



THE PRIVATE SECTOR IN CHINESE AGRICULTURE AFTER
THE 'GANG OF FOUR'

by

Barbara Bray, B.A. (Hons.)

Thesis submitted for the Master of Arts

Politics Department

University of Adelaide

December 1981

TABLE OF CONTENTS

	Page
<u>Chapter 1. GENERAL OBSERVATIONS</u>	1
I. Introduction	1
II. Political scenario	2
III. Historical scenario	5
IV. Possible reasons for the growing emphasis on the private sector	10
V. Some practical problems encountered	15
 <u>Chapter 2. PEASANT INCOME FROM THE COLLECTIVE</u>	 20
I. Introduction	20
1. Agricultural tax as a factor affecting net output available for distribution	21
2. Quasi-subsidies	24
II. Payment in cash	26
1. Various methods of dividing collective income	28
2. Collective subsidiaries	34
III. Payment in kind	36
IV. Collective subsidies	39
1. Housing	39
2. Pensions	41
3. Other collective subsidies	44
V. Conclusion	45
 <u>Chapter 3. INCOME FROM PRIVATE PLOTS</u>	 51
I. Introduction	51
II. Dimension of private land	52
III. Policy attitudes to private plots: past and present	60
IV. The significance of private plots	65
V. Summary	67
 <u>Chapter 4. INCOME FROM FAMILY SUBSIDIARY PRODUCTION</u>	 70
I. Introduction	70
II. The contribution of family subsidiary production to peasant income	74
1. Pigs and other domestic animals	76
2. Handicrafts as part of family subsidiaries	83
III. Income from family sidelines	84
IV. Conclusion	87
Appendix A	92

TABLE OF CONTENTS (Cont.)

<u>Chapter 5. RURAL FAIRS</u>	98
I. Introduction	98
II. Nature and operation of rural fairs	105
III. Price determination	108
IV. Current attitudes to fairs: the theory	110
V. Current attitudes: the practice of rural 'market socialism'	115
1. Difficulties with produce	115
2. Pricing	116
3. Illegal practices	118
VI. Conclusion	121
<u>Chapter 6. CONCLUSION</u>	129
I. Preliminary comments	129
II. Why fundamental changes occurred	133
III. Implications of a private sector in a socialist economy	137
1. The law of value and the scope for market mechanisms	138
2. Social relations, forces of production	143
3. Implications for China's socio-economic system	148
IV. The future	152
Bibliography	160

Summary of Thesis

This thesis looks at peasant income accruing to Chinese agrarian households from all sources, in order to evaluate the importance of private sector income.

Income derived from the collective in which Chinese peasants work, is divided into payment in cash, payment in kind and collective subsidies. An attempt is made in the thesis to estimate how much of total income can be attributed to each category.

Income from private sources is also considered from all known sources, including income from private plots, which also takes into consideration the contribution made through own-consumption by the householders on farms. Family subsidiary activities are discussed, particularly the contribution made through rearing and selling pigs and other domestic animals.

Rural fairs are seen as the vehicle through which privately raised produce and animals, as well as other goods such as handicrafts are sold, and revenue derived. Their history is briefly reviewed, and the important role they have played in Chinese rural life is confirmed. There is a short discussion of price determination; also current official attitudes to fairs, both in theory and practice, are considered.

In the final chapter there is an endeavour to bring together the various strands, in a discussion of what implications arise generally that need to be considered, in evaluating the functioning of the private sector in a socialist economy.

This thesis contains no material which has been accepted for the award of any other degree or diploma in any other University. To the best of my knowledge and belief, the thesis contains no material previously published or written by any other person, except where due reference is made in the text of the thesis.

Abbreviations

<u>BR</u>	<u>Beijing Review</u> (formerly <u>Peking Review</u>)
CCP	Chinese Communist Party
<u>CR</u>	<u>China Reconstructs</u>
<u>FEER</u>	<u>Far Eastern Economic Review</u>
<u>PR</u>	<u>Peking Review</u>
PRC	People's Republic of China
<u>SCMP</u>	<u>Survey of China Mainland Press</u>
<u>SWB</u>	<u>Summary of World Broadcasts</u> (British Broadcasting Corporation) Pt. 3 <u>The Far East</u>