

## BOOK REVIEWS

*Land Reform in the People's Republic of China—Institutional Transformation in Agriculture* by John Wong, New York, Praeger Publishers, 1973, 317pp. + xxiv.

### I

There is, at the present time, the rather popular view in economic development strategy theory that a country cannot successfully develop without a certain degree of institutional transformation. At the outset, the "green revolution" was expected to surmount structural problems of food shortage, but that attempt at reform has reached an impasse in the developing nations. New varieties of grain have caused great change in production and technological transfer, but the hoped for revolution could not take place unless certain conditions were fulfilled such as sufficient input in technical complement (particularly chemical fertilizers) and the creation of an institutional framework relevant to needs. There are a number of questions that need to be asked such as what type of institutional transformation is required to develop agriculture and whether land reform is necessary and/or sufficient to achieve that goal. If land reform is necessary, how should it be implemented? John Wong's work on the Chinese experience with land reform is both important and timely in providing an answer to this question. The basic approach that he uses to gain an understanding of land reform in China is given in the introduction to his book.

In the long run the most significant impact of the Chinese land reform did not consist of such temporary improvements in its immediate aftermath as the destruction of "feudal exploitations," the equitable pattern of property ownership, or even a few-points jump in the grain production index or the ratio of the marketed surplus, but in the final realization of the Chinese equivalent of a Green Revolution. (p. xvii)

Did China finally succeed in attaining an equivalent of the green revolution, or did it, at least set up methods by which that goal could be achieved after the land reforms of 1952? Such questions are ones which should be answered from a very broad perspective, although Wong's emphasis is primarily of the economic impact on Chinese agricultural production.

This study of land reform begins with a historical description after the period of the Kiangsi-Soviet experiment. Chapters 1 through 3 detail land reform in its different stages: prewar, postwar until the creation of the People's Republic of China (PRC) in 1949, and then the period from 1950 to 1952 when land reform was implemented throughout the mainland with the exception of the minority regions. Chapters 4 through 6 are mere analytical focusing on the institutional aspects of land redistribution, the distributive process, and on the socioeconomic impact of land redistribution on various peasant groups. Chapter 7 is devoted to a study of the process of institutional transformation led by land reform, that is to say, the creation of cooperatives

and collectivization. Chapter 8 on the economic impact of redistribution is what I would call the highlight of the monograph with its focus on economic evaluation of land reform, and the period following reform, done in both quantitative and qualitative terms. The author concludes by saying that

the Chinese experience [with land reform] would therefore serve to show that, apart from high effectiveness of implementation, a socialist land reform is as powerless as other conventional types of land reform in coping with the fundamental economic problems in underdeveloped agriculture. (p. 280)

In more specific terms, the Chinese land reform was successful in its implementation for land redistribution actually took place and land was placed in the hands of the peasants (p. 277), but as far as agricultural production is concerned land reform was modest in its achievements and cannot be claimed as the only factor in increasing production (p. 279). This is so because land reform in itself could not change the traditional patterns of underdeveloped agriculture characterized by rural overpopulation, unfavorable man to land ratio, and insufficient input in capital and technology.

Several authors such as Jack Belden, William Hinton, and Ima Fukuchi have given vivid descriptions of the varieties of land reform in China, all of them quite impressive, but none of them analytical. There have been other monographs on the historical development of Chinese land reform by authors like K. C. Chao, Mark Selden, Ezra Vogel, and Kiyoshi Noma-Hideo Yamamoto but none of these are equipped with economic analysis. Economists such as Victor Lippit, Carl Riskin, Shigeru Ishikawa, and Reitsu Kojima have talked, either directly or indirectly, about the economic effects of agricultural surplus saying that this surplus could have been freed by reform but not necessarily used by government as an investment fund. None of these, though, discuss the historical process of development.

## II

Despite the fact that Wong's book more successfully incorporates both features of historical overview and economic analysis, I find it difficult to agree with the conclusions that he presents. First, it should be more clearly shown that what happened in China up until the end of 1952 and what the communist leadership was aiming for in the villages was revolution, not just land reform. This revolution was to influence every aspect of village life, from political leadership to the common man's own way of thought. How did this revolution proceed? Using the process of Chinese land reform that the author delineates in Chapter 4, I believe that it should however be rearranged into a number of separate stages.

### *Stage 1: Organization*

In this stage the prime impetus is given to changing the traditional social system by means of various organizational forms such as the Communist Party, People's Liberation Army, or the Peasant Association, all of which were nonexistent in traditional society. The plan was to use these organizations to form a core among the people, absorbing a limited number of peasant activists into their fold. The organizations also act as a mechanism which provides forward motion to the entire scheme of land reform.

*Stage 2: Psychological breakthrough or first attitudinal transformation*

At this point in time persons in authority or institutions which symbolize the ancien régime, such as collaborators, local despots, bandits, temples, churches, and shrines are overthrown or destroyed through violent means at the hands of those people who have been most expropriated and suppressed. The most common method employed here is *suk'u* ("complains over grievances") of the led and *t'anpai* ("confession") of former leaders. *Suk'u*, in particular, was an indispensable method for peasants to liberate themselves from old mental burdens and to develop feelings of greater affinity with their fellows. As Belden says,

As one man tells his troubles, another listens and identifies his own troubles with the words of the speaker, "My God!" he says to himself, "that happened to me, too." Or, as often happened, one peasant would interrupt another. "What you say is all well enough, but listen to me, my bitterness is much more." By such methods, the typically selfish peasant began to identify himself with other men. He began to generalize politically, to see himself both as an individual and as a part of society.<sup>1</sup>

*Stage 3: Demand fulfillment or second attitudinal transformation*

In this stage peasants who were devoting their work and lives to their own sustenance, only living near subsistence level, are far more inclined to participate in the land reform movement and identify themselves with a new social system that can fulfill their long standing demand for the redistribution of land and property held by former landlords. The implication is as Hinton pointed out in *Fanshen* that if there is property and land to be distributed the movement is active otherwise it is on the wane with no achievements gained through strife.

Many people began to suspect, though no one said it openly, that there simply was no "oil," either in the form of surplus property remaining in the hands of the prosperous or in the form of misappropriated "fruits" in the hands of the leading cadres. Continued *fanshen* on any significant scale was therefore out of the question. Meetings were still held to enlarge the Provisional League and to survey cases of extreme hardship resulting from the depletion of grain stocks as spring approached, but they were poorly attended and indifferently conducted.<sup>2</sup>

*Stage 4: Organizing*

As the movement grows so too does the organized group in both scale and cohesiveness. Along with this growth or possibly as a result of it the organization becomes stronger and functions on a more permanent basis. The workings of the new social system become more stable. Chinese land reform moved through just such a dynamic spiral process from stage 1 to 2 and 3 then back to the first stage though on a higher level.

It should be reemphasized that a society which had been more or less static for thousands of years began to press forward driven by the movement for land reform. Providing direction and force were organizations to make the movement greater in

<sup>1</sup> J. Belden, *China Shakes the World* (London: Victor Gollancz, 1950), p. 163.

<sup>2</sup> W. Hinton, *Fanshen* (New York: Monthly Review Press, 1966), p. 309.

mass base and to coordinate varied interests in each stage of reform. China's experience seems to suggest that land reform would not have been successful if an intentional effort to organize the people were lacking.

Consequently, the point of whether or not land reform was optimal, one of the author's major concerns, seems to be of secondary importance. Wong's definition of optimal in land distribution is when maximum economic efficiency can be derived from changes in the pattern of resource holding. This is, according to him, almost the same as the ownership status of the well-to-do middle class peasant in China (p. 167). One of the original attempts of the CCP was certainly to produce the mass of middle class peasants. Wong says that what actually took place was not so economically rational but more mixed egalitarianism approach, a "resource redistribution closely geared to the ideologically oriented class structure" (p. 170) and "no optimal redistributive results in terms of either size or pattern were turned out" (p. 192). It is my opinion that no great increases in production could be expected under the circumstances prevalent in China at that time, by whatever method the limited amount of land could be redistributed. Moreover, the problem that Chinese policy makers were faced with was not one of attaining short-run, static condition of economic efficiency on the micro level.

### III

Next I would like to mention something about the quantitative analysis that the author has given on the economic effects produced by Chinese land reform. It is a fact that reform did not bring about any noticeable increase, on the average, in peasant welfare as indicated by consumption level. However, welfare is not a function of consumption or income alone. It is rather a complex of the expected values from per capita income or consumption, taking into account the natural and political risk the peasant has to take, the disutility of labor, and other psychological factors. If a peasant earns one yuan by his own sweat on his own land, the welfare level is much higher than when the same amount of money is earned working for a landlord.

Before we worked for the landlords; now we work for ourselves and keep what we earn. . . . The farmer not only worked harder, but often reveled in his longer hours. Why? The answer was that he could keep the fruits of his toil. No more rents to the landlord. No more robbery by the soldiers. Thus he had an interest in working hard.<sup>3</sup>

Even on the assumption that welfare is a function of per capita consumption or income alone, a maximum social welfare in the Pigovian sense can be attained through an equal distribution of land if land productivity is fixed. But if the marginal social significance of utility for each member differs, then land should be distributed according to social weight. In fact, the poor landless laborer was treated favorably and his marginal utility of land was in consequence relatively higher.

The problem is much more complicated for the economic effects of land reform in the long run. Since experiments cannot be made on events that have occurred in

<sup>3</sup> Belden, p. 123.

history, it is impossible to compare what would have happened in agricultural production without land reform with that which took place with it. It would also be extremely difficult to identify those factors which contributed to upward trends in production in the long period from land reform through several stages of collectivization. History is a sequence of numerous events occurring every day, every year and that makes it even more difficult to give quantitative estimates of what effect land reform would have on agricultural production in ten or twenty years. What is important, as Wong points out, is that the lasting significance of land reform lies in the way that it sparks institutional changes which eventually lead to technological revolution (p. 268). The conclusion then differs from the author's in that land reform was one of the chief, though indirect factors in bringing about increased agricultural production during the post-1960 period of technological transformation.

In evaluating the organized agricultural system of China, the author says,

Generally speaking, economic benefits from the cooperatives are the net difference between the advantage of large-scale farming and the diseconomies of mismanagement of factors arising from overexpansion in the size of operation. As MATs [mutual aid teams] were close to the optimal scale, it is obvious that the lower APCs [agricultural producers' cooperatives] had reached the limit of fully utilizing the economics of large-scale farming in the context of traditional agricultural structure. (p. 226)

Similar views have been expressed by other China-watching economists. Kang Chao says,

To sum up, when the socialist transformation of agriculture in China proceeded from cooperatives to collectives, the disincentive effects definitely worsened. On the other hand, there was almost no further economy of scale to gain. In fact the diseconomy of scale in the form of management difficulties became increasingly severe. So far as production is concerned, the net result of collectivization on the balance sheet must be negative.<sup>4</sup>

The level of cooperative agriculture that these authors consider to be the economic optimum would be MAT or the lower APC. There are several questions, though, that have to be asked at this juncture.

(1) How can economy or diseconomy of scale in agriculture be measured? Even used in industrial conditions, such measures are fiercely debated by economists.

(2) Why does the optimum size of farming have to be determined only as a function of scale? Leadership, communication, and other organizational functions should also be taken into account.

(3) What is a plausible explanation for the fact that Chinese agriculture has been developing since the early 1960s? As Kang Chao has said the net results coming from the people's communes must have been very negative.

I do not find questions of whether or not an organization is statically optimal to be very productive since organization is essentially an organic entity with dynamism and changeability. The more appropriate questions would be how does the organiza-

<sup>4</sup> K. Chao, *Agricultural Production in Communist China* (Madison, Wis.: University of Wisconsin Press, 1970), p. 59.

tion coordinate the interests of its members, how does it adapt to change in the environment, and how does it work to achieve specific goals. (Katsuji Nakagane)

*Economic Growth and Social Equity in Developing Countries* by Irma Adelman and Cynthia Taft Morris, Stanford, Stanford University Press, 1973, ix + 257 pp.

## I

As is clear from their previously published series of articles, these two women economists have made a unique contribution to development theory, an achievement worthy of praise. The reasons are twofold. First, they have not only placed the problem of less developed nations in the framework of economic theory (in particular growth theory with a heavy emphasis on material capital formation) they have also broadened their approach to include social, political, and cultural aspects. Second, Adelman and Morris have utilized the latest statistical techniques, not following a standard econometric model, but have developed a series of new quantitative analyses and operational approaches. Combining these two characteristics, this book extends the theme of previous works, and although basic analytic techniques are different, one can see strong influence from their earlier *Society, Politics, and Economic Development*, rev. ed. (Baltimore: Johns Hopkins, 1971), conclusions from which are used throughout.

After World War II, development theory for the emerging nations shifted, broadly speaking, from a central concern on savings and investment in the early stages of development, to focus on the development of human resources, then advanced toward a theory of social system reform encompassing the whole range of political, cultural, and economic considerations. Needless to say, of these academic trends, this book is in the third group social system reform theory. However, unlike the earlier assertions of G. Myrdal or the recent work of A. O. Hirschman, the book does not use deductive reasoning to positively discuss the relation between economic growth and social equity; rather, it is concerned with hypothesis testing to statistically scrutinize assertions on the ability of economic growth to raise the level of political participation and equalize income distribution. According to the authors, there are problems in the notion that economic growth stimulates the average citizens to participate in the political process in turn providing impetus for the equalization of income distribution and the realization of social equity. Around the latter half of the 1960s this sequence began to be regarded as doubtful, and the completely opposite view was offered—that economic growth brought more of a decline in mass political participation and a trend toward further greater inequality in income distribution. Taking a broad overview of these issues and using the latest statistical procedures, such as discriminant analysis and variance technique, Adelman and Morris use a typology to quantitatively analyze various social, political, and economic factors influencing political participation and income distribution in the less developed countries. The authors then examine characteristics by which to classify the various countries, with their diverse political forms and income distribution structures.