Introduction
Consumerism and Capitalism

With the establishment of the People's Republic of China in 1949, the Chinese Communist Party aimed to end capitalism. Three decades later, however, capitalism appeared to have survived the Communist Revolution and even to have triumphed over communism as the driving force in China's economy and society. This book, the first history of consumerism during the initial decades after the Chinese Communist Revolution, offers a new explanation for the seeming failure of communism in China. As it demonstrates, the three central processes of consumerism – the mass production of consumer products, the proliferation of a discourse about these products in popular media, and the use of such products to create and communicate identities – were not only already underway in China by the time of the revolution but actually expanded through Chinese Communist Party (CCP) policies.[1] Beyond integrating consumerism into the history of the early People's Republic of China (PRC), this book argues that the party's self-defined socialist state represented not an antithesis to capitalism but rather a moving point on a spectrum of state-to-private control of industrial capitalism. As a result, the policies of the party continually negated the goals of its own revolution.

This attempt to integrate consumerism into the history of the Mao era, here defined as 1949–76, completes my earlier efforts to explore the history of consumerism in twentieth-century China.[2] In my first book, *China Made* (2003), I examined the emergence of nationalism in early twentieth-century China and the early spread of mass-produced products and the consumer culture that developed around them. Later, in *As China Goes, So Goes the World* (2010), I explored the history of consumerism since the end of the Mao era, during which the impact of consumerism was widely evident in China, as indicated by the creation of the largest market in the world for cars, the spread of global and national brands through advertising and mass retailing, and the resurgence of markets for everything from stolen babies to endangered species to second wives. These accounts of the

birth of Chinese consumerism before 1949 and its resurgence since the late 1970s led me to formulate the central question addressed in this book – what happened to consumerism during the intervening Mao era? – and my central argument about China's supposed movement toward communism during that period.

The history of consumerism during the Mao era has remained a mystery because few scholars thought there was any consumerism to study in a poor socialist country.[3] Based on earlier research, I initially expected to find that many aspects of consumerism that had developed before the founding of the People's Republic – including advertising, branding, fashion, and social differentiation through the consumption of mass-produced products – had not disappeared but in fact had quietly persisted. And, indeed, as I continued my research, I uncovered ample evidence that "Communist China," despite its anti-consumerism rhetoric, had developed what it called its own socialist versions of consumer fashions, commerce, product branding and advertising, and all other aspects of consumerism that are familiar in market capitalist countries. As these attributes of consumerism spread, growing numbers of people in China began to create new identities around the desire for and acquisition of mass-produced goods such as bicycles, sewing machines, and wristwatches. The abundant evidence and examples of consumerism included in the following chapters reveals a history that is very different from that of popular perceptions of this era, which tend to be dominated by Red Guard rallies, economic experiments, policy disasters, mass famines, and, above all, the power of one person, Mao Zedong.

Initially, I followed both the CCP's own terminology for its policies and scholarly conventions by appending the label "socialism" to my findings. Because the consumerism I had discovered was occurring in a socialist country, I deemed it "socialist consumerism." But as I amassed more examples, I began to wonder what it meant to find so much consumerism existing under the control of a Communist Party whose stated goal was to "build socialism" by eliminating the attributes of capitalism, including their consumerist expressions.[4] As the number of exceptions to the party's professed intention to transform China into a more equitable socialist state, a working people's republic, became so abundant, it began to seem that those very efforts, first, had created not less but more consumerism and, second, this consumerism was in fact a structural consequence of the state's social and economic policies.[5] Whereas the party predicted that manifestations of capitalism would fade away over time as it "built socialism," what I saw developing was a form of industrial capitalism on

a state-to-private spectrum that China's leaders, with varying levels of sincerity and success, attempted to justify, or to make more acceptable, through the use of socialist language and implementation of socialistic policies (Figure 0.1).[6]

It is hardly surprising that the history of consumerism during the three decades after 1949 has until now been largely unexamined. China was and remained a poor country throughout the Mao era. Only a minority of the population had access to consumer goods, and many fewer people created a culture of consumption around these goods. Accordingly, conventional histories of the era have focused on other aspects of the aftermath of the Communist Revolution. These include the party's struggle to establish a new state, form geopolitical alliances, reorganize rural labor, expropriate

Figure 0.1. Industrial consumerism. The Mao badge fad discussed in Chapter 7 illustrates all three defining aspects of consumerism: the unprecedented scale of industrial production of consumer products, the spread of discourse about such products in mass media that taught people to have new needs and wants, and the growing use of products, including badges, to create and communicate different, often hierarchical, identities. Source: All badge photos are from the author's personal collection.

the wealth of urban capitalists, industrialize the economy, experiment with social engineering, and initiate mass mobilization campaigns to garner support. Yet, as these chapters demonstrate, the spread of consumerism was both a vanguard of these transformations and also closely related to them. Interpreting the Mao era through the lens of consumerism thus offers a new framework for understanding the entire political and economic reorganization of China during the post-1949 period. The advance of consumerism has always been a correlate of industrialization and therefore always a part of the complete reorganization of society to facilitate mass production.[7] In the conventional view, the Mao era represents the party's boldest attempts to build an anti-capitalist, hyper-egalitarian, and anti-consumerist socialist alternative to industrial capitalism. But moving beyond the party's rhetoric to examine its policies and their outcomes reveals that consumerism during the Mao era was far from a remnant of pre-Revolutionary China that survived underground or an unexpected outcome of state policies. The expansion of consumerism across the entire Mao era was a predictable outcome that continually negated the central goals of the revolution itself. Rather than end capitalism, the CCP simply moved China, with fits and starts, toward the state side of the state-to-private spectrum of industrial capitalism. At all times, regardless of the specific institutional arrangements, the CCP was always developing one or another variation of industrial capitalism.

Therefore, this book is intended not only to illuminate the origins of the resurgence of consumerism in China that followed Mao's death but also to broaden the longstanding critique of whether China – as every other "socialist" country – should be considered a variety of a capitalist state by including consumption and consumerism in the analysis. The book argues that the Mao-era political economy can be better understood not as socialism but as what earlier scholars have described as *state capitalism*, that is, a variety of industrial capitalism in which state power dominates the accumulation and allocation of capital, usually through the institutions of central planning and state ownership.[8] The primary goal of the party was to use practices associated with capitalism to industrialize the country and to achieve pressing or longer-term economic, military, and political goals. Some communist leaders, such as Stalin in the Soviet Union, were willing to accept the resultant social inequalities as a stage of socialist development necessary to reach the goal of communism.[9] In contrast, while Mao and other party leaders followed the Soviet lead and acknowledged the necessity of an intermediate stage of socialism en route to communism, they were also often painfully aware of the contradictions between their stated

aims and the policy outcomes and feared that these inequalities would undermine their revolutionary goals. Yet, to further expand capital, party leaders continually chose to experiment with shifts in the institutional arrangements toward greater use of markets, private property, and material incentives – all of which led to expanded consumerism.[10]

Mao regularly warned that these and other manifestations of capitalism would negate the Communist Revolution in China, the Soviet Union, and elsewhere. In Mao's pronouncements, the word "negation" (否定) is meant to invoke the process of dialectical historical materialism, in which one mode of production is negated by another (e.g., feudalism by capitalism and capitalism by communism).[11] Despite these fears, the overarching goal of industrialization and the resultant need to accumulate capital became a higher party priority than the long-term goals associated with becoming a communist country, such as creating an economy of shared equity and democratizing worker control over production. In short, party promises of communist ends justified its capitalist means.

At the same time, my focus on consumption and the allocation of the surplus – that is, what happens to what is produced – offers a new perspective on the history and politics of this era. Moving beyond the traditional emphasis on production and accumulation, I show in these chapters that the state's efforts to exert more control over industrialization also required greater control over consumption. The state's repeated decision to prioritize rapid industrialization over the socialist goal of transforming the social relations of production (from production controlled by capital to production controlled by labor) had a corollary on the consumption side. In a poor, capital-starved country desperate for resources, the state was forced to attempt to either suppress individual desires to consume or to channel these desires away from what it called "bourgeois" consumerism and in directions that would be more useful to it. This included what Mao referred to as the *social consumption* of collective goods, such as weapons and infrastructure and social programs intended to improve human capital (Figure 0.2).[12] Ultimately, the CCP failed to end capitalism, in large part because it chose instead to harness the practices of industrial capitalism and consumerism for larger or more immediate state goals. To be sure, the institutional arrangements of industrial capitalism differed between "capitalist" and "socialist" countries. But the presence of nonmarket distribution mechanisms, such as ration coupons and urban work units, and the unremitting party rhetoric about the establishment of a communist country have obscured underlying continuities in the development of capitalism and consumerism before, across, and since the Mao

Figure 0.2. Social consumption. Although the term *social consumption* comes from neoclassical economics, Mao and the party used the concept as integral to "building socialism," valorizing the social or public consumption of collective goods such as the Yangzi River Bridge at Nanjing (illustrated in a state poster here) as the opposite of private or bourgeois consumption. Source: The International Institute of Social History (Landsberger Collection).

era.[13] Admittedly, the work unit and some of the other institutional arrangements associated with Chinese socialism may have provided more opportunities for constructing and communicating identity than the consumption of mass-produced products. When examined through the concept of consumerism, however, they appear to be additional means of limiting consumption to facilitate faster industrialization and thus to have contributed to the structural inequalities manifest in consumerism.[14]

In short, the many manifestations of capitalism that developed in China during this era were not, as the party frequently told the Chinese people and the outside world, remnants of the "old society" that the state was in the process of eliminating. They were reflections of the coexistence of diverse arrangements of state-driven and market-driven capitalism on the same state-to-private spectrum, which shifted over time in response to economic and political exigencies. An economy routinely characterized as "planned" and "socialist" included not only diverse attributes of consumerism but also numerous institutional arrangements equated with "capitalism": private enterprises, underground and open markets, commodity prices,

wage labor, and competition among firms.[15] The evidence of capitalist practices presented in these chapters does not merely challenge or complicate socialism by creating a "state" or an "actually existing" variety of socialism, as scholars have often suggested. Rather, such evidence reflects the flexibility of industrial capitalism during the era, a flexibility reflected in the periodic institutional shifts along the spectrum of capitalism toward the greater use of the institutional arrangements of private capitalism, particularly markets and private ownership, to aid state capitalist accumulation.

Naturally, the party attempted to control or limit the impact of such private capitalist arrangements in the economy. I coin the term *state consumerism* to refer specifically to the wide-ranging efforts within China's form of state capitalism to manage demand in every respect, from promoting, defining, and even spreading consumption of some things to eliminating, discrediting, or at the very least marginalizing private preferences for the allocation of resources (Figure 0.3). These efforts involved all three of the defining aspects of consumerism: the manufacture and distribution of mass-produced consumer goods, the proliferation of discourses about such goods, and the communication of identities through the consumption of these goods. The rhetoric of state consumerism was often superficially socialist and egalitarian, which I refer to as "socialistic." The party promised "building socialism" would negate the attributes of industrial consumerism, including what the party itself called the "three major inequalities" (三大差别): inequalities based on whether one lived in a city or in the countryside, whether one's work relied on mental or manual labor, and whether one worked in a factory or on a farm.[16] Its policies, however, sometimes by design and other times unintentionally, served to exacerbate these inequalities.[17]

The concept of state consumerism employed in these chapters helps extend the traditional focus on state-led accumulation in previous analyses of state capitalism to include the state's management of material desires. Under state capitalism, the Chinese state produced its correlate, state consumerism, by acting not simply as the chief appropriator of capital but also as the chief allocator of capital, suppressing competing demands for other uses of the surplus. In effect, the party not only made decisions about who would get what, but it also suppressed or discouraged uses of capital that were associated with socialism, including fulfilling the workers' desires for higher wages, additional housing, or a more equitable distribution of scarce consumer goods. Under state consumerism, individual choices were considered too important to be left in the hands of either

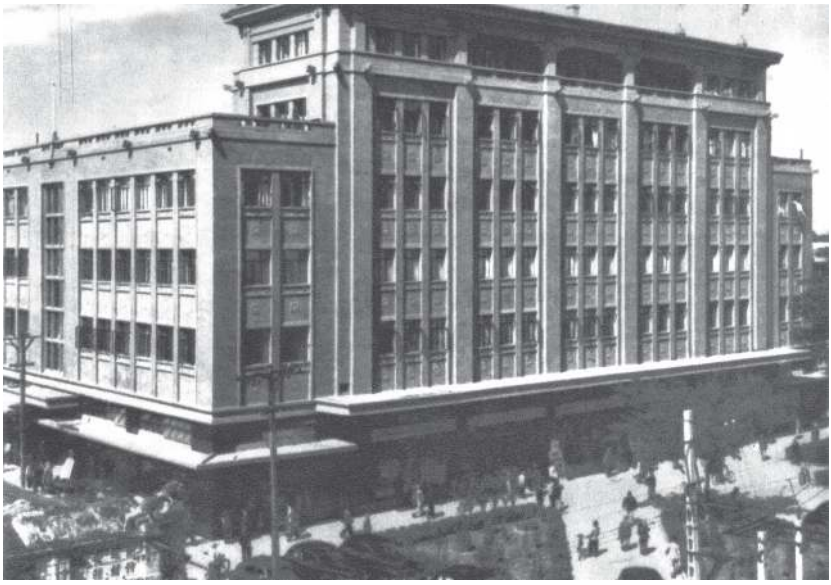

Figure 0.3. State institutions promoting consumerism. State consumerism included both the suppression and promotion of consumption based on state-defined priorities. The party conspicuously suppressed consumption through its budgetary allocations and its promotion of an ethos of "hard work and frugal living." But state consumerism also involved the promotion of some products and the creation of a nationwide infrastructure for consumerism, including department stores such as this one in Beijing. Source: 北京画册编辑委员会, ed., 北京 (Beijing) (Beijing: Beijing huace bianji weiyuanhui, 1959), 81.

"bourgeois" or "feudal" individuals – or even "the masses" of urban or rural workers.

As I argue, however, state consumerism was only one aspect of the consumerism during this era, and it failed to achieve near total control over material desires, much less over consumption, throughout the entire country. In China as elsewhere, it was impossible for the state to dictate individual desires; attempts to replace individual-centered "bourgeois" consumerism with total state control proved more aspirational than actual. The history of such consumption by the Chinese people is the history not of a rejection of the party's stated goals but a refusal to give the party monopoly power to equate socialism with the state-promoted ethos of "hard work and frugal living" (艰苦朴素). This book demonstrates numerous ways in which the Chinese Communist Revolution was negated

"daily, hourly, spontaneously, and on a mass scale" not only by small-scale production, as Lenin had predicted, but also, as the party had feared, by the consumerism that is integral to all points on the spectrum of industrial capitalism.[18]

Viewed through the lens of the continuity of consumerist and capitalist development, China's seemingly sudden abandonment of its supposedly revolutionary socialist heritage after 1978 is more comprehensible. Deng Xiaoping and subsequent Chinese leaders did not end socialism as much as they reshaped (or, to appropriate their language, reformed) a variation of capitalism by shifting the country along the spectrum toward greater private capitalism and private consumerism. Thus, the history of the Mao era recounted here helps explain the revival of private enterprise, market capitalism, and unfettered consumerism in China in recent decades by showing that the "reformers" in the party who succeeded Mao did not reverse the efforts to end capitalism. Rather, they simply adjusted institutions to continue to accelerate the expansion of capitalism.