How successful were Mao’s policies on industry?

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Mao’s Aims

• Mao had two main goals:
  
  • To produce a surplus of food that could be sold abroad to raise money for the expansion of the Chinese industry
  
  • To create a modern industrial economy that would be powerful enough to compete with the capitalist West and the Soviet Union
Mao believed that will and effort alone would increase the output made under the first Five-Year Plan vastly.

- Sheer manpower could solve all problems of industrial development of China.

- Mechanical diggers were shunned in favour of using hands to move the earth.

- Workers were equipped with the most rudimentary of tools.

- There was emphasis on heavy industry and large project.

- Scale of construction > Economic value.
Mao had several reasons for favouring the Great Leap Forward:

- He wanted to reassert China’s independence from the Soviet Union.
- He wanted the Chinese people to take responsibility for their own future and believed that success came from determination and not money or expert advice.
- He was 64 and in a hurry to prove himself after the failure of the 100 flowers campaign.
- He was worried that the CCP was becoming bureaucratic and wanted to reduce the influence of central planning ministries.
- The slow rise in agricultural productivity meant a shortage of capital.
Tiananmen Square

• Project begun in 1957

• Completed within 2 years

• Mao was very concerned about the dimensions and did not relax until he was assured that the Tiananmen Square was larger than Moscow’s Red Square
First Five-Year Plan

• Launch of first Five-Year Plan ended period of National Capitalism
  • Intended to speed up China’s industrial growth

• Sectors such as iron and steel, energy, transport, communications, machinery and chemicals were prioritised with targets

• Vast new industrial schemes were planned
  • Irons and steel mills were set up in former small market towns
  • Roads and railways were built
According to official statistics, heavy industrial output nearly trebled and light industry rose 70% during this period. Overall targets were exceeded by 20%.

However, these figures cannot be trusted but for the first time in forever, China came to produce its own cars, tractors, aeroplanes, cargo ships, machine tools and penicillin.
The Great Leap Forward

- Involved the second Five-Year Plan
- The plan was not based on sound economic analysis and constantly restated targets and quotas
  - Acts of faith in Communist China’s ability to produce
- Usually revised by officials to impress Mao
Great Leap Forward

Lots of energy, noise and endeavour, but little substance.

Steel Production

State-owned enterprises
Steel Production

• Mao believed that by producing masses of steel, China would somehow solve all its economic problems

• Backyard Furnaces
  • China would draw its supplies of iron and steel not only from large foundries and mills, but from small family kilns

• Communal activity
  • Enthusiasm, not skill, was the basic requirement as Mao advertised this to be an example of a ‘learning-by-doing’ activity
• People rushed to build their little furnaces and this soon became a national movement

• Even ministers and their families joined in

• People answered Mao’s call and every family produced its quota of home-made steel

‘People carried baskets or ore, people stoked, people goaded buffalo carts, people tipped cauldrons of white-hot metal, people stood on rickety ladders and peered into furnaces, people wheeled barrows of crude steel’

― Roderick MacFarquar, writer
State-owned enterprises

• Creation of state-owned enterprises was an attempt to bring industry under total government direction

• Existing firms and companies could no longer operate as private, profit-making concerns

• Workers could no longer bargain with employers over rates of pay and conditions as prices, output targets and wages were fixed by the state
### Production under second-Five Year Plan

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</thead>
<tbody>
<tr>
<td>Coal (millions of tonnes)</td>
<td>131</td>
<td>230</td>
<td>290</td>
<td>270</td>
<td>180</td>
<td>180</td>
<td>190</td>
<td>200</td>
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<tr>
<td>Steel (millions of tonnes)</td>
<td>5.4</td>
<td>8</td>
<td>10</td>
<td>13</td>
<td>8</td>
<td>8</td>
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<td>10</td>
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<tr>
<td>Oil (millions of barrels)</td>
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<td>2.3</td>
<td>3.7</td>
<td>4.5</td>
<td>4.5</td>
<td>5.3</td>
<td>5.9</td>
<td>7</td>
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<td>Chemical fertilisers (millions of tonnes)</td>
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<td>1.4</td>
<td>2.0</td>
<td>2.5</td>
<td>1.4</td>
<td>2.1</td>
<td>3.0</td>
<td>3.6</td>
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<tr>
<td>Cotton cloth (billions of meters)</td>
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<td>5.7</td>
<td>7.5</td>
<td>6.0</td>
<td>3.0</td>
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<td>3.5</td>
<td>4.0</td>
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## Production of manufactured goods

<table>
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<tr>
<th>To an index of 100</th>
<th>1959</th>
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<th>1962</th>
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<td>Light industrial</td>
<td>100</td>
<td>91.2</td>
<td>78.4</td>
<td>70.0</td>
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<tr>
<td>Heavy industrial</td>
<td>100</td>
<td>90.0</td>
<td>66.4</td>
<td>44.2</td>
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</table>

The Great Leap Forward had many communal endeavours that took place and thrilled the Chinese and impressed foreigners, but the plan as a whole did not reach its objective of laying the basis of a modern industrial economy and had many limitations.
Success:

- State-owned enterprises
  - 'Iron rice bowl'
  - SOEs provided workers with accommodation and medical and education benefits for their families
  - Destroyed any sense of endeavour

Failure:

- Steel Production
  - 'Goodwill did not necessarily produce good steel'
    - Steel suitable for industrial use came from large foundies
      - Homemade steel was worthless
  - Authorities would dump the homemade steel in deep pits
  - Many trees were felled to supply the backyard furnaces with wood

- State-owned enterprises
  - Inefficient as any ideas of incentive were abandoned
  - Fact that SOEs were given subsidies and workers received guaranteed wages destroyed any motive for managers or workers to show initiative
    - Whether the worker was conscientious or idle, he still received the same pay
Limitations and Weaknesses

- Impressive increases in output
- Initial expansion down until 1960 and then a serious decline in production in early 1960

China lacked:

- Technical skills
- Managing know hows
- Efficiently run factories and pants
- Adequate transport system

And instead of growing under the Great Leap Forward, the output of industrially produced goods fell
The Great Leap Forward did not reach its objective due to the fact that:

- The quality of China’s finished products fell short of meeting its domestic industrial needs
- Political interference made the plan impossible to manage purely as an economic enterprise
- Officials issued demands and threats but hardly any detailed instructions as to how things were actually done
- Despite setting up SOEs, so much was left to local initiative that China never really operated an integrated national plan
- The result was that effective organisation and quality control became difficult to achieve and impossible to sustain
- The USSR stopped providing technical assistance in 1960 and resulted in the closure of half the 300 industrial plants that the Soviet Union had sponsored in China
Conclusion
How successful were Mao’s policies on industry?

• Mao never accepted that his policies were at fault and interpreted the lack of economic achievement not as a failure of Communist planning but as the result of sabotage by bourgeois elements and backsliders.

• Mao aimed to lead China to become on par with the world’s major industrial powers.

  • Economic strategy proved to be flawed and misconceived.

  • Mao lacked the knowledge of agricultural science needed to understand the reports he received from the countryside.
• Mao was not qualified as an economic planner and his approaches were a series of intuitive leaps

• His collectivisation programme produced not additional food but famine

• His Five-Year Plans wasted rather than successfully exploit China’s vast natural and human resources
Thank You :)