CHAPTER 8

Transformations to Commune and Brigade Enterprises and the Rise of Rural Private Enterprises in Gaoyang County, Hebei Province in the Early Days of Reform and Opening

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Abstract

In the late 1970s and early 1980s, Commune Brigade Enterprises (CBES) grew rapidly under the collective ownership system with support from state policies. After the implementation of the household contract responsibility system, CBES changed rapidly, some spun directly into individually-owned business or private enterprises, and some contracted out under different variations of the responsibility system. There is a close connection between the transformation of CBES and the rise of rural private enterprises, with the former being the starting point for the latter. The transformation of CBES into rural private enterprises led to accumulations of valuable experience and lessons for later reforms to small and mid-sized urban enterprises.

Keywords

Commune and Brigade Enterprises – transformation – private enterprises

A great deal of economic research has been done on Commune Brigade Enterprises (CBES), which were most common in the late 1970s and early 1980s, particularly in the development circumstances, existential issues, and reform

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directions for such enterprises at the time. As CBES gradually faded from existence, research in this field also declined, with only a few doctoral and master’s theses published on the subject. Most of these theses, however, focused on the period of time ending in the mid-1980s; very few drew connections between CBES and the development of rural private enterprises that followed. After the mid-1980s, a large number of academics in economics and the other social sciences conducted research on rural private enterprises, focusing primarily on their present conditions, prospects for future development, and theories for understanding them. Very little of this research, however, drew connections between rural private enterprises and CBES. For example, Zhang Renshou 张仁寿 et al. noted in their research of the “Wenzhou Model” that the splitting up of CBES had been one of the channels by which Wenzhou’s cottage industries had arisen, but they did not perform detailed analysis on the exact process by which CBES had developed into cottage industries. Shi Jinchuan 史晋川 et al., on the other hand, concluded that CBES had not at all been the logical starting point for the development of private enterprises in Wenzhou. To this end, I have made an initial study into the development and transformation of CBES and the rise of rural private enterprises in the early years of Reform and Opening—focusing specifically on Gaoyang County, Hebei Province—in order to show the historical relationship between the two.

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2 For a more comprehensive list of research performed into Commune and Brigade Enterprises, see the references section of Liu Yantao’s (刘燕桃) “Hebei sheng shehui qiye yanjiu [Research into Enterprises Managed by Communes and Production Teams in Hebei Province],” (2008 master’s thesis, Hebei Normal University).


4 The primary reason that this essay focuses on Gaoyang County, Hebei Province is that the textile industry there has developed for 100 years, making it a typical case in the field of economic history. For more research into the Textile Industry of Gaoyang County, see also: Gu Lin 顾琳, Zhongguo de jingji geming: ershi shiji de xiangcun gongye [China’s Economic Revolution: Rural Industry in the 20th Century], translated from the Japanese by Wang Yuru et al. 王玉茹等, (Jiangsu renmin chubanshe, 2009); Zhao Zhilong 赵志龙, “Gaoyang fangzhiye de bianqian (1880–2005) 高阳纺织业的变迁 (1880–2005) [Changes in the Gaoyang Textile Industry (1880–2005)],” (2005 doctoral thesis, Institute of Economics of the Chinese Academy of Social Sciences); and Feng Xiaohong 冯小红, “Gaoyang zhibu ye de jindaihua jincheng 高阳织布业的近代化进程 [The