handicrafts were still indispensable; the problem, as before, was how to make them socially useful, in other words, how to bring producers under state control. Papermakers, unimpressed by appeals to their patriotism, continued to “ignore the needs of society and their duty towards the state.” Instead of selling newsprint to state agencies, they sold paper on the free market where they reaped “abnormally high profits.”²⁴ This was especially problematic if they received grain or cash loans from the state, as was increasingly the case. From 1953 onwards, papermakers received most of their inputs from state trading organs, and sold most of their paper to the state. Even more crucially, as private grain sales were curtailed, papermakers came to receive most of their grain from the state. Grain had always been the fuel that powered manual paper production. Most papermakers grew some wheat or maize, but their staple was rice, which they bought from the plains. Republican-period Jiajiang produced only enough grain to supply two-thirds of its needs; one-third (equivalent to the proportion of papermakers in the population) was imported from neighbouring counties. When grain became a state monopoly, practically all papermakers became dependent clients of the state.

Identifying Workers and Peasants, 1950–1953

Even before 1949, CCP leaders had developed distinct sets of policies for rural and urban China. Class struggle in rural China was basically anti-feudal: a struggle between peasants and the landlord class, the object of which was control over land. Maoist class analysis acknowledged the existence of capitalist relations of production in rural market towns, which were seen as capitalist islands in a feudal sea, and the existence of individual professionals who did not clearly belong to one of the feudal classes. But while individual village smiths or teachers could be labelled artisans or free professionals, classifying whole rural communities as such would have created conceptual and practical problems. If papermakers were artisans rather than peasants, it followed that class relations between them were capitalist in nature and that they would have to follow

22. *Chuanxiqu di-yi jie zaozhi huiyi choubei tigang* (Preparatory Outline of the First Meeting of the Paper Industry of the West Sichuan District), 1951. Sichuan Provincial Archives: West Sichuan Industry Bureau series, folder 19, file 5.

23. *Xinan di-er jie zaozhi huiyi zongjie* (Summary of the Second South-west Paper Industry Meeting), 1951. Sichuan Provincial Archives: West Sichuan Industry Bureau series, folder 19, file 1, p. 40.

24. *Ibid.*

the urban path of reforms. To prevent such complications, local guidelines stipulated that residence determined class:

Class labels in the township as a whole (*quan xiang*) are: landlord, rich peasant, small land lessor, rich tenant, middle peasant, middle tenant, usurer, person living from interest, free professional, poor peasant, hired hand. Labels for the market town (*jiedao*) are: industrialist-merchant *cum* landlord, industrialist-merchant, merchant, peddler, poor peasant.²⁵

Since papermakers were rural by residence, they belonged to one of the standard rural classes: landlord, rich peasant, middle peasant, poor peasant or hired farm hand. These were household labels, unchangeable, inheritable and valid for all members. Under certain conditions, individuals could be classified as workers (*gongren*), small artisans (*xiao shougongyezhe*), or industrialist-merchants (*gong-shangyezhe*). These were secondary statuses, switched off and on in accordance with the state's mobilizational needs. During a period of intense struggle in 1953, for example, wage workers were mobilized to join the labour union and struggle against their former employers. For a short period, they were made to believe that they as workers – and thus not the peasants – were the true “masters of the country” (*guojia de zhurenweng*). But when over-confident workers challenged the local peasant associations, the labour unions were immediately disbanded and the worker status of hired papermakers de-emphasized.²⁶

Separating Workers from Peasants, 1953–1958

The aim of socialist reform, state planners declared, was to overcome the “half-worker half-peasant, dispersed and backward situation” of traditional papermaking.²⁷ The organizational model was the centralized factory with a hierarchical management and a specialized workforce. Centralization and specialization would have made sense in conjunction with mechanization, but this was explicitly not on the agenda.²⁸ Centralization without mechanization did nothing to improve productivity: in manual papermaking, the basic unit of production is the vat (*zhicao*) with five to eight workers; beyond this, there are no economies of scale. The concentration of several vats under a single roof made sense, however, in terms of control: collective workshops, like collective farms, did not improve productivity but facilitated supervision. The same rationale lay

25. *Huatou xiangzhi (Gazetteer of Huatou Township)* (Jiajiang: xeroxed manuscript, 1988), p. 74.

26. Shiyancun interviews 24 April 1996, 17 and 18 September 1998.

27. *Chuanxiqiu zao zhi gongye de jiben qingkuang ji cunzai wenti (Conditions and Problems in the Handicraft Paper Industry of the West Sichuan District)*, 1951. Sichuan Provincial Archives: West Sichuan Industry Bureau series, folder 13.

28. *Chuanxiqiu shoujie zhiye huiyi ziliao (Materials of the First Paper Industry Meeting of the West Sichuan District)*, 1951. Sichuan Provincial Archives: West Sichuan Industry Bureau series, folder 19.

behind the separation of industry from agriculture: as long as papermakers owned their little farms (usually no more than a vegetable plot and a pig), grain intended for industry ended up being fed to household dependants or, even worse, to the pigs. In order to prevent the leakage of grain and other inputs, the “industrial” or “papermaking” population (*gongye renkou*, *zaozhi renkou*) had to be institutionally separated from the rest of the population.

Early co-operatives had been simple groups of people working together for a specific purpose, either farming or papermaking. The multi-purpose, territorially-based collectives formed in 1956, by contrast, were composed of farmers and papermakers in varying proportions. To ensure that grain and other inputs reached their proper destination, teams were classified as “specialized,” “sideline papermaking” or “agricultural.” Within these units, people were again classified as “full industrial labour,” “auxiliary agricultural labour” and so on. Because wages were higher in the paper workshops, jobs were allocated on a per-household basis, typically in such a way that each household was allowed to send its strongest income earner to the workshops. In consequence, the dividing line between “workers” and “peasants” often ran through families: young, strong men joined the workshops, while children, the elderly and most women joined the agricultural population.

The contrast between the two groups was stark. In the mid-1950s, a skilled male worker earned up to 40 *yuan* a month (at a time when one *yuan* bought six kilograms of good rice or one kilogram of pork), while men working in agriculture earned only half as much. Like their urban colleagues, workers in paper workshops were entitled to high grain rations at subsidized prices and received special rations of fat, meat and sugar. On top of this, they were promised (though never actually given) pensions and other social benefits. From 1953 to 1958, successive rounds of collectivization reduced the number of state-recognized, fully entitled papermakers. While the first count in 1951 classified 43 per cent of the county population as directly or indirectly dependant on the paper industry, a count in 1952 classified 16 per cent as “employed in the industry.” With collectivization, the number quickly dropped to 8.4 per cent in 1954 (workers in fully and semi-specialized co-ops), 2.3 per cent in 1956 (workers in specialised co-ops), and 1.4 per cent in 1958 (workers in “state factories,” which actually were the same unmechanized workshops). These figures refer to entitlement, not actual occupation: those who dropped out of the ranks of fully entitled workers usually continued to make paper, but were now classified as “sideline” producers. Once again, the key to this distinction was grain: full “workers” in fully specialized teams were proud owners of a grain coupon book (*benzi*) and received grain as a regular component of their wage. “Sideline” producers received relief grain – a grudgingly granted handout, based on a subsistence ratio of 14 kilograms per capita per month. Actual supplies were even lower, because the grain bureau covered only the gap between the nominal production of a team and its consumption needs.

The Famine

In 1959, Jiajiang's grain harvest was 15 per cent below that of the previous year, mainly because over-optimistic cadres had ordered a reduction of the area sown in grain. Grain procurement (*zhenggou*) rose from 103 kilograms of husked grain per capita to 127, and to 136 in 1960. Grain rations fell from 254 kilograms per capita to 158 in 1959, to 121 in 1961. Actual consumption, taking into account storage losses, may have been lower. Death rates in Jiajiang increased from 13.9 per thousand in 1958 to 26.3 in 1959, and a staggering 102.6 per thousand in 1960. Mortality remained high (26.6) in 1961, and returned to normal (12.6) only in 1962. At its peak, the county's death rate was nearly twice as high as the provincial average (54.0) – at a time when Sichuan had the second highest mortality in all of China.²⁹ Total excess mortality in the three famine years was 22,887 – 12.7 per cent of the pre-famine population of 180,465.³⁰

These figures tell us little about the local impact of the famine. Despite ruthless grain requisition, farmers in the plains often managed to hide grain reserves. People in the hills had few reserves to begin with; like urban people, they relied on state grain supplies. While urban rationing continued throughout the famine, rural-to-rural transfers broke down in 1959. In 1960, people in the hills ate wild plants, chaff, maize cobs and tree bark. One man recalled that “if you had chaff to eat, you counted yourself lucky; the worst was to eat maize cobs,” which were ground up and cooked as porridge.³¹

Demographic Consequences of the Famine

As Map 3 shows, population losses were heavily concentrated in the western portion of Jiajiang. A comparison with Map 2 shows how much high mortality coincides with a high percentage of papermakers in the population. Huatou and Maliu, where 43 and 34 per cent of the population depended on the industry, both registered population losses of 40 per cent; Longtuo and Nan'an (together 47 per cent papermakers) lost 31 and 26 per cent; Zhongxing (28 per cent papermakers) lost 22 per cent. Losses were lowest in the irrigated plains in central Jiajiang and in the sparsely populated and infertile townships in the east.³² In total, the nine papermaking townships in western Jiajiang lost 24 per cent of their

29. Chris Bramall, *In Praise of Maoist Planning: Living Standards and Economic Planning in Sichuan since 1931* (Oxford: Clarendon Press, 1993), p. 293.

30. *Jiajiang xianzhi (Gazetteer of Jiajiang County)* (Chengdu: Sichuan renmin, 1989), pp. 81–82, 122, 124. The calculation is complicated by the fact that county boundaries were redrawn in 1958, when Jiajiang lost one grain-deficit township in the west, and received five grain-surplus townships in the east. After these changes, Jiajiang was designated self-sufficient and no longer received outside grain supplies.

31. Shiyancun interview, 15 April 1996.

32. The data are distorted by the fact that the time span between counts varies. In Ganlu, for example, 16 years passed between the last pre-famine and the first post-famine count, while the gap in Huatou is only three years. The average time span in nine papermaking townships

population, against 4 per cent in the 12 townships in the plains. One might hypothesize that high mortality was linked to peripheral location, but the remote plateaux of eastern Jiajiang *increased* their populations, while those of the western hills declined. The difference lies in pre-famine population densities: when famine struck, people in the sparsely populated eastern plateaux opened waste land and survived. In the western hills, where population densities were nearly as high as in the plains, it proved impossible to open enough land for the 20–40 per cent of the population that had suddenly lost their food supply.³³

Demographic losses are normally recuperated within years rather than decades, but as Map 4 shows, this was not the case in the hills. While populations in the agricultural half of Jiajiang grew steadily, most townships in the hills saw only minimal growth in the years between the last pre-famine count and the 1980 census. Population increase for all paper-making townships was 34 per cent, against 51 per cent in the agricultural plains. Most of this was concentrated in two townships, Yongxing and Nan'an, which were the sites of "Third Front" industrialization projects. Longtuo, Maliu and Huatou saw increases of 10, 7 and 13 per cent, at a time when populations in many other townships doubled. Why was recovery in the hills so slow? Famines in agricultural areas are usually self-repairing: reduced population pressure translates into more resources for each survivor, leading to better health, higher birth rates and reduced mortality. In western Jiajiang, land had never been particularly scarce. In fact, people preferred to leave land uncultivated, because one *mu* of bamboo land could sustain up to five times more people than the same *mu* sown in grain – provided, of course, that the bamboo could be transformed into paper, and the paper exchanged for grain. De-industrialization therefore involved a shift from an intensive to a less intensive land use regime. After the famine, more and more bamboo land was transformed into dry fields, but even with a vastly expanded acreage, farming did not compensate for the lost industrial income.

Digging out the Bamboo Roots

After a short recovery in the early 1960s, papermaking declined again after 1965. Papermakers were now designated "paper peasants" (*zhinong*) to stress their agricultural obligations. Teams that continued to produce paper were accused of "sitting slantwise" (*pigu zuo wai*), meaning that they wavered between occupations instead of concentrating on agriculture as their proper task. Grain resales to rural people were now called "guilty conscience grain" (*chi kuixin liang*), and teams were put under strong pressure to become self-sufficient. One team in Bishan county that had

footnote continued

is 6.7 years, against 8.3 years in 11 agricultural townships. Some variations are also due to border changes.

33. Before the famine, Longtuo, Zhongxing and Yingjiang in the hills all had population densities of more than 300 persons/km², only slightly lower than in the irrigated plains of Ganlu, Ganlin and Ganjiang.

received half of its grain from the state in 1964 was ordered to become 100 per cent self-sufficient in 1965.³⁴ Without grain supplies, people in the hills had no choice but to cut down their bamboo and plant maize and sweet potatoes on the slopes. Between 1958 and 1975, one-half of Jiajiang's bamboo acreage was destroyed. Once the bamboo roots that had held the soil together were dug out, the hills were rapidly eroded. In Longtuo township.

after more than 10,000 *mu* of bamboo and forest were cut down, maize harvests increased slightly, but bamboo was depleted and papermaking was deprived of raw materials. The economic losses were huge; Longtuo became a grain-short, cash-short impoverished mountain district. In the following years, storms, hail and floods followed each other. Land slides destroyed streets and bridges and submerged the seat of the township government and Supply-and-Marketing Co-operative.³⁵

By 1977, an industry that had once employed one-third of the country's population had practically disappeared. Papermakers had become subsistence farmers, eking out a living on marginal land. People in the hills remember the collective period as one of grinding poverty. In one village, the average value of a workday fell from 1.54 *yuan* in 1964 to 0.81 *yuan* in 1980; monthly grain distribution fell from 60 to 30 *jin* per capita, much of it coarse grain instead of the rice that people in the area regard as the only acceptable staple.³⁶ Cut off from market exchange, the Jiajiang hills became a periphery, described by its inhabitants as "remote" (*pianpi*). A telling expression of this new sense of isolation is the fact that people began to burn imitation urban registration booklets (*chengshi hukoubu*) as funeral offerings, so that their relatives could enjoy urban benefits at least after death.³⁷

Return to Specialization

The story of Jiajiang papermaking does not end with its decline under the collectives. In 1978, Vice-Premier Li Xiannian criticized the province for its neglect of the industry, cryptically accusing local administrators of being influenced by the "lingering poison" of the Gang of Four and sabotaging a valuable industry.³⁸ In 1980–83, markets for grain, raw material and paper were liberalized; in 1983, the remaining collective workshops were returned to the households; in the following years,

34. Bishan interview, 29 November 1995.

35. Ma Mingzhang: *Luoshi quanshu lin-nong huanwei shengtai buchang shehui linze de sanda guanjian* (*Three Key Policies of Implementing [property] Rights, Giving Priority to Forestry over Agriculture, and Repairing the Environment*) (Jiajiang: xeroxed manuscript, 1995).

36. Jiajiang County Agricultural Bureau: *Jiajiang turang* (*Soil in Jiajiang*) (Jiajiang, 1984), p. 133.

37. Yuan Dingji and Sheng Yi: "Jiajiang zaozhi" ("Jiajiang papermaking"), *Hansheng*, No. 77 (May 1995), pp. 1–43, here pp. 40–41.

38. Li had read about Jiajiang in an internal report. See Jiajiang County 2nd Light Industry Bureau (comp.), *Jiajiang zhishi* (*A History of Jiajiang Paper*) (Jiajiang: xeroxed manuscript, n.d.), appendix 1.

traders from Jiajiang opened shops in every major city of the PRC. At the same time, the paper industry went through a small technological revolution: papermakers shifted from drab, low-price, mass-produced *duifang* to expensive *guohua* (art and calligraphy) paper. By the mid-1990s, Jiajiang had become one of the biggest producers of handmade paper in China. However, the gains of the reform period were not evenly distributed: after Li's intervention, the townships of Macun, Zhongxing and Yingjiang (all three within easy reach of the county seat) were singled out as key production areas and granted preferential access to loans and scarce resources. The far west of Jiajiang, by contrast, received no help and failed to make the shift to quality production. After a partial and short-lived recovery in the 1980s, most workshops in this area closed down. Jiajiang today has between one and two thousand paper workshops, nearly all of them concentrated in Macun, Zhongxing and Yingjiang.³⁹

De-Industrialization and Industrialization

As I have tried to show, the decline of the paper industry was caused by a complex mix of forces, including hostility to "backward" handicrafts (an attitude that antedates the PRC), an ill-advised policy of centralization in the 1950s and the 1959–61 famine. Among these forces, the famine and the subsequent demographic losses were the most decisive. The reorganization of the 1950s reduced the number of officially recognized papermakers, but most people who dropped out continued to make paper. Reorganization in itself was not fatal for the papermakers; what was fatal was the failure to grant them full industrial status after the closure of the markets had turned them into grain-dependent clients of the state. Having lost their traditional niche as producers for the market, papermakers expected – and indeed needed – a scaled-down version of the state-sector iron rice bowl. Relatively easy access to grain supplies in the early 1950s increased their sense of security, and left them utterly unprepared for the collapse of the distribution system in 1958.

Papermakers were not singled out in any special way during the Leap, yet the high death rates in the paper districts were structural, not accidental. They were caused by policies that classified people as (ideally self-sufficient) peasants or state-sponsored workers, and closed the doors to those who did not fit this scheme. This economic dualism placed communities that were essentially non-farming and almost entirely depended on outside grain supplies on the rural side of the divide. Rural location in 1957–59 almost automatically implied an obligation to report bumper harvests and thus invite grain requisitioning, while towns (which

39. As "domestic sidelines," paper workshops are not registered. A 1983 estimate puts their number at 1,800, with a total employment of around 43,000. The latter figure is an over-estimate, even if it includes household dependents. See Liu Shaoquan, *Jiajiang de zhiye yu guoji jiaoliu (Jiajiang's Paper Industry and International Exchange)* (Chengdu: Sichuan daxue, 1992), p. 36.

often were no more industrial than the paper districts) were “naturally” placed on the grain-receiving side.

Intentional de-industrialization began only after the famine, and in direct response to it. The lesson learnt from the famine was that grain transfers could have catastrophic results, and that the safest strategy for China was to strive for grain self-sufficiency at all levels. The new ideal was the “small and complete” (*xiao er quan*) unit: self-sufficient in grain, capable of producing other basic products, aiming at maximum autarky rather than exchange. As Dali Yang has shown, the post-famine years saw a sharp reduction in the percentage of the harvest procured by the state: from close to 40 per cent in 1959 to around 26 per cent in 1963, and from there steadily down to 20 per cent in 1972. The state’s restraint on grain extraction forced it to limit the amount of grain resold to the rural population. Areas that had previously specialized in cash crops were now forced to become self-sufficient, while grain surplus areas could take advantage of reduced extraction by taking some of their land out of grain cultivation and putting it under cash crops. The paradoxical result was that despite the rhetoric of “taking grain as the key link,” the share of land sown in grain *declined* during the Cultural Revolution years.⁴⁰

This pattern of “backward specialization” can also be observed in Jiajiang, where the area under cash crops more than doubled between 1962 and 1978, while land sown in grain increased much more slowly. The most important cash crops were rapeseed, grown as a winter crop on paddy fields, followed by tea, vegetables, tobacco, peanuts and sugarcane.⁴¹ With the exception of tea and peanuts, cash crop expansion took place in the plains. While the hills struggled to become grain self-sufficient, teams in the plains used some of their best land to plant cash crops. On this basis, they branched out into food-processing: the first commune and brigade enterprises in Jiajiang were flour mills, oil presses and distilleries, all of them heavily concentrated in the plains. In the early 1980s, profits from these industries contributed to the expansion of township and village enterprises (TVEs) – again almost exclusively in the plains. By 1991, industry in the hills was limited to a handful of small food-processing enterprises and brick kilns, while the plains were gearing up for a period of expansion that would turn Jiajiang into one of the largest producers of construction materials in Sichuan province.

Conclusion

William Skinner has argued that spatial inequality persisted in post-1949 China because of the uneven diffusion of innovations through a

40. Dali Yang: *Calamity and Reform in China: State, Rural Society, and Institutional Change Since the Great Leap Forward* (Stanford: Stanford University Press, 1996), pp. 109–114.

41. *Gazetteer of Jiajiang County*, pp. 98–100, 109–111, 124–25.

“hierarchical regional space.”⁴² In other words, geographic cores maintained their lead over geographic peripheries because they were the first to benefit from improved transportation, better schooling, increased access to information and so on. Skinner’s analysis captures parts of what happened in Jiajiang, but it leaves out important dimensions. Geography was important, but it did not totally determine life chances. People in disadvantaged areas could, and did, improve their geographical odds by seeking out economic and ecological niches. Adaptation to such niches raised living standards, and thus made geographically peripheral areas more similar to richer cores. To the extent that rural industries resembled Jiajiang, that is, to the extent that they had originally evolved in response to resource constraints, their suppression hit already disadvantaged areas and thus increased spatial inequality.

To which extent was this the case? A full answer would require the careful mapping of pre-1949 industries, a task that cannot be accomplished here. Chris Bramall, in his study of the Sichuan economy under Mao, argued that high transport costs in peripheral areas militated against specialization, and that cash crops and rural industry were therefore concentrated in the cores.⁴³ Maoist anti-specialization policies thus penalized the rich and achieved the intended result of reducing spatial inequality – albeit by lowering living standards in rich areas to the level of the poor, rather than vice versa. Against this, I argue that upland areas in Sichuan underwent a prolonged process of “proto-industrialization” under the Qing and Republic, largely driven by tremendous population growth. No detailed map of rural industries in pre-1949 Sichuan exists, but there is good evidence that industries, ranging from mining and textiles to “mountain products” such as tea, opium and tung oil, were widespread in resource-poor upland areas.⁴⁴

To a large extent, it was the niche nature of these industries – the fact that they had evolved in response to specific local conditions – that made them problematic for the CCP. CCP policies towards such industries can be characterized, with James Scott, as the attempt of an “authoritarian high modernist state” to replace complex and messy realities with its own “state simplifications.”⁴⁵ For a state that preferred “bulldozed sites” (or, in Mao’s formulation, “blank sheets of paper”) to historically grown structures, rural craft industries represented a form of “wild growth” that needed to be pruned back. Rural industries were distrusted also because they were identified with the rich peasant economy, with speculation and

42. G. William Skinner, “Differential development in Lingnan,” in Thomas P. Lyons and Victor Nee (eds.), *The Economic Transformation of South China* (Ithaca: Cornell East Asia Program, 1994), p. 20.

43. Bramall, *Maoist Planning*, p. 191.

44. Wang Di, *Kuachu fengbi de shijie: Changjiang shangyou quyu shehui yanjiu (Stepping Out of a Closed World: Research on the Society of the Upper Chang (Yangtze) Region)* (Beijing: Zhonghua, 2000), pp. 147–196.

45. James Scott, *Seeing Like A State: How Certain Schemes to Improve the Human Condition Have Failed* (New Haven & London: Yale University Press 1998), especially pp. 2–4, 93–102.

ill-gotten gains. Their suppression, it was assumed, would lead not only to a more rational economic order but also to increased equality.

In Jiayang, policies that on the surface treated everybody alike affected different localities differently. The demand that all rural people grow their own grain (which itself resulted from a “state simplification” – the idea that rural people are first and foremost peasants, inhabitants of an undifferentiated generic countryside) allowed some localities to pursue their economic advantage (first in grain cultivation, then in cash crops and modern industry), while it forced others to forego their comparative advantage and turn to low-yield farming on marginal land. The distributional consequences of these policies were rather complex. Initially, income distribution may have become *more* equal, as living standards in the hills (which may have been above average, though the evidence for this is somewhat contradictory) were brought down.⁴⁶ In the long run, however, income distribution became *less* equal, as living standards in the hills fell not only to the level of the plains but far below it. Detailed data first become available in 1989, when net household incomes in the hills were around 25 per cent below those in the plains.⁴⁷ For the Maoist period, one has to rely on demographic data as an approximate indicator of economic fortune. Stunted growth in the Maoist years strongly suggests that the loss of industrial incomes greatly impoverished the hills and increased the gap between them and the plains.

However, if Maoist policy tilted the playing field against rural paper-makers, it did so in rather complex ways. Not all papermaking townships were affected to the same degree: those nearer to the county seat fared better than those in the far western hills, partly, it seems, because of better access to bureaucratic patronage.⁴⁸ There is a double twist here: policies that aimed at simplifying and levelling the economic landscape ended up complicating it, introducing new opportunities (which often helped the geographically advantaged) and new constraints (which often worked against the peripheries). At the same time, these policies were implemented in such a haphazard fashion that even this unintended bias operated in an uneven and unpredictable way.

46 Based on their study of temples, ancestral halls and other monuments, local historians argue that before 1949, the paper districts were slightly better off than the plains (Interview Culture Bureau, 18 April 1996).

47 Jiayangxian difangzhi bianzuan weiyuanhui, *Jiayang xian xiangzhen gaikuang (Towns and Townships of Jiayang)* (Jiayang: 1991).

48 Macun township often served as test site for new policies, and thus developed close links to the Light Industry administration. These ties were instrumental in the rapid expansion of Macun’s *guohua* industry after 1978 (Macun interviews, 24 November 1995, 22 April 1996, Light Industry interviews 6–7 May 1996).