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The price of persecution: The long-term effects of the Anti-Rightist Campaign on economic performance in post-Mao China



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ABSTRACT

What are the long-run effects of mass political repression on economic performance? Using an original county-level dataset from Maoist China, we demonstrate a strong and robust negative relationship exists between the scale of repression of intellectuals in the Anti-Rightist Campaign (ARC) in 1957–58 and economic productivity decades later. This fall in economic output is caused by the loss of already scarce human capital resulting from the violent political campaign. Until at least 2000, significant and robust negative correlations exist between the percentage of victims in a county and its populations' level of educational achievement and economic performance. By demonstrating the negative relationship between the state's purposeful destruction of human capital for political reasons and long-run economic growth, we are able to add China to a growing body of research on the long-run deleterious effects of state-sponsored political repression against intellectuals. Using China's ARC as an example, this study is the first to use quantitative methods to demonstrate the often-overlooked long-term negative economic effects of political repression under authoritarian regimes.

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1. Introduction

Authoritarian regimes, particularly in their early years, often conduct large-scale, violent political repression to consolidate their control over society. Suppressing intellectuals quickly and effectively silences their opposition to the new political leadership, while placing loyal cadres in charge of education and sending an unambiguous warning throughout society about the costs of dissent. From Romania under Nicolae Ceauşescu to Uganda under Idi Amin, the incarceration, torture, and execution of intellectuals is among the most tried and tested tactics in the autocrat's playbook; one that is not limited to any particular continent, culture, or ethnicity, and spans the political spectrum from the "Killing Fields" of the communist Khmer Rouge in Cambodia (1975–79), to Francisco Franco's fascist "White Terror" in Spain (1936–39), to General Augusto Pinochet's initial brutal military crackdown

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in Chile (1974–77).¹ In the latter case, for instance, the regime enacted strict censorship and deployed its fearsome security apparatus, known as the National Intelligence Directorate, or DINA, to arrest and torture thousands of liberal intellectuals and regime opponents. Retired military personnel were appointed as university rectors to conduct widespread purges of faculty members suspected of liberal sympathies.² Most recently, in the wake of a failed coup in 2016, Turkish President Recep Tayyip Erdoğan sacked more than 20,000 school teachers and university deans for alleged involvement

¹ There are countless additional cases of autocratic regimes conducting political persecution campaigns against intellectuals. In the Soviet Union, for instance, an estimated 5–8 million officials, army leaders, rich peasants (*kulaks*), and intellectuals were evicted, arrested, and executed by Soviet secret police between 1920 and 1939 (Getty and Naumov, 1999). The Nazi Party's ascent to power in Germany also began with the violent suppression of liberal intellectuals. During the notorious "Night of the Long Knives," from June 30 to July 2, 1934, the Nazis conducted hundreds of extrajudicial executions intended to consolidate Hitler's political power. This episode preceded a nationwide purge of tens of thousands of Jewish intellectuals, students, and businesspeople from the late 1930s onwards (Stone, 2011). After taking power in Argentina in July 1966, Juan Carlos Ongania ordered the Federal Police to forcibly expel, beat, and arrested thousands of professors and students from the University of Buenos Aires, an incident known as the "The Night of the Long Batons."

² Jonathan Kandell (2006), "Augusto Pinochet, Dictator Who Ruled by Terror in Chile, Dies at 91," The New York Times 11 December 2006, accessed at URL http://www.nytimes.com/2006/12/11/world/americas/11pinochet.html.

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in the plot, and roughly 50,000 positions in Turkey's Ministry of Education were vacated.³

But do violent political campaigns against intellectuals have any lasting negative effects on economic growth? To answer this question, we developed a proprietary historical dataset to measure the long-term effects of the People's Republic of China's first and foremost political campaign against intellectuals and teachers the Anti-Rightist Campaign (ARC) in 1957-58 - on economic performance in the post-Mao era. During the ARC, more than half a million educated Chinese, including university professors, school teachers, technical cadres, and government officials, were branded as "Rightists" and jailed or exiled to remote labor camps or rural communes. For more than two decades, they faced continuous political and social persecution under the anti-intellectual Maoist political line initiated by the ARC. The ARC tore apart tens of thousands of families and destroyed hundreds of thousands of lives. Intellectuals memorialized their persecution in the so-called "scar literature" and during the 1978 Democracy Wall protests.⁴ It was not until September 1978, two decades after their persecution began, that the Chinese government, under Deng Xiaoping, officially disavowed the "Rightist" label, thus allowing those so branded to regain a full sense of security.5

Did the magnitude of the ARC's dislocation and abuse of intellectuals in a particular locality have a long-term negative effect on its economic productivity? If so, how long did the effect last, and how long did it take to dissipate? Drawing on an original county-level dataset, our analysis reveals the robust and significant long-run negative effects these purges had on economic productivity. We also identify the causal mechanism behind this process: the depletion of already scarce human capital resources, specifically the reduction in school teachers. We find that the removal of educated members of Chinese society during the ARC had long-term deleterious consequences for both educational attainment and economic growth and that those effects persisted into the early twenty-first century. Simply put, the more pervasive the ARC was in a particular county, the greater its negative effects on schools and productivity in that same locality more than four decades later. These strong negative relationships persisted even after we included Great Leap Forward (GLF) and Cultural Revolution (CR) variables in our statistical analysis. The GLF also remained significantly negatively correlated with economic productivity and educational attainment, but, surprisingly, the CR, the most recent of the three Maoist political campaigns, did not have a significant effect.

The next section reviews the literature on the relationship between political purges, human capital, and economic performance. Section 3 provides the historical background of the ARC; followed in Section 4 by our empirical research. Our major findings are presented in Section 5, and in Sections 6 we provide a variety of robustness checks intended to mitigate any potential bias in our estimations. We conclude in Section 7 with a discussion of our findings and offer some suggestions about future research trajectories on this topic.

2. The economic costs of violent political repression

Political repression and targeted violence are common in authoritarian regimes (Davenport & Inman, 2012; Greitens, 2016; Svolik, 2012). Silencing political enemies and dissidents ostensibly creates social stability, a short-term political and security objective, but at the cost of producing long-term negative feelings toward the regime within the affected population (Lupu & Peisakhin, 2017; Pop-Eleches & Tucker, 2017; Wang, 2017). In particular, Rozenas, Schutte, and Zhukov (2017) examine the long-run political impact of Stalin's political repression in Ukraine. Using the case of East Germany, scholars have demonstrated that the extent of state repression in a particular locality has a negative effect on economic development in that area (Jacob & Tyrell, 2010; Lichter, Loeffle, & Siegloch, 2015). This study adds China to the discussion, and provides strong and robust evidence that political repression has long-run deleterious consequences for economic performance.

As the first quantitative analysis of the ARC's long-term economic consequences, this study also extends our understanding of the enduring effects of Mao's political campaigns. It joins the growing number of quantitative examinations of the connection between contemporary China and its revolutionary past. Yang (1998) argues that the scale of famine during the Great Leap Forward (GLF) had implications for the level and pace of decollectivization after Deng Xiaoping assumed power. Gooch (2017) estimates the long-term effects of the GLF famine on economic performance. Chen and Zhou (2007) use individual-level data to examine the health and economic consequences of the GLF famine on survivors. Their study identifies the significant negative effects of Mao's political campaigns on individual victims' health and education. Deng and Treiman (1997), Meng and Gregory (2002), Zhang, Liu, and Yung (2007), are among those that have analyzed the effects of the Cultural Revolution's (CR) disruption on China's educational system. This study builds on this existing research by identifying and quantifying the causal mechanism behind the ARC's persistent negative effects on the economy.

Why should we expect the effects of anti-intellectual political purges to endure? Theories of economic growth suggest the answer may lie in the destruction of human capital. Economists have long underscored human capital accumulation as a key driver of economic growth (Becker, 1962; Jones & Romer, 2010; Lewis, 1954; Schultz, 1961; Solow, 1956; Swan, 1956). If creating more human capital through education improves economic productivity, the argument goes, then destroying human capital through political repression reduces it. Publically humiliating and branding hundreds of thousands of educated elites disrupts the process of human capital accumulation, thus generating long-run negative economic and social outcomes. Moreover, in a developing country like Maoist China, where human capital is already scarce, we might expect that purging society's most educated members would have a larger (and thus more readily observable) negative effect on economic productivity than in developed counties where human capital is abundant (Beine, Docquier, & Rapoport, 2008; McKenzie & Rapoport, 2011).

³ Sarah Dean (2016), "Turkey purge hits 50,000 and 21,000 teachers suspended as military launches first airstrikes against Kurdish rebels since failed coup," *Daily Mail*, 20 July 2016, accessed at URL http://www.dailymail.co.uk/news/article-3699013/ Turkish-purge-hits-50-000-academics-banned-leaving-Turkey-failed-coup.html, Feb 12, 2017. Also see "Back to school in Turkey after post-coup teacher purge (2016)," *Agence France-Presse*, 19 September 2016, accessed at URL http://www.thenational. ae/world/europe/back-to-school-in-turkey-after-post-coup-teacher-purge, Feb 12, 2017.

⁴ For an account of Chinese intellectuals' contribution to the creation of an active and more informed citizenry during the 1970s and 1980s, and their important role during the 1978 Democracy Wall Movement, see Goldman (2005, 1–50). Yang (2008), probably the most widely known literary work on the ARC, tells the tale of a group of Rightists at a labor camp in Northwestern China in the late 1950s. Other examples of "scar literature" about the ARC include *Zhongguo* 1957 (You, 2001) and *Wunihu nianpu* (Fang, 2000).

⁵ CCP Central Committee approved *Guanche zhongyang guanyu quanbu zhaidiao* youpai fenzi maozi juede de shishi fangan (Carry out the Implementation Plan of the Resolution regarding Completely Removing the Rightist label) on September 17, 1978, available at http://ccradb.appspot.com/post/863. In June 1981, the Sixth Plenum of the Eleventh Central Committee of the CCP adopted the *Guanyu jianguo yilai dangde ruogan lishi wenti de jueyi* (Resolution on Several Historical Issues of the Party since the Founding of the People's Republic of China), available at URL http://cpc.people.com.cn/GB/64162/64168/64563/65374/4526448.html, Feb 12, 2017.

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