

**The domestic and international arrangements of Maoist “self-reliance”:
Chinese trade with the two Germanies, 1949–1978**

China’s trade policy of “self-reliance,” or avoiding external liabilities, during the Maoist period (1949–1978) is credited with laying the foundation for its subsequent economic ascent during the period of “reform and opening up” (1978–1996) (Hung 2015). “Self-reliance” however did not take the form of autarchic retreat, as Chinese industrialization required capital imports (Mitcham 2005; Kelly 2021; cf. Friedman 1999). Rather, “self-reliance” involved shopping on both sides of the Cold War, trading with socialist and capitalist states. In so doing, China eluded balance of payments problems and foreign loans, unlike much of the Second and Third World at the time. As a result, China could protect its home market and build up its export base, while the economies of Eastern European socialist states and other developing countries succumbed to the economic crises of the 1980s.

However, I propose that China’s ability to implement “self-reliant” trade policy is itself a geoeconomic puzzle, as Chinese foreign trade operations faced many domestic and international institutional challenges: Maoist politics reduced the “Weberian” effectiveness of the trade bureaucracy, while US-led economic sanctions, tensions with the Soviet Union, and China’s lack of UN recognition constrained trade prospects (Mitcham 2005; Kelly 2021). What social forces, then, enabled adherence to “self-reliance” in spite of such hostile domestic and international political economies?

To answer this question, I draw on both internal and external theories of development and disaggregate “self-reliance” into four historical processes. The first two processes concern the domestic arrangements underpinning trade policy: 1) the recruitment, training, and management of trade bureaucracy staff; and 2) the development of trade bureaucracy relations with other state agencies. By “trade bureaucracy,” I mean the apparatus of researchers, administrators, and

officials responsible for calculating the capital import requirements for meeting the production goals of Five Year Plans; formulating the export strategy necessary to pay for the capital imports; tracking global commodities prices; keeping abreast of the latest foreign technological developments; assessing trade partners; negotiating terms of trade; and overseeing the fulfillment of export contracts.

The last two processes concern how domestic institutions interfaced with international arrangements and macro-historical trends, focusing on Chinese trade with East and West Germany: 3) how trade researchers and planners made sense of world markets and “shopped around” in them to meet the capital import requirements of the command economy; and 4) how trade officials navigated Cold War geopolitics to trade with socialist and capitalist countries.

Chinese trade with East and West Germany serves as a strategic research site because it allows for comparison of two Cold War trade logics between competitors of relative structural equivalence. Socialist trade was determined by bilateral agreements and fulfilled through barter, while capitalist trade required direct negotiation with private firms and hard currency payments. The two Germanies were industrial leaders in their respective blocs and thus the preferred suppliers of capital goods such as chemical fertilizer and steel. Among capitalist trade partners, West Germany was second only to Japan, while East Germany oscillated between being the primary or second-most important partner among the socialist countries (Worden, Matles Savada, and Dolan 1988; Central Intelligence Agency 1971). Furthermore, the same commercial office in East Berlin handled trade with the two Germanies: the China National Import and Export Corporation (CNIEC), an office accessible to Westerners, who could enter through West Berlin. Negotiations also occurred in the same forum, the Leipzig Trade Fair (Mitcham 2005; Kelly 2021).

My project triangulates a mix of primary and secondary sources collected from the archives as the Hoover Institution and the German Federal Archives. The sources include internal documents of the Chinese Communist Party, biographies of Chinese trade officials, personal papers of West German industrialists, East German trade journals, intelligence reports from the East German Secret Police, and records of the Leipzig Trade Fair. Other sources include reports from US institutions such as the Central Intelligence Agency and the Library of Congress.

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