

Immiserizing Development: Decollectivization and Rural Poverty in Post-Mao China

Zhaochang Peng

Ph.D. Candidate

Department of Economics

University of Massachusetts Amherst

Abstract

My dissertation explores the impact of decollectivization in rural China, a 1978-1984 campaign that replaced Maoist collectives with the Household Responsibility System (HRS), on Chinese rural economic development and poverty reduction. It employs a political economy and comparative institutional approach, using qualitative and quantitative data at both national and village levels, to examine the pivotal role of decollectivization in introducing a fundamental institutional change and a new model of economic development to rural China. The focus of my investigation is on the profound effects decollectivization has had on the participation of ordinary Chinese rural residents in the economic activities of production, exchange, distribution, and consumption. Through an analysis of how their employment, compensation, and living expenses have been affected by these profound effects, this study yields findings that challenge the widely accepted belief that China's post-1978 economic reforms have achieved a remarkable success in reducing the nation's rural poverty.

This study argues that the accomplishment of rural poverty reduction in post-Mao China is primarily due to natural, physical, human and social capital inherited from the Maoist era, generous yet unsustainable state subsidies to rural China in the early 1980s, and sweatshop job creation in export-oriented manufacturing sectors since the 1990s. Moreover, ordinary Chinese rural households have incurred substantial efficiency and distributional losses due to forfeited gains in agricultural economies of scale, worsening terms of trade, and commercialization and privatization of non-agricultural sectors in rural and urban China. This dissertation has two main conclusions. First, Chinese rural poverty has not been reduced as much as claimed by official statistics, which suffer severe problems of inter-temporal poverty line inconsistency and survey sample biases. Second, a higher level of poverty reduction in rural China would have been possible within the framework of the Maoist collective model of rural economic development, compared to what has been achieved through the new development model based on decollectivization.