

RURAL DEVELOPMENT AND PEASANT ADAPTATION:

A SOUTH CHINA CASE

by

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## ABSTRACT

Strategies of rural development in China experienced sharp changes in the policies for rural economic reform which began in the late 1970s. Contrary to the previous model of a "pure" socialist way of development, which argued for a single developmental path, the reform policies encouraged diversification. Peasant adaptation to the new situation is examined through the co-existence of three kinds of households, namely subsistence cropping households, cash cropping households and partial agricultural households. The thesis attempts to determine the characteristics associated with the different kinds of households by analyzing survey data collected from five townships in the Pearl River Delta of south China. It also attempts to bring out some theoretical implications of the Chinese experiences of rural development in the past forty years.

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## I. INTRODUCTION

Rural development is one of the most important aspects of over-all development for Third World countries. China, the largest Third World country with eighty percent of the population living in rural areas, finds this issue crucial in her quest for the "four modernizations".<sup>1</sup>

The developmental experience of China reveals that policies for rural development in the past four decades have been characterized by instability and constant change. The most dramatic policy shift is that which has taken place in the late 1970s and early 1980s, in which previous policies have seemed to be fundamentally rejected. The new system has now been operating for about nine years. Despite inevitable difficulties and problems, it appears to be firmly in place. Agricultural production has increased, rural industry and commerce have boomed, peasant income has been raised and peasant living standards have improved.

These phenomena lead to the following questions: What are the differences between the policies before and after the policy shift? What is the nature of the new system? How did peasants adapt to the new situation? What were the major factors affecting their adaptation? And, what are the theoretical implications of these developmental experiences? These questions are the major concerns of my present thesis.

To explore these questions, let me first look at the issue of rural development in

a global context, for it has now become an international issue for scholars and governmental agencies alike (Harriss, 1982:13). In the 1970s, the World Bank and UN agencies put forth a 'new strategy', which defined 'rural development' as " ... a strategy designed to improve the economic and social life of a specific group of people -- the rural poor" (World Bank, 1975; in Harriss, 1982:15). This definition called attention to several points which many Third World countries had neglected. First, the objects of rural development were the "rural poor". Attention should therefore be paid to improving their socio-economic situation, which could be accomplished, in part, by a more equitable distribution of income (cf. Harriss, 1982:9,15). Second, rural development should be achieved via the improvement in both economic and social respects -- an approach quite different from the "conventional agricultural economics", which tended to stress "agricultural development" in material and technological terms (cf. Harriss, 1982:15-6). Third, rural development was a "designed strategy" -- a planned socio-economic change which should involve state intervention.

This strategy, though probably 'new' to many Third World countries, was not new to China, where similar policies had been put into effect since the founding of the People's Republic of China in 1949. The poor were put in command (Perkins, 1980:133-5) and their interest was given priority in policy-making. Efforts were made to equalize income distribution among the villagers. Emphases were paid not only to production but also to "politics" and "revolution" (Feuerwerker, 1980:261; Schurmann, 1968:507; Ahn, 1975:631) -- a rough equivalent to the "social and political factors" cited above. More distinctively, state intervention was strong enough to penetrate nearly every aspect of social,

economic and political life in the countryside.

This approach to rural development, which set the basic tone of rural policies for most of the time before the sharp change in late 1970s, resulted from the situation in China. As Perkins and Yusuf put it, China was "not like all other societies" (1984:3). She differed from the Western societies in her oriental heritage, from many other Third World countries in seeking a "socialist" way of development, and from other "socialist societies" in combining traditional ideas (Confucianism and other political philosophies) with "Marxism and Leninism". The single leading political power, the Chinese Communist Party (hereafter "the Party"), being well aware of the situations of the country, sank roots in the most remote rural areas for more than twenty years in the military struggles against the Japanese and the Guomindang<sup>2</sup> armies. With the support of the majority of the peasants, the Party finally assumed national power in the mainland. The decisive factor of such a success was not material or technological superiority but, as Mao Zedong put it, "people" (Johnson, 1980:608) -- people with commitment to the revolutionary course. After the victory of revolutionary struggles, the emphasis on the human factor continued to shape the policies of socialist construction. The strategy of rural development, being part of an overall developmental program by which the political aims of the Party were to be achieved, surely reflected such a position.

This strategy achieved some successes. During the first thirty years, communication and transportation were extended to the remote rural areas, education and health care became available in most of the countryside (Parish,

1985:5-8). Some serious problems in other Third World countries, such as excessive outmigration of peasants from villages to cities, did not occur in China and the "basic need" principle of development was quite successfully realized in the country (Perkins & Yusuf, 1984:3).

While these successes were substantial, there were increasing problems. With more and more emphasis on equality of income distribution, peasants had few chances to enrich themselves but had to live an "equally poor" life. With more and more stress on revolutionary goals, production became a secondary task and the rural economy experienced a long period of stagnation in output. With stronger and stronger state intervention imposed into the countryside, peasants were left with little decision-making (Johnson, 1982:432). Despite being nominally "the masters of the country", peasants actually occupied "the lowest rung" in the society (Hinton, 1982:114).

These problems accumulated and later became crises. Perhaps the most obvious and pressing problem was the deteriorating economic situation. The per capita output of major agricultural products stagnated (Compare the figures of 1957 and that of 1978 in Column 4, Table 1), peasants' per capita income grew very slowly, from 103 yuan in 1957 to 113 yuan in 1977, averaging only 0.5 percent per annum (Perry & Wong, 1985:2; Travers, 1985:111). Moreover, the continuous series of political campaigns imposed on the grass-root level from 1962 greatly hampered the peasants' production initiative. This lack of initiative further lowered productivity, which, again, caused even lower initiative. The vicious cycle went on and on.

TABLE 1. CHINA: AGRICULTURAL INDICATORS

Year	Agricultural Production (Index:1957=100)	Production		
		Grain (million tons)	Per-capita grain* (kilograms)	Cotton (million tons)
1949	54	111.00	205	0.40
1952	84	161.00	280	1.30
1957	100	191.00	295	1.60
1960	74	156.00	226	0.90
1963	93	190.00	260	0.90
1966	112	215.00	276	1.80
1970	126	243.00	284	2.00
1975	148	284.00	298	2.40
1978	151	295.00	291	2.20
1979	157	335.12	320	2.20
1980	155	320.56		2.71
1981	155	325.02		2.97
1982	168	353.43	363	3.60
1983	195	387.28		4.63
1984	210	409.00	398	5.55
1985	193	378.98	362	4.15
1986	196	391.09	369	3.54
1987	207	402.41	373	4.19

\* Derived by use of year-end population figures.

#### SOURCES:

- National Foreign Assessment Centre, *China: Agriculture in 1978* (Washington, D.C. 1979), pp.15.

- State Statistical Bureau "Communique on Fulfillment of China's 1979 National Economic Plan" *Beijing Review*, 19 (May 12, 1980) pp.14.

- State Statistics Bureau *Zhongguo Tongji Nianjian* [Statistical Yearbook of China] 1981, 1983, 1984, 1985 (Hongkong: Jingji Daobao, 1981, 1983, 1984, 1985).

- K. Walker, "Chinese Agriculture During the Period of Readjustment, 1978-83" *The China Quarterly* 100 (December, 1984). pp. 783-812.

- "Statistical Communique on National Social and Economic Development During 1985 and Statistical Overview of China's Achievements During the Sixth Five Year Plan" in *China Quarterly* 105 (June, 1986). pp. 380-385.
- "Statistics for 1986 Socio-economic Development" p. 3 in *Renmin Ribao* Feb. 22, 1987.
- "Statistics for 1987 Socio-economic Development" in *Beijing Review* 31, 10, (March 7-13 1988).

These crises finally triggered an over-all policy change, which has been mentioned at the outset of this chapter. As the primary aim of this change was to improve the rural economy, it was termed "rural economic reform" and became the forerunner of a series of reforms in other fields.

Under the reform, income equality was no longer the immediate goal to strive for. Instead, "to get rich earlier [than one's neighbor] through hard work" became the norm for the peasants. Political education, the once most important task, especially during the decade-long "Great Proletarian Cultural Revolution", was no longer mentioned. Production became the most important indicator of development. State intervention was weakened and peasants were given more chances of decision-making over their production activities.

Thus, by moving away from the previous policies of egalitarianism, strong state intervention and political struggle, the Chinese experiences of rural development seem to reverse what the "new strategy" proposed. However, it was by so doing that the rural economy in China was able to develop (See figures after 1978, Table 1). This fact shows once again a simple truth. That is, the strategy of rural development, just as other things, should not go to extremes. The smooth running of the system depends on the balance of the contradicting factors which co-existed within it. Overemphasis on one factor would only to upset the whole system. The rural economic reform which began in the late 1970s, therefore, can be seen as an attempt to achieve balance within pairs of contradictions: production increases and equality; economic development and social (and political) development; state intervention and peasant initiative.

To establish balances within these pairs, readjustments had to be made to the previous policies and, accordingly, peasants needed to adapt to the new situation. Their ways of adaptation and the factors which affected their adaptation merit studying. There are different ways to study this phenomenon. My approach in this thesis is to analyze peasants' differential responses to economic opportunities in terms of relevant social, geographical, historical and political factors. It involves not only documentary research but also empirical evidence, which was gathered from fieldwork research.

As greatly diverse features exist in different parts of China, it is difficult to generalize about rural China, and equally difficult to generalize about the ways of peasant adaptation. In this thesis I only analyze the data collected in the summer of 1986 in five "townships"<sup>3</sup> in the Pearl River Delta, which is located in south China. As these data were collected at the peasant household level, I will use household as my basic analytic unit. Peasant households will be divided into different types according to economic activities. Factors associated with these different types of household will be discussed.

As the division of these different types of households was mainly the result of the economic reform, I will first discuss the reform itself. That will be the contents of Chapter 3. As the reform was an reaction to the previous strategy of rural development, which had profound influence on peasants' ways of life and thinking, I need to discuss some major events taken place during those thirty years. Chapter 2 will deal with this matter. As the data were collected in the Pearl River Delta, an area which has some geographical, historical and social

characteristics distinctive from other parts of China, I need to give an introduction of the area. Chapter 4 will be devoted to this discussion. With all the above information given, Chapter 5 will be an attempt to determine how the peasant adaptation in the Delta was affected by different factors. Finally, in Chapter 6, I attempt to bring out some theoretical implications in view of the experiences of the Chinese rural development. Issues such as "rural development with Chinese characteristics" and the transferability of the Chinese "model" of development will be dealt with.

**NOTES**

- <sup>1</sup> That is, modernization of industry, agriculture, science and technology, and national defence.
- <sup>2</sup> Guomintang -- "Chinese National Party", often referred to as KMT (from Kuomintang, Wade-Giles romanisation for Guomintang). It was the national government in China before 1949 and the government in Taiwan thereafter.
- <sup>3</sup> Township -- formerly known as the "production brigade" which is, in most cases, equal to a big village.

## II. RURAL DEVELOPMENT IN CHINA: 1949-1978

### A. INTRODUCTION

"On October 1, 1949, standing atop the majestic Gate of Heavenly Peace -- Tien An Men -- in the historic centre of Peking, Mao Tse-tung proclaimed the founding of the People's Republic of China. To the millions who had fought and struggled for the Communist cause over the preceding 30 years, this was a day of liberation from oppression, from the slavery of a landlord system, from the horror of 100 years of war, from the ravages of hunger, poverty, and disease, and from the degradation of imperialism." (Cell, 1977:43)

"At an important Party meeting held in Beijing on December 13, 1978, the then 74-year-old Chinese leader Deng Xiaoping told a large group of senior cadres, who had all taken part in the Long March, the War of Resistance Against Japan, the Liberation War and socialist construction, 'if we do not reform now, our modernization and socialism will be ruined.'" (Luo et al., 1987:25).

The above quotations describe two important moments in the history of the People's Republic. The catchword in the first one is "liberation" while that in the second, "reform". Although, to be sure, these two words have great difference in the degree of "change", they have a basically common meaning of "freeing from the old" and "beginning the new". To many Chinese, the series of reforms that followed the 1978 meeting mentioned above gave them hope for the future. Hence, these reforms which began at the end of the 1970s, three decades after the formation of the People's Republic of China, were also termed a "second liberation".

This process of "liberation -- re-liberation" was most dramatically reflected in rural development. Rapid increase of productivity followed both of those

"liberations". In 1949, the majority of Chinese peasants, led by the Party, overthrew the "old China" (China before 1949), a society known as the 'land of flood and famine' or the 'sick man of Asia' (Johnson, 1980:607), and began a new life. In 1978, however, still under the leadership of the same Party, the peasants had to fight against organizational and ideological constraints which had hindered them from further development for almost two decades. I will discuss some of the major events taken place in the countryside from the liberation to late 1978, in an attempt to determine how the Party's policies turned from positive to negative towards rural development. These major events are: land reform in the late 1940s and early 1950s; agricultural collectivization that followed the land reform, the Great Leap Forward and 'communization' in 1958, mass political campaigns which characterized most of the 1960s and 1970s, and the national model for rural development -- Dazhai Brigade in Shanxi Province -- which dominated the rural scene for more than a decade.

#### **B. LAND REFORM 1947-1952**

Reviewing his participation in the land reform movement in a small village in North China, William Hinton notes: "...the peasants, under the guidance of the Communist Party, had moved step by step from partial knowledge to general knowledge, from spontaneous action to directed action, from limited success to over-all success. And through this process they had transformed themselves from passive victims of natural and social forces into active builders of a new world." (1966:609). This remark, though apparently emotional, captures the essence of the movement.

The tradition of land reform can be traced back to the late 1920s and middle 1930s when the Communists implemented the policies of "striking the local gentry and dividing the land" in the "revolution bases" in Jinggangshan and Jiangxi. However, land reform in that time was only carried out in very small portions of the country and was disrupted by political setbacks and the Anti-Japanese War.

In late 1940s, with the major military victories over the Guomindang government, the Party began a nation-wide land reform which was first carried out in the early liberated areas in North China. Then, with the rapid advance of the People's Liberation Army southwards, land reform movement swept over most of the country during the 1950-1952 period (Lippit, 1974:3).

The causes and tasks of such a land revolution were most clearly shown in the "Basic Program on Chinese Agrarian Law" promulgated by the Central Committee of the Chinese Communist Party in October, 1947. The document stated, "China's agrarian system is unjust in the extreme" as "landlords and rich peasants who make up less than ten percent of the rural population hold approximately 70 to 80 percent of the land" while "[farm] laborers, poor peasants, middle peasants, and other people, who make up over 90 percent of the rural population hold a total of approximately only 20 to 30 percent of the land". Because of this extreme unequal distribution of means of production, "those who toiled throughout the whole year would know neither warmth nor full stomach", while those who owned the land led an extremely luxurious life by exploiting others. "These grave conditions are the root of our country's being the

victim of aggression, poverty, backwardness, and the basic obstacles to our country's democratization, industrialization, independence, unity, strength and prosperity." "In order to change these conditions," the document went on, "it is necessary, on the basis of the demands of the peasantry, to wipe out the agrarian system of feudal and semi-feudal exploitation, and realize the system of 'land to the tillers.' " (CCCCP, 1947; in Hinton, 1966:615)

With the guidance of the concrete measures stipulated in this document and other supplementary regional laws, land reform was carried out in the whole country (cf. Hinton, 1966:617-20; Yang, 1965:131-33). Although variation occurred inevitably, the basic procedure of the land reform followed a model produced by the central committee. Some basic features can be singled out as follows (cf. Rostow, 1954:81-4; Hinton, 1966; Yang, 1965; Shue, 1980:41-85).

Land reform in a village would begin with the descent of a "work team" sent from a higher level administrative unit, usually from the county. It was made up of cadres or activists from the neighboring areas who were led by a responsible Party member. The work team would first make sure to disarm all the potentially hostile elements in the village and then went through the these stages:

First, political and psychological preparation. The purposes of land reform were explained in a series of village meetings, posters, plays, dances, and other propaganda devices designed to mobilize the poor peasants who would be the chief beneficiaries of land reform.

Second, selection of the 'active elements'. Some native villagers would be selected by the work team to lead the way in carrying through the land reform both politically and technically. These people were often drawn from the active elements of the poor and, sometimes, the middle peasants. These leaders would later become the backbone of local leadership.

Third, class struggle phase. After the poor peasants were sufficiently mobilized and the key local leaders had been selected, a series of 'speaking bitterness' meetings, 'settling account' meetings would be held, designed to bring out in the open the accumulated grievances of the poor peasants against the landlords, rich peasants, despots, etc. These previous local "elites" were often the targets of the mass struggle meetings, they were often denounced, forced to flee, imprisoned, or even killed. This period was also referred to as that of 'revolutionary terror' (Schurmann, 1968:432).

Fourth, definition of class status. Families in the village would be classified into such categories as landlord, rich peasant, middle peasant and poor or landless peasant. the poor and landless peasants were the "revolutionary class", the landlords and rich peasants were the "class enemy" of the revolution, while the middle peasants were the middle force, which should be united by the poor and landless peasants. Meanwhile, the Peasants' Association, from which the landlords and the rich peasants were strictly excluded, would be set up and took over the power of the village.

Fifth, land redistribution. The Peasants' Association, often under the leadership of

the work team, would redistribute the land ownership in the village. The land of the landlords, rich peasants, Guomindang officials and the lineage would be confiscated and re-divided among the villagers (the families of landlord, rich peasant, etc. also get a share) according to house size. At the same time, other wealth of the bad class would also be redistributed. The process of such a redistribution was a complicated one, which sometimes needed to be done several times before a relatively fair solution could be reached (Hinton, 1966; Yang, 1965:146-53).

By the end of 1952, some 700 million *mu* of arable land was redistributed (Lippit, 1974:3). The previously extreme inequality in land ownership was replaced by a relatively equal one (cf. Lippit, 1974:102-3).

Land reform fundamentally changed the socio-economic situations in the countryside. The former local elites were removed. The poor peasants, who made up the majority of the countryside but suffered most bitterly in the former social system, were given power and land. The many-generation dreams of "land to tiller" and an "equal society" were realized under the leadership of the Communist Party. Peasants could now work on their "own" land and seek a better life through their hard work.

In this way, one of the results the land reform brought about was its economic implication. Although the land reform did not directly lead to an economic revolution (Schurmann, 1968:437), it increased output by raising the peasants' initiative. During the years of the land reform, per capita grain output increased

from 205 kilograms in 1949 to 280 kilograms in 1952, and total cotton output increased from 0.4 million tons to 1.3 tons (See upper part of Table 1). By the end of 1952, when land reform was generally considered completed (Schurmann, 1968:437), the national economy had recovered. Perhaps because of the high speed of recovery, Rostow considered 1952 was the year for China to enter the economic "take-off" stage (1971:38).<sup>1</sup>

If these economic achievements were impressive, the social effect of the land reform was more important. Before the land reform, local power was controlled by the gentry-landlord class which was the basis of the Guomintang government. After the land reform, this ruling system was destroyed. A new political and social system was built. On the poor peasants' side, they were given both prestige and means of production, and therefore, they would whole-heartedly support the Party to fight against the Guomintang and later, follow the Party towards its socialist goal. On the Party's side, land reform established a new authority at the local level, with which the Party could effectively and successfully implement policies in the grass-root rural communities. With all those features, the Chinese land reform differs from those in some other Asian societies, say, in South Korea, where peasants became and remained "owner-operators" (Chang, 1987:36). Rather, the "Chinese Communist leaders saw land reform as an integral part of the larger struggle. They used land reform to break up traditional social organization in the villages and to lay the groundwork for new types of organization." (Schurmann, 1968:431). The formation of these "new types of organization" was an immediate task that followed.

### C. COLLECTIVIZATION

"Among the peasant masses for several thousand years the individual economy has prevailed with one family, one household, as the economic unit. This kind of dispersed individual economy is the basis for feudal control and causes the peasants themselves to succumb to permanent impoverishment. The only method to overcome such a situation is to gradually collectivize [jitihua], and the only road to achieve collectivization, as Lenin said, is through cooperatives [hezuoshe]."

This is a paragraph in Mao Zedong's *Get Organized* (quoted from Selden, 1982:45), an article written in 1943, four years before the nation wide land reform started. It is clear that the Party's intention was not to lead the peasants to individual farming, which was the immediate result of the land reform, but to bigger collective organizations in which the peasants would enjoy "mutual prosperity" (Selden, 1982:44).

As the issue of collectivization later became most controversial especially in the beginning of economic reform in 1978, maybe we should take a look at where this idea came from and whether it is the only way towards socialism and communism. There are no explicit observation in Marx's and Engels' work (Selden, 1982:37). However, the idea was clear in the Soviet experience. After their success in revolution, the Soviet Bolsheviks were "unified in the conviction that collectivization, with landownership in the hands of the state, was the panacea to the dual problems of increased productivity and the formation of socialist institutions in the countryside". This idea was expressed in Lenin's April Thesis which proclaimed transition to socialism through "[c]onfiscation of all estate land [and] [n]ationalization off all land in the country under control of local

councils of agricultural laborers' deputies and on public account" (ibid.). Collectivization in China might probably be borrowed from the Soviet model and mixed up with the Party's goal. Chang sums up Mao Zedong's argument in this way (Chang, 1978:11):

1. China's rapid industrialization would have to rely on a sustained big push in agricultural production; this could be accomplished only through collectivization.
2. Collectivization would bridge the gap between the ever-increasing demand for marketable grain and industrial raw materials, on the one hand, and the generally low yield of staple crops, on the other.
3. Collectivization would facilitate a more rational and efficient organization of labor and use of land.
4. Collectivization would enable the state to exercise a greater degree of control over the Chinese population, would allow the government to effectuate a desired high rate of capital accumulation, and would ensure the state's supply of any available surplus.

These summaries point out two major purposes of policy changes: to promote economic development, especially that of industry, and to gain stronger control over the grassroot rural communities. However, they are not inclusive. There was yet another major purpose, as I will discuss later, the prevention of class polarization.

On December 15 of 1951, when the nationwide land reform was still being carried on, the Party's decision on mutual aid and cooperation was issued (Cell,

1977:48). Following this instruction, the process of collectivization began in the earlier liberated areas, where land reform had been completed.

There were several stages of collectivization. First, there was the formation of the Mutual Aid Teams (MAT). Mutual aid teams were set up as early as the 1940s in Yan'an, the war-time communist base (Selden, 1971:242-9). After land reform, this tradition was introduced to other newly liberated areas. In the mutual aid teams, the members, who had got their portion of land during the land reform, helped each other by exchanging labor, sharing draft animals and other means of production, or doing farm work collectively. Compared with those in the Yan'an period, the mutual aid teams were now more permanent, lasting throughout the agricultural cycle, and more structured, with a leader chosen in consensus among the team members or selected through formal elections (Howard, 1988:29). The goal of the mutual aid teams was to increase the peasants' ability to deal with the problems which they were not able to handle effectively as individual families. The formation of these teams was based on the principle of "mutual benefit". These teams brought security to the members for they could share the difficulties together. However, these teams were still small in size and they were not necessary permanent, as their members could withdraw from them if they wanted.

Following this, the Elementary Agricultural Producers' Cooperatives (EAPC) were organized. These cooperatives were formed experimentally in 1953 and in significant numbers in 1954, especially in North and Northeast China (Selden, 1982:55). The members of the cooperatives not only pooled their labor but also

their land together. The cooperatives were more permanent. Distribution was based on the relative contribution of labor or land or other production means. So, "the cooperative was a sort of joint-stock operation in which differences in individual member's incomes derived in part from differences in the size of initial individual investments" (Howard, 1988:32). By the end of 1955, 59 percent of peasant households joined such cooperations (See Table 2).

After the stage of the EAPC, the Party pushed the moment of collectivization further. That is, the formation of the Advanced Agricultural Producers' Cooperatives (AAPC). There were two important differences between the EAPC and the AAPC, one being the size and the other, the ownership of means of production. First, the elementary cooperatives were much smaller, with a recommended size in 1955 of 25-40 households, while the advanced cooperatives typically embraced an entire village, tending to include 100-400 households in 1956. Second, and more important, elementary cooperatives preserved private ownership of land and major farming facilities. Remuneration was based in the combination of investment of land and labor. The advanced cooperatives, however, abolished private ownership and the distribution of income was based on the principle "to each according to one's work" (Selden, 1982:71). So, while the former were only "semi-socialist" in nature, the latter were "socialist" (Selden, 1982:71; Shue, 1980:287,300).

The forming of these cooperatives, especially the advanced ones, was supposed to be voluntary, and Mao estimated in July 1955 that the whole process of transforming individual farming to large scale advanced cooperatives would require

TABLE 2. COOPERATIVE DEVELOPMENT IN THE COUNTRYSIDE, 1950-1958

(Percent of Peasant Households)

	1950	1951	1952	1953	1954	1955			1956			1958		
						June	Dec.	Feb.	June	Dec.	April	Aug.	Sept.	
All MATs	11.0	18.0	40.0	39.0	58.0	50.0	n.a.	n.a.	n.a.	n.a.	-	-	-	-
Permanent MATs	2.0	n.a.	10.0	11.0	26.0	28.0	n.a.	n.a.	n.a.	n.a.	-	-	-	-
EAPCs	-	-	0.1	0.2	2.0	14.0	59.0	36.0	29.0	9.0	-	-	-	-
AAPCs	-	-	-	-	-	0.03	4.0	51.0	63.0	88.0	100.0	70.0	n.a.	n.a.
Communes	-	-	-	-	-	-	-	-	-	-	-	30.0	98.0	98.0

Source: Selden (1982:55).

three five-year plans (Selden, 1982:45,48). So, until the end of 1955, the process was going on gradually with fifty nine percent of the peasant household in the EAPCs and four percent in the AAPCs (Table 2).

The process, however, was suddenly accelerated in 1956. The causes behind this decision were complex, but the main argument was given in terms of class struggle. As Mao wrote in his "On the Cooperative Transformation of Agriculture" (cf. Selden, 1982:61), "[w]hat exist in the countryside today is capitalist ownership by the rich peasants and a vast sea of ownership by individual peasants". These peasants had spontaneous tendency of leading the road of capitalism which would only result in polarization in the countryside. If the this tendency were allowed to grow unchecked, new landlords, new rich peasants would appear and the majority of the peasants would be exploited and oppressed again. Only collectivization could get rid of this danger.

Following Mao's address on the matter, state intervention was more obvious. Many cadres were sent to the countryside to organize the cooperatives. Despite the previous principles of "voluntarism" and "gradualism", many advanced cooperatives, especially those in the newly liberated areas, were set up rapidly regardless of concrete situations (Selden, 1982:68). In only a little more than one year after Mao's initial estimation of a period of fifteen years for the transition, eighty eight percent of the peasant households in the country were reported to have joined the advanced cooperatives. By April 1958, all peasants were members of these high level collective organizations (See Table 2).

The high speed of collectivization, characterizing the period as that of "socialist high tide", seemed to be a success. It was claimed to be carried out "on the demand of the peasants", however, there was little evidence of such a demand. Instead, in quite a few areas, especially in the newly liberated areas such as Guangdong Province, peasants had little or even no experience with cooperation before they suddenly became members of high level of cooperatives. Despite all these, the cooperative movement did not stop at the level of advanced cooperatives. Some even bigger collective organizations were to be formed.

#### **D. THE "GREAT LEAP FORWARD" AND THE RURAL PEOPLE'S COMMUNE**

Rural change occurred in the context of general policies for economic development which were influenced by the national questions. After liberation in 1949, the new republic faced a lot of difficulties. Externally, it was not recognized by the UN and the Western countries. Internally, national economy had been seriously damaged during the century-long wars, heavy industry was close to nothing, and agriculture did not produce enough food for the people. Coupled with the Chinese army's taking part in the Korean War, those problems became more pressing. China had no way out but to turn to the help of the Soviet Union. The First Five Year Planning period (1952-57) saw the country "leaning one-side" to "big brother" (the USSR). The Soviet model of development was introduced to China. Emphases on the development of heavy industry and centralization of power characterized that period of China. However, those principles were totally inconsistent with the Chinese revolutionary experiences -- which was rural-oriented and emphasized on mass participation. In 1958, the Chinese leaders, with Mao

Zedong as the head, decided to move away from the Soviet model.

The new direction had two major characteristics. One was the principle of the simultaneous development of industry and agriculture, which was referred to as "walking on two legs" (Johnson & Johnson, 1976). Another was the mass mobilization, which was just like that in guerrilla warfare, in the socialist construction.

Determination to return to the Chinese way of development, coupled with a good harvest in 1958 and the forming of the AAPC all over the country, convinced the Chinese leadership that there would be a "great leap" towards communism. In order to "leap", many measures were put forward. In the countryside, the most significant event was the forming of the people's communes.

To many key policy-makers at that time, the people's commune seemed to be the best way for the peasants to travel towards a communist society (Ahn, 1975:631). State intervention, already strongly involved in forming the advanced cooperatives, was again a direct force in forming the communes (Schurmann, 1968:474-7). In March 1958, Mao made a "suggestion" of merging the advanced cooperatives into bigger organizations (Chang, 1978:82) but the term of "commune" was not yet used. In the summer some areas in Henan and Anhui provinces suffered from heavy flooding and the peasants needed to form some collective organizations beyond the size of advanced cooperatives in order to fight against the natural disaster. These organizations were called "communes".

On August 11 of 1958, Mao Zedong visited Henan Province and stated "the people's commune is fine" and further said, "if there is a commune like this, then there can be many of them!" (Schurmann, 1968:475). This visit was reported in the national newspaper several days later, which signaled the official approval of this kind of organizations. In the end of the same month, a "Resolution on Some Questions Concerning the People's Commune" was promulgated by the Central Committee of the CCP (Crook and Crook, 1966:32). Communization in the countryside was formally started. Then, the Party and the state again showed their capability of implementing policies. As Table 2 shows, in April, 1958 there were still no communes; in August, 30 percent of the peasant households joined the communes; and by the end of September, 98 percent of the Chinese peasants were commune members (Table 2):

From that time to the early 1980s the people's commune was the major organizational vehicle for rural development in China. Although there were different emphases, variations and modifications in different periods of time, there was never any suggestion that alternative structures were under consideration (Ahn, 1975:593-4).

There are some major features which characterized the commune system: First, a commune was an entity with structural and functional integration. They were "to engage in many fields of production, not only will agriculture, forestry, animal husbandry, fishing and side-occupations develop in an overall manner, but industry, agriculture, commerce, education, and militia work will be merged into one entity and politics, economy, culture and military affairs will be combined

together." (*Renmin Ribao*, 17 Sept. 1958; in Johnson, 1980:612). In this way, they were "basic social unit[s]" (Chang, 1978:83) of the society.

Second, the commune system was "first, big and second, public" in the initial stage. The former refers to its size, while the later, to its ownership. These features, however, later underwent modification. Regarding the size, in 1958, there were about 26,000 communes in the country, with an average size of about 5,000 households in each (Ahn, 1975:632). By 1963, however, the number of communes increased to 74,000 (Johnson, 1980:614), the average size became only one-third of that in the beginning. Regarding the ownership, there was a "communist wind" in the beginning, in which all the means of production were collectivized and organized at the commune level. Materials were pooled together for common use. This practice, however, soon proved to be mistaken. By 1961, the basic unit of production was the production team -- the lowest level in the commune system, which was often identified with the natural village. A group of production teams formed a higher level -- the production brigade. This was called the "three level system of ownership with the production team as its basis", which remained largely unchanged until the economic reform.

Third, the communes operated on the principle of self-reliance. With all the administrative authority and local resources in hand, they were supposed to develop through their own efforts.

Fourth, the distribution system was the "work point system". As the production teams were the basic accounting units for distribution, the formula of such a

system was: Peasant A's annual income = (The total distributable income of a production team / The total number of the workpoints gained by the members) X The number of workpoints gained by peasant A (Ahn, 1975:649).

Actually the work point system had been used as early as in the mutual aid team period (Howard, 1988:29) but now it was modified and given political implication. I will return to this matter in the discussion of "Dazhai model", below.

The commune system was considered to have many advantages. Politically, the commune was believed to advance socialism by eradicating private ownership of the means of production and by enabling a greater degree of state planning and control. Economically, the commune was thought to embody many important advantages, such as economies of scale, greater accumulation and more egalitarian distribution. Socially, the structure of commune was seen as a form of community in which all, rather than a minority of the members, could share the benefits of economic development. The absence of private ownership of means of production would prevent social polarization from taking place (O'Leary, 1982:594-5).

So, the creation and maintenance of the commune system brought the emphases on "equality", "revolution" and "state intervention" a step further. However, if the forming of the communes was only an organizational transformation to an "ideal" society which the major leader believed in, the forthcoming political campaigns were meant for ideological transformation.

### E. MASS POLITICAL CAMPAIGNS

Through the above discussion, one might notice a common feature. That is, they were all nation-wide in scale, involving the largest level of mass participation. In fact, successful mobilization of the masses was one of the "secrets" for the Party to defeat the Japanese army and the American backed Guomintang troops. In the socialist transformation, it was logical for it to be used again. Such mass participation for achieving a certain goal formulated by the Party was termed a "mass campaign". It was formally defined as an "organized mobilization of collective action aimed at transforming thought patterns, class or power relationships and economic institutions and productivity." (*Hongqi*, Nov. 1, 1959; in *Cell*, 1977:7). So, the events discussed above are all mass campaigns. They mainly aimed at transforming "class or power relationships and economic institutions and productivity". Besides those campaigns, there were also some others which mainly aimed at "thought pattern" or political transformation.

During late 1950s and early 1960s, Mao Zedong became increasingly concerned with the "Soviet revisionism" and the danger of a similar development in China (Howard, 1988:40). To prevent such a development, he put forth a slogan "never forget class struggle" in 1962 (Hinton, 1986:61). The slogan became a "key link" for every field of work to follow.

In the rural areas, to follow this key link was to combat "the capitalist tendencies in agriculture" (*Cell*, 1977:61). Beginning in 1962, a Socialist Education Movement was launched in the countryside. As a major part of this movement was to clean up accounts, granaries, properties, and the earning of work points,

it was also called the "Four Cleans" movement. Again, work teams similar to those in the Land Reform movement were sent to the villages to mobilize the peasants. This time the major targets were the grass-root rural cadres who were alleged as "capitalist roaders", although, to be sure, the former landlords, rich peasants and other "anti-socialist elements" would always be first ones to be denounced.

The "Four Cleans" movement later merged into the "Cultural Revolution" which began in the middle of 1966. Although this new campaign in the countryside might be considered as less affective than that in the cities, it required the peasants to spend a lot of time in political studies, such as "Study Mao's Work", "One-Strike And Three-Anti", "Anti-Lin [Biao] And Criticize Confucius" (Chan et al., 1984), to name but a few. Many meetings were held and a great many struggles were carried out. Thus, politics actually became the utmost important task, which occupied much attention and energy of the peasants.

The intention of political campaigns should have been revealed in peasant action. In the middle 1970s, measures to curtail "capitalist tails" were further implemented. In many places, peasants were allowed to raise only very limited number of family poultry, and to grow agricultural crops only for their own consumption in their private plots. By so doing, peasants were supposed to be able to keep their "revolutionary spirit" and prevent social polarization from taking place.

The Party's goal of achieving the socialist new-style village through both

organizational and ideological transformations was embodied in a particular community, which became a national model in the mid-1960s and remained so until late 1970s, namely Dazhai production brigade in Shanxi Province.

#### **F. THE "DAZHAI MODEL"**

Dazhai is a small village in a mountainous area. After liberation, and especially after collectivization, the Dazhai peasants, led by the village Party branch, struggled against the hard natural conditions and achieved a success through self-reliance and collective efforts. In 1964, Mao Zedong put forth a statement: "In agriculture, learn from Dazhai". Then, for more than a decade that followed, Dazhai became the model for rural development for the whole nation.

The Dazhai model had several distinct features. First, the point of departure lay in the context of "class struggle". On the one hand, "capitalist tendencies" which threatened the collective efforts was successfully resisted. On the other hand, this model was also used to counter the "Taoyuan Experience" (Tsou, 1982:269), which was put forth by Liu Xiaohu, then the state Chairman but, very shortly later, the "biggest capitalist roader of the country".

Second, the Dazhai peasants used the production brigade, rather than the production team, as their basic accounting unit. That meant the gaps of income distribution between production teams were eliminated. Peasants earned their income with a more equal basis. Generally speaking, to achieve such a "higher form of socialist relations", material prerequisites should be satisfied first. But the practice of the Dazhai peasants was to show that ideology could be turned into

material force when "the masses [were] mobilized" (Howard, 1988:41).

Third and most famous was the "Dazhai-style workpoint system". Although the workpoint system had been used since the collectivization period, the Dazhai peasants put something new into it. That was the principle of "self-assessment and public discussion". According to that principle, the peasants "would meet once a year to determine the earning power of each individual. Peasants would make public estimations of the workpoint value of their labor over a single workday." Then, others would discuss these estimations, using political as well as performance criteria (Howard, 1988:42).

There were still some other features, such as the collective cultivation of private plots, the sharp restrictions imposed on rural markets and their total elimination in some places, the prevention of the outflow of agricultural labor to the towns and cities seeking gainful employment, the building of collectively owned housing, the preparation of transferring to using the commune as a basic accounting unit (Tsou, 1982:270), and implementing the "grain first" policy, etc.

Those features can be boiled into these interconnected points. Only through collective efforts could the peasants achieve higher output, which, in turn, would provide the peasants with better social welfare and higher income. Therefore, peasants were not supposed to improve their life through "capitalist profit making" such as working individually or planting cash crops. On the contrary, they should work collectively and plant grain crops according to the state planning. In this way larger collective organizations would provide a more

prosperous and equal life to the peasants. To transfer the accounting unit from small scale to large one would mainly depend on ideological transformation.

After Dazhai became the national model, its experiences of development was to be emulated by other peasants over the country. Building "Dazhai-type brigades", "Dazhai-type communes" or "Dazhai-type counties" became the goal for rural cadres of different levels to strive for. However, problems arose. As those experiences resulted from the special historical, social and geographical situation of the brigade, they might be suitable for Dazhai's own development but not necessary fitted to others. Although some modifications had been made later, the basic principles remained intact. This caused confusion in other places where conditions were different.

## G. DISCUSSION

This chapter has outlined some major events which took place in the countryside in the first thirty years of the People's Republic of China. During those years, the Party, headed by Mao Zedong, intended to transform the peasant communities into socialist, and finally communist, ones as quickly as possible. Immediately after the land reform, collectivization and communization followed. There was not only organizational transformation but ideological transformation as well. It was believed that through these measures, a classless, stateless society with "common prosperity" would soon emerge.

Through those events, several characteristics of rural developmental strategy can be singled out: class struggle, egalitarianism, collectivization and self-reliance.

These characteristics were reflections of a general line of development whose root can be traced back to the communist movement.<sup>2</sup> The Party-led revolution was virtually a peasant revolution (Mao, 1961:137), it was strongly characterized with the traditional ideas of extreme egalitarianism which was always found in peasant rebellions. Similar to that of the "moral economy" peasant (Scott, 1979; in Popkin, 1979:7), the motto in traditional China was "if there is food, let everyone share it" (Xue, 1981:80). Such an ideology was a useful tool in inspiring peasants to overturn the extremely unequal social arrangement in "old China" and class struggle was then a necessary means to reach this end. During the land reform movement in the early 1950s, they played very important roles in liberating production forces, and hence produced positive effects to socio-economic development in the countryside.

However, a proper policy for a certain period of time may not always be proper. After the liberation, the foundations of extremely social inequality were eliminated. The biggest problem was no longer social inequality but low level of productivity in the country. This problem, however, was not correctly understood. Instead, more and more emphasis was still laid on egalitarianism, which was believed to be the final goal of communism. In this way China before the 1978 reform was actually going along the way of "agrarian socialism" (Tsou, 1982:296-7) -- not "scientific socialism" which the Party intended to follow. To achieve equality, class struggle and mass political campaigns were used to transform people's thinking and collectivization was considered the only way for rural organization.

NOTES

- <sup>1</sup> Although Rostow considered that China had entered the "take off" stage in 1952, he doubted whether the stage would last. (1971:38).
- <sup>2</sup> The communist revolution in China was virtually a peasant revolution, in which a major goal was to eliminate the extremely unequal arrangement of land ownership. Strongly influenced, or, to some degree, directly inheriting, the traditional ideas of egalitarianism, the revolution was intended to bring equality to every aspect of social life. Military struggle was waged against the "exploiting classes". In the struggle, owing to extremely scarce subsistence materials, the communists had to live a communal life, in which the sense of collectiveness was of primary importance. Moreover, as the communists were fighting for a long time independently in several "revolutionary bases", whose interconnections were blocked by the enemies, they had to depend on themselves to survive. So, it can be argued that the principles of equality, class struggle, collectivization and self-reliance derived from these experiences.

### III. RURAL ECONOMIC REFORM

#### A. PROBLEMS IN THE LATE 1970S

Problems associated with the strategy of rural development before the 1978 reform have been pointed out by many scholars. Some major problems are: rigid operation of the commune system, low levels of incentive and productivity generated by the system, and the negative effects of the political campaigns (cf. O'Leary, 1982:596-610; Parish, 1985:13-20; Unger, 1985:122-32; Chan et al., 1984; Hinton, 1986).

First, the operation of the commune system was rigid. With the characteristics of being "big", "public" as well as "integrated", coupled with the fact that most of the commune cadres were not local people, the communes often simply functioned as apparatuses to "pass on or implement directives from above" (O'Leary, 1982:603).

Second, the incentives for production were low. This problem was related to two aspects. One was the income distribution system. As noted above, peasants received payments through the "workpoint system". The amount of their daily work points was evaluated at an interval of time, say, two or three times a year. Once decided, the amount of their workpoints remained the same for that period of time. No matter how the work was done, the reward was the same. In this way, payment did not encourage hard work. The "Dazhai workpoint system" intended to solve this problem by letting peasants discuss in face-to-face situation their teammates' production performance as well as political attitude.

However, such a way of evaluation was more complicated and also caused conflicts among peasants. For simplicity, rural cadres later adopted a method with a sexist form of "egalitarianism". While men often earned about ten points a day, women earned around eight (Howard, 1988:42). This practice caused even lower incentive in work. Another aspect causing low incentive was the "grain first" policy. Peasants were restricted from planting cash crops for the sake of prevention of the "capitalist tendency". As grain was sold at much lower price than that of cash crops, peasants could earn little from their production. Thus further reduced peasant initiative at work.

Third, the level of productivity was low. This problem is related to the issues discussed above. As there was not much incentive to encourage hard work, productivity increased only slowly. One Chinese economist pointed out that while total grain output grew by about 50 percent between 1957 and 1978, the agricultural labor force also grew by about 50 percent (Su, 1979:37; in O'Leary, 1982:600). If the figures are correct, there was no increase in per capita productivity.

Fourth, the continuous political campaigns only worsened the socio-economic situation in the countryside. Despite their designers' purpose to educate the peasants with "socialist thoughts", the campaigns caused unrest, disputes and struggles in peasant communities. As a consequence, production was seriously disrupted. (cf. Chan et al., 1985; Gu, 1980).

As a result, stagnation and the continuity of poverty prevailed in many rural

areas:

"According to 1976 and 1977 statistics the production level of some 200 counties ... was close to that of the early days after liberation. Among these, the production level of a handful of counties was even lower than in the early days after liberation. According to statistics compiled ... from 5.04 million rural accounting units ... less than 25 per cent had an average per capita income of more than 100 yuan; 27.3 per cent had incomes below 50 yuan. Among the very poor production brigades and teams, the poorest cannot even solve the problems of having enough to eat and wear and have difficulties in maintaining simple reproduction. They have constantly relied on resold grain for their food supply, loans for production and subsidies for daily living." (Wu, 1980:2; in Johnson, 1982:432).

The failure of agricultural production caused shortage of urban food supplies. Since the mid-1960s, local rationing systems were introduced to allocate scarce agricultural produce. During the 1970s, the amount of imported grain, edible oil and sugar was large. It is estimated that by the mid-1970s, over one-third of urban grain consumption came from imports (Perry & Wong, 1985:3).

These difficulties should have been seen as signals which called for a change in agricultural policies. Given the situation in China, however, economic difficulties did not automatically lead to a change in policy. Political preconditions had to be met. It was not until after the death of Mao Zedong, the arrest of the "Gang of Four" and Deng Xiaoping's return to power in 1977 that such a change was possible (ibid., pp.4-10). The key figure in initiating the change was Deng Xiaoping, a veteran revolutionary described to as "the second person in authority following the capitalist road" during the Cultural Revolution period and twice removed from office. Perhaps because of these experiences, he had a clearer understanding of the real situation in China than other policy-makers. After his return to power for the third time, he and his supporters saw to the problems

in a "sweeping manner" (Parish, 1985:8-9). The 1978 Third Plenum of the Eleventh Party Congress, the meeting I have mentioned at the outset of last chapter, has been generally regarded as the turning point of the change. Within three years following that meeting, "virtually every aspect of rural organization was transformed" (ibid.).

## B. SOME CONTENTS OF THE REFORM

Rural economic reform is a continuous process which is still going on. Here I only discuss some major changes in the initial stage which took place from about 1979 until 1985. Changes in the period were many. The single most important one was the introduction of the "production responsibility systems". Contrary to the previous emphases on collective farming and egalitarian distribution, these new systems emphasized "linking income to work" through various types of labor contracts which are characterized by de-centralization or de-collectivization. These systems aimed at solving the problems which have been stated above, especially the low incentives and low productivity. The argument that "peasants, given management control over their resource allocations, will seek to maximize their income possibilities" (Johnson, 1986a:148; italics original) may probably be the basic explanation of these systems.

Some major types of the production responsibility systems were (cf. Johnson, 1982:436-9; Hartford, 1985:34-43):

- 1) Linking remuneration to the output of work-groups. Production team members were divided into work-groups, with which the team contracted production tasks. Remuneration was calculated according to production output of the groups, in

which it was further distributed to individual laborers.

2) Linking remuneration to output of each laborer, under unified leadership. The team was still a collective organization and took up the production planning, but land and production quotas were assigned to individual peasants, to whom distribution was according to their production output.

3) Fixing output quotas for individual households. The team still took up the accounting and distribution functions. It allocated the land to each household according to its labor power, or according to the proportion of its labor in the total population. Then, the team signed contracts with the households assigning them responsibilities for output. Remuneration would be calculated on the basis of households.

4) Assigning full responsibility to the individual households. Farmland was contracted to households on a per capita basis or according to household labor force. Draft animals and tools were permanently assigned to households for their use. After meeting state procurement quotas and some collective responsibilities, such as collective accumulation and welfare, individual households retained the rest of their products.

Among the above types, the team's control was the weakest in the fourth. With the progress of the reform, that type of responsibility system was later in practice in most of the rural areas. It was also adopted in the villages which I am going to discuss in Chapter Five.

Besides the introduction of responsibility systems, some other measures which aimed at improving rural socio-economic situation were also put forth. The

previous emphasis on politics was discontinued. Political campaigns were put to an end. The class labels of 'landlord', 'rich peasant' and 'historical anti-revolutionary' were no longer used. Rural markets, which were once criticized as "the cradles of capitalism", were re-established. The previous "grain first" policy was little stressed, peasants were encouraged to grow cash-oriented crops. Different forms of non-farm enterprises were established in order to absorb surplus labor force which had been released from land cultivation. In a word, emphases shifted from class struggle and egalitarianism to production.

It is not difficult to imagine that the new policies caused debates and confusion, especially in the beginning (Zhao, 1988). However, as facts have shown, those policies really brought benefits to peasants.

### C. SOME RESULTS OF THE REFORM

One of the most notable consequences of the reform is the rapid increase of peasant income. As Table 3 shows, rural annual per capital net income in the country as a whole grew from 191.33 yuan in 1980 to 424.00 yuan in 1986. The average annual growth rate in nominal terms is 20 percent, compared with that of only 0.5 percent during the 20 years before the reform. This growth rate is remarkable.

TABLE 3. RURAL ANNUAL PER CAPITA NET INCOME

	1980	1981	1982	1983	1984	1985	1986
Yuan	191.33	223.44	270.71	309.77	355.33	397.60	424.00
Increase over previous year	19.5%	16.78%	20.9%	14.7%	14.7%	11.9%	6.7%

Source: *Beijing Review* 30,11 (March 16, 1987):25.

A second consequence is the change of the internal structure of agriculture. As table 4 shows, the percentage of crops output value in total output value of agriculture decreased 14.5 percent during the period from 1978 to 1986, while the percentages of animal husbandry, sideline production and fishery increased by 6.8 percent, 0.8 percent and 5.3 percent respectively in the same period. That means more profit-making oriented production activities were in practice.

TABLE 4. TOTAL OUTPUT VALUE OF AGRICULTURE AND ITS COMPOSITION

	Value (100 million yuan)		Percentage of the total	
	1978	1986	1978	1986
Total output value of agriculture	1397.00	4013.01	100.0	100.0
Crops	1071.64	2498.30	76.7	62.2
Forestry	48.06	201.19	3.4	5.0
Animal husbandry	209.27	873.54	15.0	21.8
Sideline production	45.96	164.36	3.3	4.1
Fishery	22.07	275.62	1.6	6.9

SOURCES: *Beijing Review* No. 42. Oct. 19, 1987.

A third consequence is the growth of non-farm enterprises in the rural areas. These enterprises are either collectively or privately owned and managed. Table 5 shows that although the number of collective run enterprises remained the same from 1978 to 1986, the composition changed significantly. While agricultural enterprises decreased by 260,000, the number of non-agricultural enterprises increased substantially. Meanwhile, the number of employees increased twofold. Table 6 shows the rapid increase of private enterprises. The percentage increase

of households involved and people involved is 860 and 1080 respectively. Because of the rapid increase of non-farm enterprises, 85 million peasants, amounting to one fifth of the total rural labor force, have turned to non-farm production by the end of 1987. For the first time, the output of non-farm production in rural areas exceeded that of agriculture (*Renmin Ribao, Haiwaiban*, Jan. 5, 1988:1).

TABLE 5. TOWNSHIP AND VILLAGE RUN ENTERPRISES

	Number of enterprises(10,000)			Number of people employed(10,000)		
	1978	1986	Percentage increase	1978	1986	Percentage increase
Total	152	152		2,826	4,392	55.4
Agricultural enterprises	50	24	-26	608	241	-61.4
Industrial enterprises	79	88	11.4	1,734	3,041	75.4
Communication and transport enterprises	6	8	33.3	104	110	5.8
Building industry	5	8	60.0	236	807	241.9
Others	12	24	100.0	144	193	34

Source: *Beijing Review* No. 42. Oct. 19, 1987.

TABLE 6. GROWTH OF RURAL PRIVATE INDUSTRIAL AND COMMERCIAL  
BUSINESSES

	1981	1986	Percentage increase
Number of households involved in private industrial and commercial businesses	0.961 million	9.2 million	860
Number of people involved	1.218 million	14.383 million	1080

Source: *Beijing Review* No. 42. Oct. 19, 1987.

The above points are interconnected. The first one is actually the result of the second and the third. For the diversification of production activity has opened chances for peasants to earn more. However, the reform has not only improved rural economic situation, but also changed social organizations. First, the previous commune system became less important in organizing production. By 1983, the names of different levels of commune system has been changed. In Guangdong, where the Pearl River Delta is located, the term "commune" was changed to "district", "production brigade", to "township". "Production team" remained as "team". That change emphasizes more administration functions on the levels of district and township. Second, the previous single model of organization has been

changed. As Tables 5 and 6 show, production organizations can be both collective and private, only if they can generate higher productivity. Third, collective organizations are not necessarily formed by townships or teams. Individuals can form their own collective organizations on a voluntary basis. These organizations can be farming or non-farming. As a result, the previous single model of production has been replaced by a variety of forms.

#### D. DISCUSSION

The rural economic reform in China has been carried out to solve the problems brought forth by the previous developmental strategy. Deng Xiaoping, the key figure of the reform, and his associates intended to develop rural economy by emphasizing production increases. Despite seeming adoption of a capitalist road of development (cf. Perry & Wong, 1985:1-2; Howard, 1988:45), their intention has always been to prove the superiority of the socialist system over the capitalist one (Zhao, 1987b) by achieving "socialist modernizations".<sup>1</sup> However, they have also argued, these modernizations should be built upon the existing economic basis. The previous developmental strategy failed for it overlooked the reality of the country. The real situation is that, they stress, China is still in the "primary stage of socialism" -- a socialist society with very low level of productivity (Zhao, 1987a:25-7). To promote productivity in such a country, both socialist and "capitalist" measurements should be used so long as they can increase production (Li, 1988:3). Therefore, the socialist central planning should still exist, but at the same time its role should be limited to a certain extent. The market economy, which is a common practice in many capitalist societies, should also be introduced for the purpose of socialist construction.

Compared with the strategy of rural development before the reform, the new policies seemed to have these features. Stress on production increases, toleration or encouragement of income inequality, decollectivization in agricultural production and establishment of horizontal relationship between production units. These characteristics seemed to be in direct contrast to those in the pre-reform period. Among them, the recognition of income inequality, which was shown in the principle of "linking payment to one's work", gave much incentives to the peasant producers.

As central planning has been weakened and market mechanisms have been introduced into rural economy, peasants made decisions over the use of the land which was allocated to them. After meeting their duties to the state and the community, peasants can freely use their resources to maximize their economic results. As there were more opportunities open to rural laborers, peasants had more choices in their work.

This raises the question of how the peasants adapted to the new situation. As I will discuss this issue with some data collected from the Pearl River Delta of south China, I need to first give an introduction of the area.

## NOTES

- 1 This position has been clearly expressed by Deng Xiaoping: "We should adhere to socialism. To build a socialism which is superior to capitalism, first we must build a socialism which is free from poverty. At present, we are still practising socialism, but only when we have reached the level of medium developed countries in the middle of the next century will we be able to declare that our socialism is superior to capitalism and that we are practising genuine socialism." (Zhao, 1987).

#### IV. THE PEARL RIVER DELTA: A GENERAL INTRODUCTION

The Pearl River Delta is located in the south-central part of Guangdong Province, the southernmost province in China. It is not a specific administrative unit but a loosely defined area. In the present thesis it refers to the area that has now been called the "Open Economic Area of the Pearl River Delta". It includes presently four municipalities, one market town which is the administration site of a suburban county and thirteen counties. It has an area of 25,000 square kilometers and a population of ten million (*Guangdongkewei*, 1987:1). The northernmost point of the triangle is Guangzhou, the provincial capital, the easternmost point is Shenzhen, the biggest "special economic zone" in China which was created after the 1978 reform, and the westernmost point is Taishan County, native home to many North American overseas Chinese. The five investigation points, from which the data I am going to use in the next chapter were collected, are all located in this area (See the map in Appendix I).

The area lies within the tropics and has been traditionally one of the great rice regions as well as a thriving commercial area (Johnson & Johnson, 1976:7). Under the policies before the 1978 reform, however, the area, as well as the whole province, was considered "complicated" (Johnson, 1986:157) as situations there bore some negative elements to the developmental strategy. After the reform, the previous negative elements turned out to be positive ones. It has now become one of the most prosperous areas in China and attracts nation-wide attention.

**A. "A COMPLICATED AREA"**

Guangdong Province, with the Pearl River Delta as its core, has historical, social and geographical features which are distinct from those of other parts of China. One of these features is its contacts with foreign countries as well as Hongkong and Macau. As early as the Roman Empire, some Roman merchants made their way to Guangzhou. By the time of the T'ang dynasty (618 A.D. -907 A.D.), many Arab traders visited the area regularly. Marco Polo also visited there (Vogel, 1969:18). By the middle of eighteenth century, the silk produced in the Pearl River Delta was sold to foreign countries, (So, 1986:57,70) probably those in Europe. The Opium War of 1840-42, which marked the onset of 100 years of Western domination of the Chinese economy, was largely fought in the area (Johnson & Johnson, 1976:7). So, it has been argued that the delta was incorporated into the "capitalist world-system" both economically and politically around the 1800s and especially after the Opium War (cf. So, 1986:54-74). Therefore there has been a long tradition of westernization and commercialization there. Besides that, Guangdong Province, especially the Delta area, was the source of many overseas Chinese in southeast Asia and the Americas. It is also the native place for many people in Hongkong and Macau, which are colonies of England and Portugal respectively. Therefore, a lot of contacts with Western or Western-style societies went on even in the years when "class struggle" was taken as the key link.

A second feature of the province is that it was a "later-liberated area". Guangzhou was not taken over by the Liberation Army until two weeks after

October 1, 1949, when the People's Republic of China was formally inaugurated (Vogel, 1969:41-3). A part of Guangdong, Hainan Island (now a province), was not liberated until half a year later. That fact meant the foundation of communist control was much weaker than that in the North. A sociological study shows that the villagers in a rural community near Guangzhou were totally ignorant of communist ideas in late 1949, shortly before the communists came (Yang, 1965:197). This also caused problems later.

A third feature is the distinct languages and social customs in the province. Although the written language used there is the same as that in most of other parts of China, the spoken languages are quite different. Two or three major dialects with varieties of sub-dialects are used. In the Pearl River Delta, people use certain kinds of sub-dialects which were derived from Cantonese, a native language spoken in Guangzhou. Some social customs in the province, for example, style of clothing, housing and celebration activities, etc. are different from those of the North. So, when the Party cadres who were from the North and who often took up key leading positions at liberation went to Guangdong, they found themselves confronting a strange world. Certain conflicts were inevitable between them and the local cadres.

After liberation, Guangdong, like all other parts of mainland China, was under the leadership of the central government. Its rural development was also guided by the central policies. However, in Guangdong, the central policies experienced some setbacks in their implementations. One example is the peasants' reluctance towards collectivization in the early 1950s. Peasants in Guangdong, who were not

like those in the North, had not much idea of communism at the time of liberation. Although there were some Party-led communist guerrilla fighters, most of whom later became local leaders, there were simply not enough experienced local activists and cadres who could properly handle the situation (Vogel, 1969:132-3). In some villages of the Delta, peasants retreated from co-operatives. Some of them even held demonstrations in front of the county government office (Fieldwork interview, Jul. , 1986). Besides that, there was the problem of "regionalism". Some local leaders, who were local guerrilla fighters before liberation, simply could not get along with the cadres from the North. Conflicts between them even led to arm rebels in some place (Vogel, 1969:212).

If those problems were later solved by political or military means, there were certain problems which were never solved sufficiently. One was the "hidden economy" -- to use Chan and Unger's term (1982:452-71). The "hidden economy" is vividly described as "black" and "grey" economies. "Black economy" means black marketing and criminal activities while "grey economy" means those economic activities with a semi-legal manner: though illegal on paper, they helped to smooth functioning of the rural economy, therefore, they were tolerated by the local authorities. There were a lot of such "black" and "grey" economies in Guangdong, especially on the Delta area, before the 1978 reform. Chan and Unger quoted such a saying in their paper: "All over Guangdong Province, once the sun goes down, people are on the move", meaning that during the daytime peasants worked as commune members on the collective fields, but once finishing a day's work, they worked hard to seek more profits through their own efforts. An example is the black trading of agricultural goods. According to the pre-1978

regulation, grain and edible oil were Class I commodities, which could only be legally purchased by the state. However, those products were common goods in black markets. The more restriction was imposed the larger number of such markets became. Just as a rural cadre put it: "It is not possible to stop [private] trading. We did ban it a few years back, but that only drove it underground and gave the green light to capitalist practice" (Chan & Unger, 1982:459).

There was still another problem unique to Guangdong, especially to the Pearl River Delta in the late 1970s -- the "escaping to Hongkong wind". With conveniences in both geographical and social context, peasants who were not contented with the economic or political situation in their home villages would illegally cross the borderline between Guangdong and Hongkong, under the risk of their life, to seek for new opportunities. In a bordering villages, nearly all young villagers fled to Hongkong within five months (Chan, et al., 1985:266).

The above aspects may partly explain why Guangdong was considered "complicated" under the pre-1978 policies. Those aspects, however, offered the bases of an alternative way of development under the reform policies.

## **B. A NEW WAY OF DEVELOPMENT?**

Under the reform policies, Guangdong has taken some advantages for its background. As the reform policies aim at economic increase, previously "black" and "grey" economies as cited above have become "white" -- they (not including

criminal activities) are legal now. Peasants have been encouraged to get rich through "honest" ways. After meeting the state demand and fulfilling certain collective (or community) duties, they can take up any production activities as they wish. The Delta peasants, who are more familiar to profit-making than the peasants in other place, adapted to the new situation with relative ease. The changes, such as increase of peasant income, readjustment of agricultural structure and establishment of rural enterprises which I have discussed in last chapter, took place in the Delta earlier and more evidently than in other parts of the country.

In the context of the area, two features have been outstanding in rural development after the reform. One is the increasingly higher level of commercialization in agriculture. Another is the large number of joint-venture enterprises which involve investments from Hongkong, Macau and, in some occasions, foreign countries. In regard of the agricultural commercialization, many traditional cash-crops which were banned during the years of "grain first" policy have now been re-developed. New forms of agricultural planting have also been introduced. Agricultural produces are sold in Guangzhou, Shenzhen and other cities. They are also exported to Hongkong and Macau. The high profit made from those sales have greatly increased peasant income. Besides this, the more notable feature is the "foreign-oriented" joint-venture enterprises which can be found in many villages. The villagers who fled to Hongkong and Macau during the 1970s have now played the roles of "connection" in establishing these enterprises. Because of the favorable conditions, both social and geographical, of the area, the Delta has now been developed into an "open economic zone" in

which production is designed to be "export-oriented" and foreign investment has received favorable treatment (*Xinhuashe*, 1988:1).

Some trends of change in the Delta area after the reform have been summed up as follows (Lan & Gu, 1985:3): 1) Agricultural production has become "export-oriented", 2) the rural areas have been gradually industrialized, 3) the rural labor force moved from agriculture into industrial and service sectors, 4) different levels of economic structure co-exist, 5) peasant living-standard has been generally improved, 6) knowledge is considered important in agricultural production, 7) a more equal inter-generation relationship is replacing the traditionally patriarchal relationship in the family and 8) more small towns have been established.

While these changes may be regarded as positive to rural development, they at the same time bring new problems. The development of the Delta is still in a stage of experiment, whose results remain to be seen.

### C. DISCUSSION

This chapter has given a general introduction of the Pearl River Delta. The situation of the Delta area is somewhat specific. On the one hand, it is, like other areas in mainland China, under the unified leadership of the Party. On the other hand, it has a long history of being incorporated into the capitalist "world system", commercialization and westernization there are more evident than those in other parts of China. This factor, coupled with other social, geographical

factors, created some problems to the development strategy before the reform. However, also these factors, especially the tradition of commercialization, meet the need of the reform. With other favorable conditions, such as advantageous location, investment from outside China, etc., this area has now become one of the most rapidly developing areas in China.

With this background knowledge provided, it is time to study how the Delta peasants, who had experienced land reform, collectivization, communization and the series of political campaigns, and who were situated in a relatively commercialized and westernized area, responded to the reform policies.

## V. PEASANT ADAPTATION UNDER THE REFORM

### A. THREE KINDS OF PEASANT HOUSEHOLD

Peasant adaptation can be studied along several dimensions, such as ideological adaptation or organizational adaptation. In the following discussion, I only analyze this matter through labor force allocation. Before the reform, most of the Delta peasants, like those in other parts of rural China, concentrated on subsistence cropping (grain production). After the reform, with the diversification of the rural economy, the labor force has been re-allocated to different sectors. The rural labor force has shifted from subsistence cropping to commercial agriculture or to non-agricultural sectors. It has followed the experiences of industrialized and "newly industrialized" countries when they underwent the transition from traditional to modern society.

As peasant households became basic production units after the reform, the situation of labor force re-allocation can be shown in three kinds of peasant households:<sup>1</sup> households which are still mainly producing subsistence grain crops (hereafter as "subsistence cropping households"); households which are mainly engaged in producing cash-oriented crops, sidelines, livestock or other commodity products (hereafter as "cash cropping households"); and households in which there is at least one member who has taken a relatively permanent non-agricultural job (hereafter as "partial agricultural households"). These three kinds of peasant household co-exist in rural China. In the Pearl River Delta, as discussed in the previous chapter, it can be argued that there are more of the second and third

kinds of household than the first one in the area. Also it can be argued that these two kinds of households have received better income than the first one. However, questions remain: do these judgements reflect the real situation? If they do, why do different kinds of households co-exist; why do not all households become certain a kind of household, say the partial agricultural ones? In other words, what are the major factors which seem to be affecting the co-existence of these different kinds of households? In this chapter, I attempt to find out some answers by analyzing some data collected from five townships in the Pearl River Delta.

## **B. FIVE INVESTIGATION SITES**

In the summer of 1986, Professor Johnson conducted a peasant household survey in five townships (formerly production brigades) in the Delta. These townships are located in the sites in which he has been conducting research since 1973 (Johnson & Johnson, 1976; Johnson, 1981,1982,1986a,1986b). Konglun, in Duanfen district (formerly commune) of Taishan county, is located in the south-western end of the Delta, about 160 kilometers from Guangzhou. Naamshui, in Leliu district of Shunde county, is located in the centre of the Delta. Both Ngawu and Tsimgong, belonging to Renhe and Luogong districts respectively, are part of the Suburban Area of Guangzhou Municipality. Wantong is in the east Delta, administratively belonging to Fucheng district of Dongguan county, which is adjacent to the Shenzhen Special Economic Zone and Hongkong. The geographical positions of those townships are shown in the map in Appendix 1.

These investigation sites were chosen with certain purposes in mind (Johnson, 1987:7). Kongluen is in Taishan county, the point of origin of many North American overseas Chinese. It seems, therefore, to be an appropriate site for studying overseas linkages and influences. Naamshui is in Leliu district which was, and still is, a national "key point" for fish production. It seems to be a good place to study cash-oriented agricultural production. Ngawu was distinguished for its radical character during the political campaigns before the 1978 reform and is now somewhat lagging in its economic development. It is, therefore, an unit with certain "political characteristics". Tsimgong is distinguished for its overwhelming fruit production. It is an example of cash cropping production. Wantong was a "production model" in the 1970s and is still now an advanced unit in economic development. It can be considered as a unit which has taken full advantage of reform policies. So, these townships are not random samples, but rather, the so-called "purposive samples" (Williamson et al., 1982:106). Information collected from them may not necessarily reflect a general picture of the Pearl River Delta area, but may represent some typical situation in several kinds of rural settlements.

In 1986, the allocation of labor force in these five townships was quite different. In Kongluen, a overwhelming proportion of villagers were mainly engaged in growing rice. In Naamshui, most of the peasants raised fish while a small portion of them went to work outside the village. In Ngawu, the situation was more diversified. There were some enterprises set up in the village, but at the same time, quite a few peasants went to work outside of the village. Nevertheless, the major agricultural products in the village was rice. In

Tsimgong, almost all of the peasants planted fruit. In Wantong, about half of the labour force grew cash crops and the other half worked in enterprises which had been set up in the village. Some basic features of the five townships are summarized in Table 7.

TABLE 7. CHARACTERISTICS OF FIVE INVESTIGATION SITES

TOWNSHIP	AGRICULTURE: MAJOR CROPS	ENTERPRISE SECTOR	AGRICULTURAL LABOR FORCE(%)	URBAN PROXIMITY
KONGLUEN	GRAIN, LIVESTOCK	SMALL	63.5	DISTANT
NAAMSHUI	FISH, SUGAR	SMALL	52.5	MEDIUM
NGAWU	GRAIN	MODEST	40.0	MEDIUM
TSIMGONG	GRAIN,FRUIT	SMALL	79.5	CLOSE
WANTONG	GRAIN, FRUIT, VEGETABLES	EXTENSIVE	44.0	CLOSE

Source: Interview data (provided by Dr. Johnson) and personal observation.

In these five villages, peasant households were randomly selected according to their registration numbers in the registration books which were kept in the district offices.<sup>2</sup> During the survey, altogether 521 peasant households were interviewed. Among them, 475 belonged to the three kinds of households mentioned above:<sup>3</sup> 104 (21.9%) were subsistence cropping households, 193 (40.6%) the cash cropping households and 178 (37.5%) were partial agricultural

households. The ratio between these different kinds of household is approximately 1:2:2. This ratio confirms the judgement that more cash cropping households and partial agricultural households should exist in the Delta area. However, these different household types are not evenly distributed in the five townships. Their percentage distribution is shown in Table 8.

TABLE 8. DISTRIBUTION OF PEASANT HOUSEHOLDS IN FIVE TOWNSHIPS(%)

Household Types	Kongkluen	Naamshui	Ngawu	Tsimgong	Wantong	Total
Subsist.	70.3	0	44.4	0	0	21.9
Cash-crop.	0	65.9	0	95.9	37.7	40.6
Partial-agri.	29.7	34.1	55.6	4.1	62.3	37.5
Total	100 (91)	100 (91)	100 (90)	100 (97)	100 (97)	100 (475)

## NOTES:

In the present analysis, the mainly subsistence cropping households and the mainly cash cropping households are classified on the bases of the townships.

In Kongluen, eighty percent of the paddy land is for rice production, and in Ngawu, seventy percent. In Naamshui, all land is used for commercialized cropping, about eighty percent of which is for fishery, and another twenty percent, for sugar cane and other economic crops. In Tsimgong, seventy-eight percent of land is for producing fruit. In Wantong, a variety of economic sectors exists, with one third of the labor force engaging in agricultural sector (mainly cash cropping), one third of it in industrial sector, and still another one third, in other sectors, such as service, transportation, etc. (Information provided by Dr. Johnson).

Based on that information, all the fully agricultural households in Kongluen and Ngawu have been placed in "subsistence cropping households" while those in Naamshui, Tsimgong and Wantong have been placed in "cash cropping households". Although I realize the possible errors I may make in such a classification, I can only do it in this way for the time being.

Source: survey data.

### C. VARIABLES, MEASUREMENTS AND HYPOTHESES

To study the possible causes of the division of these households, some basic elements of social inquiry -- variables, measurements and hypotheses (Hoover, 1980:69) -- should first be taken into account. A discussion about the choices of variables, determination of statistical measurements and formation of hypotheses is given in Appendix 2.

Variables are first chosen from the township level. According to Table 8, a certain kind of household made up the majority in a township. For instance, seventy percent of households in Kongluen are subsistence cropping households, ninety-five percent of the households in Tsimgong are cash cropping households. These facts suggest strong relationships existing between townships and the different kinds of household. However, "township" itself does not mean anything. It is the nature or characteristics of these townships that give their influences to the diversification.

Among many possible options, three variables, which are considered most relevant to the inquiry, are chosen. They are: The tradition of producing commodity products (hereafter referred to as "comparative advantages"), urban proximity (hereafter as "location") and township leadership (hereafter as "leadership").

The variable of "comparative advantages" is considered important in influencing the peasant households to become cash cropping households. In the Delta, many places have their "local specialties", for example, agricultural products, handicrafts,

or refreshments. The traditional local agricultural products can be traced back a long time. As the peasants lived and worked closely, if a peasant household grew a certain kind of new crop which brought higher profit, his neighbors would follow suit. Such a tendency is also found in the peasant communities in other Asian societies, such as Korea (Chang, 1987:14). These traditional products were not eliminated even in the heydays of the "grain first" policies. After the reform, they became flourishing again.

An other variable is "location". The different geographic positions of these townships are shown in the map in Appendix 1 and their urban proximity is estimated in Table 7. There are three values in this variable: "Distant", "medium" and "close". These values are determined according to the distances from a township to a big city. It can be argued that the closer a township is to a big city, the greater the demands are, and hence the more opportunities are for the commercialization of agricultural products. It can also be argued that the closer a township is to a big city, the more chances for its labor force to shift to the non-agricultural sectors. Therefore, more cash cropping and partial agricultural households are expected to be found in the townships which are close to the cities.

If the above variables concern some "natural" factors, which are impossible for people to change, the third variable, "leadership", considers human factors. Local leadership has always been important for rural development. Before the 1978 reform, it was the duty for the local leaders to made decisions on nearly every aspect of social life in the countryside. They gave detailed arrangements in

agricultural production as well as in political tasks. After the reform, land was distributed to individual peasant households, political studies were abandoned. There was little need for the local cadres to take care of the day-to-day arrangements of agricultural production. Their attention therefore was able to be paid to establishing or managing non-agricultural sectors in the locality (Johnson, 1982:450-1). It can be argued that if a township leadership is active and strong there should be more non-agricultural enterprises in the township and, therefore, more partial agricultural households in it. Three values, "weak", "medium" and "strong", are assigned to this variable (The criteria of creating these values will be discussed in the analysis sector).

To sum up the above discussion, three hypotheses are posed at the township level:

*Hypothesis 1. If a township has "comparative advantages" --that is, a tradition of growing cash crops-- there should be more cash cropping households in it.*

*Hypothesis 2. If a township is close to cities, there should be more cash cropping or partial agricultural households in it.*

*Hypothesis 3. If a township leadership is "strong" there should be more partial-agricultural households.*

After the consideration at the township level, some other relevant variables seem to be at the household level. Table 8 shows that there are more than one kind of households in a township. Explanations of this variation have to be sought through considering household characteristics.

Variables at the household level are chosen from several respects: Household demographic features, household social status, and household educational level. Two additional variables, land/adult ratio and overseas remittances, are also chosen.

"Household size" and "adult numbers" are the variables chosen from household demographic features. They have strong correlation between them (see row 2, Table 9) and are considered very relevant to the "peasant household types". The rationale of using these variables is stated as follows. After the introduction of "household production responsibility systems" in the five townships, arable land has been distributed to each individual household. In Konglun, Ngawu and Wantong, most of the arable land was divided according to the household size. In Naamshui, arable land was divided according to household size but fishponds were contracted to peasant households through bidding. In Tsimgong, the fruit trees was divided according to household size but the paddy fields were contracted through bidding. The situation is this: every household has got some land, which ranges from 0.5 to 1 *mu* per capita. If there are only few adults (laborers) in a household, they have to all work in the allocated land so that enough agricultural products can be produced to meet the needs of state procurements and family consumption. If, on the other hand, there are more adults in a household (usually the household size is bigger in this case), there is no need for all of them to work in the field. Some of them may have chances to seek for non-agricultural jobs. So, two hypotheses are created:

*Hypothesis 4. If a household has a bigger size, it is more likely a*

*partial-agricultural household.*

*Hypothesis 5. If a household has more adults in it, it is more likely a partial-agricultural household.*

To deal with the matter of land bidding in Naamshui and Tsimgong, another variable "land/adult" is introduced. The households which are successful in getting more land through bidding are either engaged in fish raising or fruits cultivating, which characterizes agricultural production in the two townships. Therefore, it can be argued that if the land amount per adult is high, the more likely that cash oriented agricultural products are produced by the household. Hence

*Hypothesis 6. If a household has higher land/adult ratio, it is more likely to be a cash cropping household.*

The following variables deal with household social status: Class labels (which were assigned to a household in the land reform movement in the early 1950s), Party membership, and a cadre in a household.

Household class labels were very important in indicating social status before the 1978 reform. There were "bad" (the former landlord, rich peasant, and other "anti-socialism elements"), "medium" (the middle peasants and the like) and "good" (the former poor peasants) classes. The "bad" class was somewhat discriminated in social and political life (Parish & Whyte, 1978:40). After the 1978 reform, policies emphasized on the equal opportunities for all those different classes. However, it can be argued that the influences of the previous practice still exist and the formerly "bad" class households may still be put into a

disadvantageous position in their adaptation to the reform policies.

Contrary to the "bad" class households, the households with Party members or cadres in them may be in a more advantageous position than their fellow villagers. Party members and cadres have more chances to study policies, and they have more chances to contact with the outside world. They may have more opportunities to introduce cash crops or to recommend a household member to some higher income-earning jobs.

So, hypotheses concerning these factors are:

*Hypothesis 7. If a household is previously assigned a "bad" class label, it is more likely to remain as a subsistence-cropping household.*

*Hypothesis 8. If a household with party membership in it, it is likely a non-subsistence-cropping household.*

*Hypothesis 9. If a household with a cadre(s) in it, it is likely a non-subsistence-cropping household.*

The educational levels of the household members are bound to play certain roles in affecting the family labor force allocation. It can be argued that if household members have higher levels of education, they may be more willingly to make the decision to grow cash crops or take a non-agricultural job, which requires a more innovative spirit or technical skills than merely growing subsistence crops.

Among the household members, two persons tend to have more influence. One is the household head (in most cases, the father) and another, the person who has

the highest education in the household (often the eldest or second eldest son). The father was traditionally the most dominant figure in a Chinese family (Baker, 1979:22-45) and still remains so to quite a large extent. However, with economic and social change, knowledge has become more important and family members with higher education may also have an influence in family affairs. Therefore, two variables, the household head's education and the highest level of education a household member receives, are selected. The hypotheses are:

*Hypothesis 10. If the household head has a higher education, the household is more likely non-subsistence-cropping.*

*Hypothesis 11. If higher education is received by a household member (besides the household head), the household is more likely non-subsistence-cropping.*

After considering the above variables, there is still another one which should be taken into account: Overseas remittances. It has been mentioned that overseas connections are intensive in the Delta. One of these connections is the remittances from outside China. Among the survey samples, about one fourth of the households have regular remittances from abroad. When Parish and Whyte studied the roles of remittances in the area in the mid-1970s, they pointed out the possible destructive functions of these remittances on collective farming (1978:26-7). How do they function under the reform policies, especially, in relation to the different kinds of household? It can be argued that if there is money coming abroad, peasants may tend to depend on it and, therefore, may have less motivation to grow cash crops or seek for non-agricultural jobs, both of which, though bringing more income, require more energy and entrepreneurial

spirit. Therefore,

*Hypothesis 12. If a household receives regular overseas remittances, it is more likely a subsistence-cropping household.*

Up to here, twelve variables and hypotheses at both township and household levels have been chosen. These variables tend to be, although not necessarily, independent variables in their relationships to the three peasant household types. So, in the tables that follow, all the above variables are listed across the top while the variable of "household types" is put on the side as to follow the standard formula (Hoover, 1980:78).

If the above variables tend to be the independent variables, there are some others which may be considered as dependent variables to the "household types". The economic situation in different households is likely to vary according to the work household members have taken. Although it can be argued that cash cropping households and partial agricultural households should have higher income and hence, better living standard than subsistence cropping households, it is not clear how big the differences are between them. Neither is it clear what the difference is between cash cropping and partial agricultural households. To study these matters, two further variables, namely per capita income in 1985 (the year prior to the survey) and weekly per capita expenses on food, were chosen for analysis.

Except for the variables at the township level, the above variables can be considered as either ordinal or interval variables.<sup>4</sup> The correlations (with Gamma

coefficients) between them are shown in Table 9.

## D. RESEARCH AND ANALYSIS

### 1. -- Analyses at the Township Level

The data for the analyses of township characteristics are not merely from the survey but also from other sources such as documentary research, personal observation and estimation.

The tradition of cash cropping in a township can be looked at in the records of local history. Some interesting descriptions are found in such records. It is shown that more than a hundred years ago, there were already some specialized products in the areas around Tsimgong and Naamshui. In the area around Tsimgong, "peasants made their living by fruit growing". There were different kinds of fruits, such as banana, pineapple, pear, chestnut, olive, sugar cane, orange and plum, etc. The most famous was lychee, of which twelve different types are listed (*Panyu Xianzhi*, 1871:179). In the area around Naamshui, "the place [was] densely populated, the soil [was] fertile, and the people [were] engaged in commodity agricultural production by growing water chestnuts and trading fish". Altogether thirty seven different kinds of fish were produced in the area (*Shunde Xianzhi*, 1929:308-20). In other townships, no similar records are found. So, both Tsimgong and Naamshui are considered to have tradition in cash cropping -- that is, they have "comparative advantages" in adopting commercial farming.

TABLE 9. CORRELATION BETWEEN HOUSEHOLD CHARACTERISTICS

(GAMMA COEFFICIENTS)

	HOUSEHOLD SIZE	ADULT NUMBER	LAND/ADULT RATIO	CLASS LABEL	PARTY MEMBER	CADRE	HEAD HIGHEST EDU.	HIGHEST EDU.	REMITT. EDU.	PER CAP. EXPENSES INCOME
1. HOUSEHOLD SIZE	--									
2. ADULT NUMBER	* .87	--								
3. LAND/ADULT RATIO	*-.11	*-.30	--							
4. CLASS LABEL	-.12	-.01	-.13	--						
5. PARTY MEMBERSHIP	* .33	.15	-.00	.35	--					
6. CADRE IN HOUSEHOLD	.19	* .22	.02	* .42	* .59	--				
7. HOUSEHOLD HEAD EDUCATION	* .11	*-.26	.02	.06	.08	*-.30	--			
8. HIGHEST EDU. IN HOUSEHOLD	* .35	* .17	-.19	.08	* .44	.18	*1.00	--		
9. OVERSEAS REMITTANCES	.13	.13	-.04	.11	-.19	.22	.20	.19	--	
10. PER CAPITA INCOME	-.10	.03	.08	*-.17	.17	*-.00	-.04	.01	-.07	--
11. EXPENSES ON FOOD	*-.23	-.06	* .24	-.15	* .08	.08	-.12	-.01	-.18	*.37

(N=475)

(\* p(&lt;=.05))

SOURCE: SURVEY DATA.

The urban proximity of the five townships has been shown in Table 7. The proximity is not only estimated according to the mileage from a township to a city but also according to its proximity to a major commercial centre. Wantong is located between Hongkong and Guangzhou with a highway leading to the township. Tsimgong is adjacent to Guangzhou. These two are considered "close" to cities. Ngawu is farther away from both Guangzhou and Hongkong than the above two. Naamshui is even farther away from Guangzhou but is close to a county town. So, both of them are considered to have "medium" proximity to cities. Kongluen is obviously remote both from Guangzhou and its county town. It is "distant" from cities.

The merit of a township leadership is estimated from both internal strength and external relationships. Among the five townships, Wantong can be considered to have the most effective leadership. Internally, the "leaders of the village have hustled for opportunities and are spearheading a substantial process of local growth, agricultural, industrial and commercial" (Johnson, 1988:27). Externally, it has a close "connection" with the higher administrative levels, as the former head of the village, a "land reform cadre", is now working as a deputy director in the district administration office. With these internal and external advantages, leadership in the village is strong. The leadership in Kongluen and Ngawu, by contrast, is weak as a consequence of the lack of internal unity and paucity of external connections. The leadership in Naamshui and Tsimgong is somewhat in between and is considered "medium" in strength.<sup>5</sup>

Table 10 sums up these township characteristics and relates them to the

majority of household types in different townships. From the table, hypothesis 1 seems to be confirmed: If a village has a tradition of commercial farming, most of the peasant households are engaged in cash cropping. Hypothesis 2 is also proven: in the townships close to cities, there are more cash-cropping and partial-agricultural households. But hypothesis 3 is not in accordance with what the table shows. In two townships, Ngawu and Wantong, partial agricultural households are the majority (though the percentage in Ngawu is only 56 percent). However, leadership in Wantong is strong while that in Ngawu is weak. A further inquiry into the matter reveals that as the leadership in Ngawu is weak, there are not many enterprises in the village and the internal coherence is also weak. But the village is relatively close to Guangzhou and the villagers have personal connections with the people in the cities. Therefore they have more chances to work in the non-farming enterprises outside the village (This situation has been discussed above). Considering this fact, hypothesis 3 is rejected. A correction to this hypothesis is: if township leadership is strong, there are more enterprises set up in the township and peasants have more opportunities to do non-farming work in the community.

Besides the above findings, table 10 shows quite clearly that the township (Konglun) which has no tradition of commercial farming, is remote from cities and is weak in leadership, is in a unfavorable position in adapting to the new policies. The majority of peasant households are subsistence cropping ones.

TABLE 10. RELATIONSHIP BETWEEN TOWNSHIP CHARACTERISTICS AND MAJORITY OF HOUSEHOLD TYPES

TOWNSHIPS	TOWNSHIP CHARACTERISTICS			MAJORITY OF HOUSEHOLD TYPES
	COMPARATIVE ADVANTAGES	LOCATION	LEADERSHIP	
KONGLUEN	NO	DISTANT	WEAK	SUBSISTENCE CROPPING (70%)
NAAMSHUI	YES	MEDIUM	MEDIUM	CASH CROPPING (66%)
NGAWU	NO	MEDIUM	WEAK	PARTIAL AGRICULTURAL (56%)
TSIMGONG	YES	CLOSE	MEDIUM	CASH CROPPING (96%)
WANTONG	NO	CLOSE	STRONG	PARTIAL AGRICULTURAL (62%)

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SOURCES: SURVEY DATA, INTERVIEWS, PERSONAL OBSERVATION.

## 2. -- Analyses at the Household Level

The hypotheses concerning household characteristics have been created in the previous section. In the following section, they will be studied exclusively with the data collected from the interviews in the five townships.

Table 11 shows the percentage distribution of different household types in different groups of household size. It can be noticed that both of the modes in the columns of "small" and "medium" household size fall into the category of the "cash cropping household" while the mode of the "large household size" falls into the "partial agricultural household". It can also be noticed that both of the subsistence cropping households and cash cropping households tend to be comparatively small in size for their percentages decline while the "household size" changes from small to large. In contrast, the "partial agricultural households" tends to be large, for its percentage increases in accordance with the increase of the household size.

Table 12 shows the percentage distribution of different household types in different groups of adult numbers. A similar trend is shown between "adult numbers" and "household types" as that in Table 11. The cash cropping households and the subsistence cropping households tend to have fewer adults in their families (although this tendency is less clear in the latter case). A reverse trend is clearly shown for the partial agricultural households. There is no partial agricultural household with a single adult. With the increase of the adult number, the percentage of the partial agricultural households also increases markedly.

TABLE 11. PERCENTAGE DISTRIBUTION OF HOUSEHOLD TYPES BY HOUSEHOLD SIZE

HOUSEHOLD TYPES	HOUSEHOLD SIZE			TOTAL
	SMALL (1-2)	MEDIUM (3-6)	LARGE (7 OR MORE)	
SUBSISTENCE CROPPING	33.3	22.4	17.0	21.9
CASH CROPPING	50.0	42.3	31.9	40.6
PARTIAL AGRI.	16.7	35.3	51.1	37.5
	100 (24)	100 (357)	100 (94)	100 (475)

$\chi^2 = 12.9$  (p=.01)

(MISSING CASE=0)  
SOURCE: SURVEY DATA.

Table 13 shows the relationship between land/adult ratio and the three kinds of households. The modes of the "lowest", "second lowest" and "medium" land/adult ratio all fall into the category of the "partial agricultural households" while those of the "second highest" and the "highest", fall into the cash cropping households. The subsistence cropping households seem to be relatively evenly distributed in different groups of land/adult ratio although they have more percentage in the "second lowest" and the "medium" ones.

Considered together, the above tables suggest such a trend: the larger a household is, the more adult members will be in the household, and the amount of land per adult will be less, then, the household tends to be a partial agricultural one. On the contrary, the smaller a household is, the less adult members will be in the household and the amount of land per adult is more, then, the household tends to be a cash cropping household. The subsistence cropping households show a similar tendency as that of the cash cropping households, but the tendency is less clear. So, hypotheses 4,5 and 6 seem to be basically proven.

Explanations may be made in the following ways: Owing to many reasons, peasants still have very strong feelings about the right of land use. Although they are allowed to totally abandon farming, only very few do (5 out of 521 interviewed households have done so). Peasants feel that it is more secure to have some land to cultivate. Each household tends to maintain its basic share of land which has been allocated according to the household size. If the amount of basic land is large and the adult number is small, the land/adult ratio is high,

TABLE 12. PERCENTAGE DISTRIBUTION OF HOUSEHOLD TYPES BY ADULT NUMBERS

HOUSEHOLD TYPES	HOUSEHOLD ADULT NUMBER					TOTAL
	1	2	3	4	5 OR MORE	
SUBSIST. CROPPING	28.6	21.4	21.6	27.4	17.3	21.9
CASH CROPPING	71.4	54.5	45.9	25.3	26.4	40.6
PARTIAL AGRI.	0	24.1	32.4	47.4	56.4	37.5
TOTAL	100 (14)	100 (145)	100 (111)	100 (95)	100 (110)	100 (475)

$\bar{X} = 50.4$  ( $p = .0000$ )

(MISSING CASE=0)  
SOURCE: SURVEY DATA.

TABLE 13. PERCENTAGE DISTRIBUTION OF HOUSEHOLD TYPES BY LAND/ADULT RATIO

HOUSEHOLD TYPES	LAND/ADULT RATIO					TOTAL
	LOWEST	2ND LOW	MEDIUM	2ND HIGH	HIGHEST	
SUBSIS. CROPPING	17.6	26.0	25.5	21.2	15.1	21.9
CASH CROPPING	35.2	26.7	34.7	57.6	69.8	40.6
PARTIAL AGRI.	47.2	47.3	39.8	21.2	15.1	37.5
TOTAL	100 (108)	100 (131)	100 (98)	100 (85)	100 (53)	100 (475)

$\bar{x} = 48.0$  (p = .0000)

(MISSING CASE=0)

SOURCE: SURVEY DATA.

and the households may find it difficult to send a household member to the non-agricultural sectors. If the amount of land is small and the number of adults is relatively large, the land/adult ratio is low and the household members may have more alternatives in choosing a non-agricultural job. Besides that, there may be still some other explanation for the issue. The peasants in Naamshui and Tsimgong can bid on fishponds and hill-land. There ought to be higher land/adult ratio in the households which have successful bids. As there are a majority of cash cropping households in those two townships, it seems certain that the cash cropping households are to be found in the groups of higher land/adult ratio. Furthermore, table 11, 12 and 13 indicate that all these relationships are statistically significant ( $p \leq .01$ ). They are unlikely to occur by chance. Therefore the findings from these samples can be inferred with confidence to all the households in the five townships.

Table 14 to 16 deal with the relationships between household social status and household types. Table 14 shows the percentage distribution of the three kinds of household in different groups with different previous social class labels. It is shown that there is no household with "bad" labels in the category of "subsistence cropping household". Families with "bad", "medium" and "good" class labels formerly have nearly equal percentages in the category of the "partial agricultural household" (although the "bad" families are 2.3 percent less than the "medium" ones and 2.8 percent less than the "good" ones.) The majority of the previously "bad" families are the cash cropping households.

Table 15 shows that when the values in "Party membership" change from "no"

to "yes", both percentages in "subsistence cropping household" and "cash cropping household" decline (although that in the "cash cropping household" only decline slightly), but the percentage in "partial agricultural household" increase by nearly twelve percent. It thus suggests that the families with Party membership tend to have more chances to be the partial agricultural households. A similar tendency is also shown in the households with cadres in them. Table 16 indicates that the majority (47.1%) of these households are the partial agricultural ones.

From these tables, hypothesis 7 is not supported: the previous "bad" class households appear to have equal opportunities in their access to commercial farming and non-farm enterprises. But both hypotheses 8 and 9 are confirmed: households with party members or cadres do have better chances to become partial-agricultural ones.

When considered together, the above tables seem to produce something contradictory. On the one hand, Table 15 and 16 do confirm the hypotheses that families with Party membership or cadre are more likely to be partial agricultural households. On the other hand, however, Table 14 suggests that the formerly "bad" class families have basically equal chances to be the cash cropping households and partial agricultural households as the formerly "good" class families do. As both "Party membership" and "cadre" have fairly strong positive correlation with "previous class label" (Gamma equals to .35 and .42 respectively), a logical reasoning should be: the better class label a household had, the more likely there is a Party member or a cadre in it and hence the more likely the household is a cash cropping household or a partial agricultural

TABLE 14. PERCENTAGE DISTRIBUTION OF HOUSEHOLD TYPES BY CLASS LABELS

HOUSEHOLD TYPES	CLASS LABELS			TOTAL
	"BAD"	"MEDIUM"	"GOOD"	
SUBSISTENCE CROPPING	0	12.9	25.1	22.0
CASH CROPPING	64.7	49.4	36.8	40.1
PARTIAL AGRICULTURAL	35.3	37.6	38.1	38.0
TOTAL	100 (17)	100 (85)	100 (367)	100 (469)

$\chi^2 = 13.9$  (p=.01)

SOURCE: SURVEY DATA.

TABLE 15. PERCENTAGE DISTRIBUTION OF HOUSEHOLD TYPES BY PARTY MEMBERSHIP

HOUSEHOLD TYPES	PARTY MEMBERSHIP		TOTAL
	NO	YES	
SUBSIS. CROPPING	23.6	14.1	21.9
CASH CROPPING	41.0	38.8	40.6
PARTIAL AGRI.	35.4	47.1	37.5
TOTAL	100 (390)	100 (85)	100 (475)

$\chi^2 = 5.4$  (p=.06)

(MISSING CASE=0)

SOURCE: SURVEY DATA.

TABLE 16. PERCENTAGE DISTRIBUTION OF HOUSEHOLD TYPES BY CADRE

HOUSEHOLD TYPES	CADRE		TOTAL
	NO	YES	
SUBSIS.- CROPPING	20.9	24.8	21.9
CASH CROPPING	44.6	29.6	40.6
PARTIAL AGRI.	34.6	45.6	37.5
TOTAL	100 (350)	100 (125)	100 (475)

$\chi^2 = 8.7$  (p=.01)

(MISSING CASE=0)

SOURCE: SURVEY DATA.

household. But this reasoning is not supported by Table 14. Possible explanations are: First, besides the variables of "Party membership" and "cadre" there are some other factors which give stronger influences to the re-allocation of family labor force; Second, the formerly "bad" class families have really been treated in equal terms with other families. No matter what the case may be, it needs further inquiry which will be the task for later studies.

The relationship between the household education level and the three kinds of peasant household is shown in Table 17 and 18. A comparison is made between these two tables: Among the 475 households, 106 household heads have junior middle schooling or higher, while 282 other members in these families have received this level of education. This difference may partly affect the forming of different types of households. In Table 17, the percentage of the cash cropping households does not change when "household head education" changes from low to high, but those of the subsistence cropping households increase by nearly 15 percent and those of the partial agricultural households decrease by about 14 percent. These changes indicate that the household heads of the subsistence cropping households tend to have more education while those of the partial agricultural households tend to have less. This finding rejects hypothesis 10, which proposes a positive relationship between the levels of the household head education and the commercial farming or non-agricultural economic activities.

Table 18 shows that the mode of "low" education level falls into the category of "cash cropping household" while that of the "high" education level, into the "partial agricultural household". Also can it been seen that the percentages of

the "high" education level increase when the "household types" changes from "subsistence cropping household" to "partial agricultural household" (see column 3 in Table 18, percentages increase from 23.4 to 34.0 and to 42.6). This suggests that if a household member (other than the head) has received higher education, the household is more likely to be a partial agricultural household. Therefore, hypothesis 11 is proven.

So, the relationship between household education and household types is quite interesting. If the household head (very often, the father) has more education, the family tends to remain in growing subsistence crops; if the household head has less education the family tends to have some members working in the non-agricultural sectors. If this finding can be proven true, then, the reason may be that the household heads with more education tend to be more conservative in their thinking as the result of traditional education. But this is not very convincing. Moreover, if the "perfect" association between "household head education" and "household highest education" is taken into account ( $\text{Gamma} = +1.00$  as row 8 of Table 9 shows), a logical inference is: the higher education a household head has the higher the family members' education and the household is more likely to be a partial agricultural household. But Table 17 does not support that inference. So, it seems quite clear that there are some intervening variables between the household head education and the household types. To find out these variables is the task of further research.

As the Pearl River Delta is distinguished from other parts of China for its strong overseas relationship, the role of the remittances from abroad is worth

TABLE 17. PERCENTAGE DISTRIBUTION OF HOUSEHOLD TYPES BY HOUSEHOLD HEAD EDUCATION

HOUSEHOLD TYPES	HOUSEHOLD HEAD EDUCATION		TOTAL
	LOW (Below junior middle school)	HIGH (Junior middle school or higher)	
SUBSIS. CROPPING	18.7	33.0	21.9
CASH CROPPING	40.7	40.6	40.6
PARTIAL AGRI.	40.7	26.4	37.5
TOTAL	100 (369)	100 (106)	100 (475)

$\chi^2 = 12.2$  (p < .01)

(MISSING CASE=0)

SOURCE: SURVEY DATA.

TABLE 18. PERCENTAGE DISTRIBUTION OF HOUSEHOLD TYPES BY HIGHEST EDUCATION IN HOUSEHOLDS

HOUSEHOLD TYPES	HIGHEST EDUCATION LEVEL IN A HOUSEHOLD (EXCEPT THE HOUSEHOLD HEAD)		TOTAL
	LOW (Below junior middle school)	HIGH (Junior middle school or higher)	
SUBSIS. CROPPING	19.7	23.4	21.9
CASH CROPPING	50.3	34.0	40.6
PARTIAL AGRI.	30.1	42.6	37.5
TOTAL	100 (193)	100 (282)	100 (475)

$\chi^2 = 12.9$  (p < .01)

(MISSING CASE=0)

SOURCE: SURVEY DATA.

studying. Table 19 shows that most (48.9%) of the household with no remittances from abroad are cash cropping households. For the households which receive overseas remittances, 39.1 percent are subsistence cropping households and 46.1 percent are partial agricultural households. This phenomenon may be interpreted in these ways. On the one hand, the remittances may really have some effects in keeping the peasants growing subsistence crops for the reasons which have been stated in the last section. On the other hand, as there are several joint-venture enterprises, which involve "foreign" investment and local laborers, in the five townships, those who have overseas relatives tend to have more favorable conditions to take up jobs in those enterprises. Therefore the role of overseas remittances is twofold in its relationship to the different kinds of peasant households. Hypothesis 12 has, in this way, been half proven.

After testing the hypotheses, the economic situation of these households is worth studying, for the division of these households was basically the product of an economic reform. Two variables are chosen for this purpose. One is the annual per capita income in 1985, and the other, the weekly per capita expenses on food. Though simple may they be, those two variables reflect peasant household living standards. As the improvement of diet is still a primary concern for the Delta peasants, it can be argued that the higher the household income the more money will be spent on food (Table 9 also shows a fairly strong positive correlation between these two variables. See row 11, column 11:  $\Gamma = .37$ ,  $p < .05$ ). Expenses on food is an important indicator of living standards.

To compare the economic features in different types of households, both measures

TABLE 19. PERCENTAGE DISTRIBUTION OF HOUSEHOLD TYPES BY OVERSEAS REMITTANCES

HOUSEHOLD TYPES	OVERSEAS REMITTANCES		TOTAL
	NO	YES	
SUBSIS. CROPPING	16.4	39.1	21.9
CASH CROPPING	48.9	14.8	40.6
PARTIAL AGRI.	34.7	46.1	37.5
TOTAL	100 (360)	100 (115)	100 (475)

$\chi^2 = 48.5 \quad (p < .01)$

(MISSING CASE=0)

SOURCE: SURVEY DATA.

on central tendency and dispersion can be used (Blalock, 1960:45-74). In the following discussion, central tendency will be studied with mean, medium and mode while dispersion, with range (minimum and maximum will be presented), standard deviation and quintile. Chi-square will be used to test the possibility of inferring the findings to a larger number of samples. For that end, Table 20, 21, 22 and 23 are created and analyzed.

Table 20 is a comparison of income in different types of households. It shows that, generally speaking, the subsistence cropping households have much less income than other two kinds of households. While the mean income of the subsistence cropping households is less than 700 Yuan, those of other two kinds of households are all above 1000. Generally speaking, the cash cropping households have the highest income (See the figures in "mean", "median", "mode" and "maximum"). However, it can be noticed that the minimum income (75 yuan) of these households is the lowest among all households. The income of the partial agricultural households seems to be in the middle, but it can be noticed that its minimum income is much higher than those of the other two kinds of households (200 vs. 80 and 75).

Table 21 shows the different features of the peasant expenses on food consumption. It suggests that a similar trend as that in Table 20 can be found in food consumption. The cash cropping households tend to spend the most on food, the subsistence cropping households, the least, while the partial agricultural households, lies in the middle. But the mean and minimum of these three kinds of households do not differ markedly. The standard deviation of expenses in the

TABLE 20. FEATURES OF PER CAPITA INCOME IN DIFFERENT KINDS OF HOUSEHOLDS

TYPES OF HOUSEHOLD	FEATURES OF INCOME					
	--CENTRAL TENDENCY--			DISPERSION		
	MEAN	MEDIAN	MODE	MINIMUM	MAXIMUM	STD. DEV.
SUBSIS. CROPPING	676	571	500	80	2857	434
CASH CROPPING	1110	925	1000	75	4750	788
PARTIAL AGRI.	1061	891	750	200	4333	623

(MISSING CASES=5)

SOURCE: SURVEY DATA.

TABLE 21. FEATURES OF PER CAPITA EXPENSES ON FOOD IN DIFFERENT KINDS OF HOUSEHOLD

TYPES OF HOUSEHOLD	FEATURES OF EXPENSES (IN YUAN)					
	--- CENTRAL MEAN	TENDENCY MEDIAN	--- MODE	----- DISPERSION		--- STD. DEV.
	MINIMUM	MAXIMUM				
SUBSIS. CROPPING	6.20	5.50	5.00	1.40	23.30	3.60
CASH CROPPING	6.80	6.20	7.00	1.40	34.00	3.80
PARTIAL AGRI.	6.50	5.80	7.00	1.20	30.00	3.40

(MISSING CASES=7)

SOURCE: SURVEY DATA.

three kinds of household also shows that there is not much difference between them (a range from 3.40 to 3.60 only). The above tables indicate that the cash cropping households have the highest income and spend the most. The subsistence cropping households earn the least and tend to spend the least. The partial agricultural households fall in between. However, those tendencies are mainly sketched out from the mean, median and standard deviation. There are possible fallacies associated with them. If there are some extreme cases, the mean and standard deviation will be affected to some extent. A further inquiry may be taken by analyzing the distribution of quintiles.

Table 22 is the percentage distribution of quintile of per capita income in different kinds of household. It shows that the percentage of the subsistence cropping households drops (from 37.9% to 8.7%) when income quintile changes from the lowest to the highest while that of the cash cropping households, in contrast, increase from 13.8% to 24.9%. The partial agricultural households seem to stay relatively stable, although they have the lowest percentage (8.4%) in the lowest quintile.

Table 23 shows a similar trend in the expenses on food although the trend is not so clear as that in the above table. The percentage of the subsistence cropping households decrease from 25.0% to 16.3% when the quintile moves from the lowest to the highest, while that of the cash cropping households increases from 16.6% to 21.9%. The partial agricultural households have their percentages relatively evenly distributed in all quintiles.

TABLE 22. PERCENTAGE DISTRIBUTION OF 1985 PER CAPITA INCOME IN DIFFERENT KINDS OF HOUSEHOLD

INCOME PER CAPITA (QUINTILES)	HOUSEHOLD TYPES			TOTAL
	SUBSIS. CROP.	CASH CROP.	PARTIAL AGRI.	
LOWEST Q	37.9	13.8	8.4	17.0
2ND LOW Q	25.2	17.5	20.8	20.4
MIDDLE Q	18.4	20.1	24.2	21.3
2ND HIGH Q	9.7	23.8	24.2	20.9
HIGHEST Q	8.7	24.9	22.5	20.4
TOTAL	100 (103)	100 (189)	100 (178)	100 (470)

$\chi^2 = 55.33$  (p<.001)

(MISSING CASES=5)  
SOURCE: SURVEY DATA.

TABLE 23. PERCENTAGE DISTRIBUTION OF PER CAPITA EXPENSES ON FOOD IN DIFFERENT KINDS OF HOUSEHOLD

EXPENSES ON FOOD (QUINTILES)	HOUSEHOLD TYPES			TOTAL
	SUBSIS. CROP.	CASH CROP.	PARTIAL AGRI.	
LOWEST Q	25.0	16.6	16.4	18.4
2ND LOW Q	22.1	19.3	23.7	21.6
MIDDLE Q	17.3	20.9	19.2	19.4
2ND HIGH Q	19.2	21.4	21.5	20.9
HIGHEST Q	16.3	21.9	19.2	19.7
TOTAL	100 (104)	100 (187)	100 (177)	100 (468)

X = 5.77 (p > .10)

(MISSING CASES=7)  
SOURCE: SURVEY DATA.

When all the above four tables are considered together, some general observations can be made. First, the assumption that the subsistence cropping households are getting the least economic results from their production seems to be confirmed. All the tables suggest that they have not only got relatively less but much less income than other two kinds of households.

Second, the cash cropping households tend to earn the most and spend the most on food. So, generally speaking, their living standards can be judged the best among the three. However, the minimum income among them is the lowest among all households, and there are nearly 14 percent of them in the lowest income quintile, though fewer than that of the subsistence cropping households but more than that of the partial agricultural households. The range of income among these households is 4675 yuan, and the standard deviation is 788 yuan, both being the highest in these categories. So, they are the most "unequal" in terms of income distribution. Possible explanations for these phenomena are: on the one hand, there is a demand on commodity agricultural goods in the Delta which gives possible high profit to the peasants who grow them. On the other hand, however, there is no security in the prices of these goods, when prices drop, the peasants suffer a loss.

Third, the partial agricultural households seem to be relatively stable or secure in terms of income. Although they do not earn the most, the mean, median and maximum amount of their income are only relatively less than those of the cash cropping households. But the minimum income among them is much higher than those of the subsistence cropping households and the cash-cropping households. An

explanation may be, their members who work in the non-agricultural sectors can bring back regular salaries, which are often higher than that earned from growing subsistence crops but lower than that from cash crops.

Fourth, in the aspect of expenses on food, the minimum amounts do not differ much between these three kinds of household, but the maximum amounts differ considerably. This fact suggests, on the one hand, that there is a minimum cost in terms of currency for maintaining a basic life. The traditional way of maintaining a life only in terms of grain has gone. On the other hand, it shows that the differences of peasant living standard are substantial.

The above observations are made according to the selected data. Their possibility of inference to other households needs to be proven. The Chi-square in Table 22 suggests that the income features are not likely to occur by chance ( $p < .01$ ) and therefore the findings on this aspect may also probably true to the rest of the households in the five townships. But the features about expenses on food, as chi-square in table 23 shows, may probably be taken only by chance ( $p > .10$ ) and should not be inferred to the other households.

The above observations may have certain broader implication. The three kinds of households discussed above seem to reflect different kinds of economic development strategy. The subsistence cropping households tend to have the lowest income resulting from their production and both the range and the standard deviation of income are also the lowest (Table 20). Therefore, they are more "equal" but poorer, which resembles the familiar pattern of development which existed before

the 1978 reform. The cash cropping households, on the contrary, tend to have the highest income from their production, but are the most "unequal". They may be considered to reflect the spirit of "letting some one get rich first" which has been encouraged by the reform policies and has also been considered by some Western observers as to resemble certain aspects of "free competition" in the capitalist societies (Perry & Wong, 1985:3). The partial agricultural households tend to be somewhere between the two extremes. Their income is not much less than that of the cash cropping households, but they are more "equal" among them. They seem to have achieved relative balance between equality and the increase of wealth.

#### **E. SUMMARY**

This chapter has discussed three kinds of peasant households which are divided according to the family labor force allocation. In the five townships of the Pearl River Delta, the cash cropping households and the partial agricultural households are much more than the subsistence cropping households. But they are distributed unevenly in different rural settlements. The division of these different households owes to many factors. First of all, the reform policies, and then, characteristics of townships and peasant households, should be taken into account. At the township level, location, leadership and the tradition of cash cropping seem to play important roles. At the peasant household level, household size, adult numbers, party membership and cadre in a household, and the education levels of a household are most important factors.

Maybe the most interesting thing found in the analyses is the possible linkages of different kinds of peasant household with different strategies of development. In the issue of the relationship of equality and wealth increase, the subsistence cropping households and the cash cropping households seem to be at the two extremes while the partial agricultural households tend to be combining the two in relative balance.

NOTES

- <sup>1</sup> This analytic strategy of dividing peasant households into three kinds is advised by Dr. Chang.
- <sup>2</sup> In China, each household is assigned to a residential registration number. To obtain a random sample, one only need to work out a set of random numbers, and then choose a household according to those numbers.
- <sup>3</sup> Besides these households, there were 5 households which had totally abandoned farming activities and 41 households which did not involve any kind of production activity.
- <sup>4</sup> Some variables, such as "Party membership" and "cadre", are actually nominal variables. However, as they have two values only, they can be counted as ordinal variables.
- <sup>5</sup> This evaluation is formed in consultation with Dr. Johnson.

## VI. CONCLUSIONS

The above chapters have discussed the experiences of rural development in China since the founding of the People's Republic in 1949 and, specifically, peasant adaptation to the new policies after the 1978 rural economic reform. The subjects covered were many. They were events which took place in a time span of forty years in different levels of the society: national, regional, peasant community and peasant household. Most of these subjects were only briefly discussed. A relatively detailed analysis has been made on peasant adaptation to the reform policies after 1978. The analysis was based upon the data collected from five rural settlements in the Pearl River Delta of south China.

Through the discussions, several points can be summed up. First, the strategy for rural development in China has been an important part of an overall developmental strategy formulated under the guidance of the Chinese Communist Party. It changed according to different political aims the Party intended to achieve. The 1978 rural economic reform was the turning point for developmental directions. Although socialism was claimed by both pre-reform and reform policy-makers to be the social system in China, it was interpreted differently. Egalitarianism was emphasized before the reform, while production increases were given primary concern afterwards. The experiences of rural development clearly reflected these different positions.

Second, the strategy of rural development before the reform was basically a derivation from the principles which had been formulated during the guerrilla

warfare in the communist movement. When these principles were adopted to rural development after the war time, they brought more problems than successes. With the over-emphasis of these principles, peasants were left little decision making over their production and their initiative of production was greatly diminished.

Third, the 1978 rural economic reform was essentially a sharp reaction to the pre-reform policies. It seemed to reverse nearly every aspect of the previous strategy of rural development. An important measure was the implementation of the "household production responsibility systems". Under these systems, peasants were given more decision-making over their agricultural production and, also, flexibility in taking part in other economic activities. They adapted to the new situation in different ways.<sup>1</sup>

Fourth, as vastly diverse features, social, political, historical and geographical, existed in different part of rural China, it is difficult to generalize peasant adaptation. This thesis only discusses the matter with some data collected from five villages in the Pearl River Delta.

Fifth, although the Pearl River Delta is relatively a homogeneous region, peasant adaptation varied. Among the peasant households interviewed, about two fifths were mainly engaged in cash-crop production, another two fifths had their household members working in non-agricultural sectors, and the rest were mainly growing subsistence crops. Based on these data, three types of peasant households were identified: cash-cropping, partial agricultural, and

subsistence-cropping. It is found that the division of these different types of household was due to the factors both at the village and the peasant household levels. It is also found that, statistically, the subsistence-cropping households received the lowest income from their production, the cash-cropping ones received the highest, while the partial agricultural ones received the medium. Furthermore, income distribution was the most equal among the subsistence-cropping households, and the most unequal among the cash-cropping ones.

The above discussions need to be further put into certain theoretical frameworks. Two major theories of development, namely modernization theories and dependency theories, therefore, are chosen for consideration. Both of these theories aim at explaining the developmental issues in the Third World countries, but their explanations are different.

Modernization theories were developed in the 1950s and early 1960s by a number of social scientists, particularly a group of American scholars (Webster, 1984:49). The major components of the theories are: First, there is a distinction between the "traditional" and "modern" societies. Second, societies develop along a set of stages. Third, psychological functions are important in economic development. Fourth, modernization of the non-Western countries are the results of the diffusion of the Western modernity. (Turner, 1982:47; Rostow, 1971:4; Eisenstadt, 1966:1). Therefore, the developing countries should follow the foot steps of the developed ones to achieve modernization.

Contrary to the modernization theories, the dependency theories, mainly based on

the experiences of the Latin American countries, argue that the underdevelopment of the Third World countries is the result of the Western domination or influences. As a capitalist "metropolis-satellite" structure has been created in the world, the countries which are in the position of metropolis exploit those in the satellite status (Frank, 1970:89). Therefore, Third World countries should break off their ties with the Western countries before they can develop (Chilcote, 1983:14).

These two sets of theories, however, can not be sufficiently applied to what I have discussed in this thesis. First, they are mainly based on the developmental experiences of the capitalist Third World countries. Second, they are "grand" theories, treating all the Third World countries also a whole. Third, they tend to neglect the differential factors within a society. Therefore, a theoretical orientation which concerns more "local" level should be used. The "actor-oriented" approaches which characterize most of the research done by the social anthropologists (Long, 1977:189) seem to be more proper. These approaches are interested in studying the differential responses to economic opportunities within a group of people. In this way, the "macro" and "micro" levels can be articulated. The direction of the arguments in my present thesis basically follow the principle of these approaches.

Through the discussions of how the central policies were implemented into the local peasant communities and embodied in the division of the three types of peasant household in the Pearl River Delta, some features of the strategy of rural development after the 1978 reform can be identified. First, both central planning and local flexibility co-existed. On the one hand, the state still possessed

the arable land -- the major means of production in the countryside, and specified the procurement of some major agricultural produces on the basis of a peasant community. On the other hand, the right of using the arable land was directly given to the individual peasant households. Land was distributed according to the local conditions and the decisions of the local people. The state procurement can be fulfilled in different ways. After fulfilling their duties to the state (and the community), peasants could freely use their resources to pursuit other economic opportunities. The division of different types of household discussed in the thesis was mainly a result of such a background.

Second, identical with the above feature, both the authority of local leadership and the relative independency of individual households co-existed. In the five villages investigated, local governments were set at the township level. They functioned differently from those of the previous "production brigades". In agriculture, they seemed to play a relatively minor role. They signed contracts with peasant households, supervised production and, if necessary, stipulated some regulations. In non-agricultural sectors, however, they were often the sole organizers. In this way, a strong local leadership could sufficiently create more opportunities for the local development.

Third, both private and collective forms of production co-existed. On the one hand, the implementations of the "household production responsibility systems" resulted in individual household farming, which was in direct contrast to the pre-reform mode of agricultural production. On the other hand, the principle of collectivization was still strongly identifiable. It was most clearly shown in the

local non-agricultural (in some case, agricultural) sectors, in which more cooperative and collective efforts were required.

Fourth, as part of the result of the above feature, both competition and cooperation co-existed among the peasants. On the one hand, peasants were encouraged to "become rich earlier than [their neighbors]" through their own efforts. Inequality of income became inevitable, just as shown in the three types of peasant households. On the other hand, the sense of community, which long existed in the oriental peasant communities and which had been reinforced in the pre-reform period, would not easily disappear.

Therefore, one of the results of the 1978 reform policies were the creation of these series of "both...and...", or, if expressed in more abstract terms, a series of co-existence of some seemingly contradictory criteria of development. These criteria, to use a familiar term found in the Chinese developmental experiences, may be called the new forms of "walking on two legs".

The above discussions may lead to such a question: Should the Chinese experiences of rural development be called "rural development with Chinese characteristics"? My answer is both yes and no. To be sure, rural development in China was based on the particular situation in the country. Conditioned by the unique factors, historical, social, political and geographical, it should have the "Chinese characteristics". However, if the same logic is applied to other country, any country can be said to have the "characteristics of (such-and-such a country)" in their developmental experiences. Such a statement seems to have

little sense.

An alternative way of looking at this matter maybe to question whether the Chinese rural development had more or less "Chinese characteristics" after the 1978 reform. As discussed above, there were more than one criterion in the development of post-reform China. Some of these criteria had been familiar to other Third World countries, either "capitalist" or "socialist". It can therefore be argued that the Chinese strategy of rural development had less unique "characteristics" than it used to have before the 1978 reform. It was by losing some of the unique "characteristics" which had hindered rural development for many years that China was able to strive for her "four modernizations".

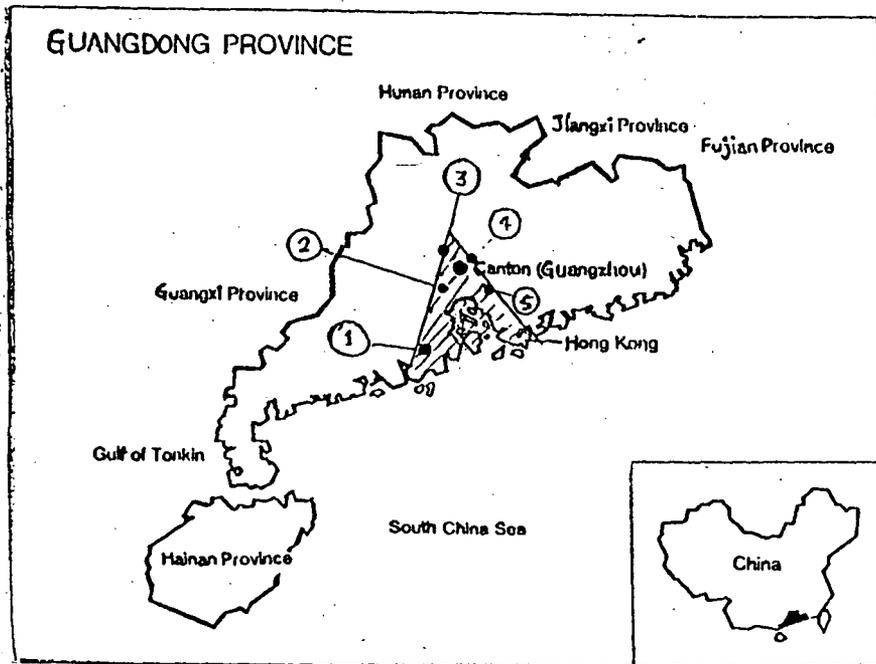
This consideration can be further extended to the discussion of the transferability of the "Chinese model of rural development". The pre-reform Chinese strategy of rural development was once considered by some Western scholars as an alternative model for the capitalist Third World countries (Dernberger & Gall, 1980:306-37). However, this model was later rejected by the Chinese themselves. The ways with which many capitalist Third World countries were more familiar were introduced into China as cures of some acute problems. At present, the new policies are still in an immature stage in which the principle of "crossing the river by feeling the stones underneath"<sup>2</sup> is used to cope with the problems which have emerged in the process of the reform. In this way, the experiences of Chinese rural development in the last forty years are more an experiment than a "model". As an experiment, it is still not suitable to discuss its "transferability" to some other social contexts. Although certain successes have

now been achieved, the results of this experiment still remain to be seen.

**NOTES**

- <sup>1</sup> In this thesis, "peasant adaptation" is defined as the re-allocation of rural labor force into different economic sectors after the 1978 reform.
- <sup>2</sup> A saying similar to the Western one "sailing on an uncharted water".

# APPENDIX 1. MAP OF GUANGDONG PROVINCE



Legend:  The Pearl River Delta.

1 Kongluen, 2 Naamshui, 3 Ngavu, 4 Tsingong, 5 Wantong.

Source: Adapted from Johnson & Johnson (1976) Walking on Two Legs pp.8.

## APPENDIX 2. METHODOLOGY NOTES

### PRINCIPLES OF CHOOSING VARIABLES AND CREATING HYPOTHESES IN THE THESIS

Variables are the names given to the phenomena which are under consideration. A variable should have at least two values. If the changes of the values in variable B are caused or affected by the those of the values in variable A, variable B is a dependent variable, while variable A, an independent variable. Besides these variables there are still others. An intervening variable is the one which comes in between the above variables and which can be used to check whether the relationships between those variables are likely to be true. It will be ideal if causal relationships can be proven to exist between the independent and the dependent variables. In social inquiry, however, such an ideal is difficult to achieve. To prove "A" causes "B" three requirements should be satisfied: "1. A happens before B, ... 2. The occurrence of A is connected with the occurrence of B, ... 3. A causes B; there isn't some other variable (C) that eliminates the variation in B associated with A." (Hoover, 1980:85). While the first two are relatively easier to observe, the last one is difficult to prove. For a dependent variable is usually not only subject to the sole influence of an independent variable but rather, to variety of influences. Therefore, it seems that an appropriate way to interpret the findings from a social survey is to use some "wishy-washy" phrases, such as "one variable is said to 'predict' another", "a variable is 'strongly related' or 'associated' or 'varies regularly' with another variable" (Tuft, 1971:3). In the present thesis, similar phrases are used.

The correlation between different variables can be measured with certain statistics. Different types of measurement are determined according to the nature of the variables involved. In the my discussion, the most frequently used variable, the "peasant household types", has three values (three kinds of household). As these values have not been arranged according to a clearly defined order, the variable is a nominal one. Suitable measurements to establish the relationship of one variable with others are the mode, frequency and contingency coefficient (Hoover, 1980:99). Chi-square can also be used to determine whether the findings in the data are statistically significant enough to be inferred to the universe from which the samples were randomly chosen (Blalock, 1960:212-21). Besides this variable, all others are ordinal or interval level variables. Gamma coefficients are used to measure the association between them.

Hypotheses are predictions of relationships between variables. They can be developed in different ways. "A hypothesis may be based simply on a hunch. It may rest on the findings of another study or studies and the expectation that a similar relationship between two or more variables will hold in the present study. Or it may stem from a body of theory that, by a process of logical deduction, leads to the prediction that if certain conditions are present, certain results will follow." (Selltiz, et al., 1959:36). In the present thesis, hypotheses are constructed according to the historical, social and geographical factors of the five townships in question.

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