History 170E

Lecture Outlines

Lecture 25. Communist Revolution, Phase II: The Maoist Economy of the Cultural Revolution

Break-up of Sino-Soviet Alliance
--USSR dissatisfied with Mao Zedong’s leadership and Great Leap Forward; withdrew its advisors in 1960
--Sino-Soviet split marked demise of hopes for socialist world economy
--Post-1949 China depended on Soviet bloc as main source of foreign trade, technology transfer
--US embargo isolated China from capitalist global economy
--China’s trade with non-Communist world (led by Japan) rose after 1959

Cultural Revolution (1966-76)
--China’s economy stabilized in early 1960s
--But Mao Zedong, fearing China would (like USSR) lose revolutionary inspiration, launched new movement (Great Proletarian Cultural Revolution) in 1966
--Cultural Revolution revived class struggle; mobilized youth (Red Guards) to attack emerging “bourgeois dictatorship” within Communist Party itself
--By 1968, political chaos and violence forced Mao to retreat (Cultural Revolution continued in name under leadership of Mao and “Gang of Four”)
--Rustification (xiaxiang 下乡) movement: re-education of Red Guards & government cadres by forced relocation to countryside
--Closure of universities closed for five years (“lost generation” of students)
--“Third Front” strategy: fear of war with US or USSR prompted relocation of defense industries to interior

Economic Performance of Maoist Economy
--Growth in GDP during 1952-78; but increase in output disguised declines in quality
--Total Factor Productivity remained stagnant

Living Standards
--Apart from Great Famine of 1959-61, China achieved food security
--Improvements in life expectancy and infant mortality; public health services; education
--Inequality fell sharply after land reform (but: equally poor, not rich)
--Poverty remained persistent problem in many areas; population still overwhelmingly rural & agricultural

Initiation of Reform Era
--1978: Deng Xiaoping inaugurated new economic strategy to utilize market incentives and capitalize on China’s comparative advantages