Assess Whether Mao’s Economic Policies were a Success or a Failure

Throughout Mao’s rule over China he stimulates then deteriorates the Chinese economy, however both of these lead to a transformation in the Chinese economy over the second half of the 20th century. While huge growth was achieved and a change from an almost entirely agricultural based economy to an emerging industrial power, there where huge economic and social failures along the journey that lead to achieving the feat that is modern day China. To assess whether this was a successful transformation or not this essay will analyse Mao’s coming to power, his ideology and peasant focus, his first five year plan, his agricultural economy, the great leap forwards and the roles of Deng and Liu.

In 1949 Mao came to power having successfully gained the support of the peasant population of China throughout WWII and the Chinese Civil War. As a key feature in Mao’s ideology was taking power through revolution led by the peasants one of his key focuses was improving the lives of the peasant population. In 1950 he introduced the Agrarian Reform Act which gave land to the tiller and saw landlords persecuted across the country. This proved to have significant economic impacts. As the people had more land and were able to grow crops for their own benefit China saw increases in Agricultural output that boosted their economy. Furthermore, when Mao took power he had encouraged the return of GMD bureaucrats who had worked in the finance sector, he was able to utilise their knowledge and expertise to recover the economic system of China from WWII and the Chinese Civil War, this allowed the agricultural improvements to have an increased financial benefit for China.

Despite improvements following land redistribution agriculture across China, Mao had inherited an agricultural system that was still incredibly inefficient. Due to widespread poverty few peasants had sufficient tools to properly harvest their crops and in order for Mao to kick start the Chinese economy he needed a surplus to be produced that would enable an industrial population in China to grow. Mao’s ideology held the belief that through mass movement of the people, anything could be achieved. Therefore when the peasants began, by themselves, to work in Mutual Aid teams, Mao seized an opportunity. The Mutual Aid teams began to form in 1952 as families and villages started to work together, sharing livestock and tools in order to provide more for everyone. Mao encouraged this mass mobilisation by organising the building of infrastructure such as barns and storage buildings in villages, to support the increasing agricultural outputs. Furthermore, these projects allowed for the beginnings of industrial work to grow across China.

The First Five Year Plan ran from 1953-1957, these mimicked the Stalin-style 5 year plans from the 1920s and 1930s. The Plan set ambitious targets for all industries in order to encourage mass mobilisation towards a common goal and boost the Chinese economy. Mao wanted an economy that could match and compete with the western economies of Europe and the USA. There were multiple successes of the First Five Year Plan, firstly it tamed the inflation that had been rampant since the 1940s and also provided a staggering 9% economic growth per annum throughout. Also there were a series of prestige projects that cemented support for the Communist’s as the people reaped the benefits, for example the Guanting Reservoir Project in Beijing. However, there were downsides to the Plan, as it focused on mass mobilisation and the communist society needed to supply a job for everyone rather than move to mechanisation, China did not advance their technologies throughout the period. Furthermore, they were highly reliant on the advice of over 10,000 Soviet economic advisors, not to mention Soviet Aid which they were forced to repay with interest. This was a bump to their economy that followed the equally uneven 1950 Sino-Soviet Treaty which heavily favoured the USSR.