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What we really know about China's Reform and Opening Up

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China is now in full celebration mode, commemorating four decades since it turned away from Mao Zedong Thought and toward Reform and Opening Up — the blend of market and socialist policies initiated in 1978 by Deng Xiaoping that the Communist Party credits for "giving the Chinese people growth and prosperity."

Around China, state media, schools, museums, even the Beijing Symphony Orchestra, are hailing the "correctness" of the country's development path. Foreign delegations are engaged in "fact-finding tours and seminars"that tell a "million" stories about Reform and Opening Up and admiring the "major exhibition" at the National Museum of China. The festivities also include an international component to promote what President Xi Jinping called "a new option for other countries and nations who want to speed up their development while preserving their independence." At one such conference a British scholar declared that Chinese socialism has offered the world "a new example" and "a new possibility."

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Beyond the pomp, for more than a decade scholars have been raising questions about the official narrative that credits policies adopted after 1978 for China's rapid economic growth. Along with Chris Bramall, Lynn T. White III, Huaiyin Li, Louis Putterman, Marc Blecher, Mobo Gao, Han Dongping and Sigrid Schmalzer, this year I, too, joined the growing chorus.

Using previously inaccessible data, my book, "Red China's Green Revolution," reveals that the foundations of China's rapid growth trace back to its rural collectives, known as the People's Communes, which spurred a green revolution in agriculture in the 1970s. This new scholarship has identified three widely accepted myths about the Reform and Opening Up narrative:

Myth No. 1: Low commune productivity led farmers to abandon collective agriculture and return to household farming.

This simply wasn't the case. Newly uncovered national, provincial and county-level data on grain and pig production reveal that sizable and sustained increases in agricultural productivity began after the 1970 Northern Districts Agricultural Conference. Under Premier Zhou Enlai's leadership, this six-week gathering initiated extensive reforms of the collective remuneration and agricultural research and extension systems that made the commune far more productive in the 1970s than it was in the previous decade.

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Nor was the decision to launch agricultural reforms made by farmers, as the official account claims, but rather by China's top leaders, because it helped them consolidate their political power. In December 1978, Communist Party Chairman Hua Guofeng and his pro-commune allies lost a bitter power struggle to Vice Chairman Deng Xiaoping and his pro-reform faction. The reformers ended Maoist indoctrination and collective remuneration, reintroduced household family farming and ultimately destroyed the communes. Just as rural residents were forced into communes in 1958, they were forced out of them after 1978.

Myth No. 2: The government allowed rural markets and private enterprises only after Reform and Opening Up.

"The private economy disappeared in China for more than two decades until the Third Plenum … in 1978, which approved the restoration of a non-public economic sector," the South China Morning Post recently reported. This too is incorrect. After 1961, private household production, small-scale animal husbandry and cottage industries, and rural markets (??), collectively known as the Three Small Freedoms (??), were legal and commonplace throughout the Chinese countryside. Rural markets were an important outlet for excess sideline production (except grain), which was households' primary source of vegetables, protein, and cash. After 1978, rural markets and private enterprises were greatly expanded in size and scope.

Myth No. 3: Reform and Opening Up launched an ethos of development that industrialized rural China.

The nationwide propagandization of economic development began with the disastrous Great Leap Forward (1958-1961) and continued with the Dazhai Model until 1978. Under Dazhai, cadres used Mao's collectivist ideology to create a national ethic of self-sacrifice for national development. After 1970, a worker's industriousness, expertise and willingness to sacrifice for the collective became key determinants of his or her redness.

Rather than cash payments, communes used “workpoints” to disguise the extraction of household resources to support investments in tractors, fertilizer, hybrid seeds, irrigation networks and other “production costs” (????). Between 1976 and 1979, rural investment averaged more than 7 billion RMB annually, but by 1982 it had fallen to below 5 billion RMB. By 1986, investment in agriculture was at the lowest point since 1949 and, notes economist Nicholas Lardy, can “clearly be ruled out as a source of growth acceleration in agriculture since 1978.”

Why do these myths matter?

China’s national amnesia regarding the sources of its own material success means that those who came of age during or after the 1980s generally regard their elders as part of the “lost” Cultural Revolution generation and thus undervalue their contributions and sacrifices.

[A more assertive Beijing raises new questions for U.S.-China relations]

At the highest level, this means that nationwide rural reforms advanced by Deng and his supporters 40 years ago have received too much credit for China’s rapid economic growth, while extensive investments made under his predecessors (e.g., Zhou Enlai and Hua Guofeng) have received too little. But there’s a far bigger problem at the grass-roots level. In 2013, China had 50 million “left behind” elderly — an aging rural population largely abandoned as their children left to work in cities.

A study by Liu Yanwu at Wuhan University examined this population in 40 villages in 11 provinces and found the suicide rate among the rural elderly had risen from 100 per 100,000 to 500 per 100,000 over the past two decades. The suicide rate for elderly rural residents is now 50 times higher than the general population — a phenomenon Liu associates with a lack of social security.

There are consequences for China’s foreign relations as well. Every day the country welcomes more foreign students eager to learn about China’s development experience, and in September more than 50 African presidents were feted at the development-driven Forum on China-Africa Cooperation. Dispelling the myths of China’s development story means acknowledging that China’s success was born out of painstaking investments in agricultural modernization, and a nationwide commitment to vocational education and basic health care.

An economy that can top $30 billion in a single day of online sales is not the product of a “China miracle,” or a unique “Chinese model,” as Zhang Weiying at Peking University expertly observed. Rather, China in 2018 is the result of a national development saga that began — as it did in Britain, the United States and other developed countries — with a green revolution in agriculture.

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