The Great Spoliation

*The Socialist Transformation of Industry in 1950s China*

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In 2014, according to *Fortune* magazine, China was home to 2.4 million millionaires, with a robust growth of 900,000 over the previous year.³ Thirty-five years after Deng Xiaoping launched the train of reforms that radically altered the impotent socialist economic system put in place in the 1950s, China seems to have transformed into a full-bloomed capitalist market economy. Although the actual picture is much more complex that it appears at first glance—the genuine private sector remains small, while the state holds a firm grip through an overwhelming and multi-faceted presence—it is undeniable that the Chinese Communist Party has scrapped the system of planned economy, market mechanisms have become the driving factors of economic growth, and a lot of people have taken to heart Deng’s famous 1985 statement, ‘Let some people get rich first.’ In view of the massive inequality in today’s China—in 2011 the Gini Index for China and the United States was almost the same²—one may wonder not just what remains of the socialist experience in China, but how one can read and assess the ‘first transformation’ of the Chinese economic and social system in the 1950s.

This special issue addresses and explores this ‘first transformation’—what the CCP termed the ‘socialist transformation’ (*shehuizhuyi gaizao*) of the Chinese economy—through a series of case studies in industry and the funeral business. Quite recently, thanks to access to new materials, the study of post-1949 China has taken on bright new colours.³ For a long time, research on


3 For contrasting and stimulating views, see Jeremy Brown and Paul Pickowicz, *Dilemmas of Victory: The Early Years of the People’s Republic of China* (Cambridge, MA; London: Harvard
the Maoist era was constrained by access either to the field for sociologists and anthropologists or to source materials for historians. Political scientists did a tremendous job for decades, combing official documents and the press to document and study Chinese history in the early years after 1949. It would be futile to even attempt to review this large body of literature. Yet, owing to these documentary constraints and with only a few exceptions, especially for cities, the approach was often geared towards a macro perspective. Since the 2000s, archives in a few places have started opening up their post-1949 collections to research. It is still a very uneven development, but Shanghai is such a place. Moreover, both institutions and individuals have also started collecting archival documents that were being discarded by various government agencies, mostly at the local level, and by industrial companies. One of the papers in this issue relies precisely on such incredibly rich and candid documentation.

The history of the early years of the People’s Republic of China has for a long time been described as a phase of reconstruction of the economy and consolidation of political power. Compared to the utopian madness of the Great Leap Forward (tens of millions of Chinese lost their lives during the famine that resulted from this movement), then of the Cultural Revolution (‘only’ a few millions died, but one fifth of the population, mostly in cities, suffered from political persecution), the early 1950s appear almost uneventful. Of course, the CCP justified its early economic reforms, especially the land reform, and political movements (the campaign to suppress the counterrevolutionaries) as a prerequisite to eliminate potential political opponents and to establish its control over the whole country in the wake of its military victory. At the same time, however, it also claimed that it wished to bring together and even accommodate all social classes, including the capitalists, under the political umbrella of the ‘New Democracy’.4 The bourgeoisie—at least that section of the elites vetted by the CCP as the ‘national bourgeoisie’ (as opposed to the comprador and bureaucratic bourgeoisie)—had a role to play in China’s democratic revolution.5 More pragmatically, however, the CCP was eager to mobilise and use

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