

CHINESE RURAL DEVELOPMENT

THE GREAT TRANSFORMATION



William L. Parish, editor

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An East Gate Book

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1

Introduction: Historical Background and Current Issues

William L. Parish

In the late 1970s and early 1980s, Chinese agriculture underwent a remarkable transformation. Peasants were given many new incentives to increase production, ranging from increased prices for their products, to more freedom to plant what they themselves found most profitable, to a new emphasis on private, family farming instead of joint, collective farming.

With these changes came a tremendous spurt in production and income. In the four years following 1978, peasant income about doubled. This was in marked contrast to the modest growth rate of the previous thirty years. Equally important, many peasants were lifted out of poverty. In 1978, one-third of all peasants had per capita incomes below one hundred yuan, but four years later only 3 percent had incomes this low.¹ These changes have been celebrated in the Chinese press and have become increasingly well known around the world.

Not all the trends were favorable. Abandoning much of the collective organization of agriculture that had been adopted in the mid-1950s weakened some of the social and economic services provided in the intervening twenty years. In some places, the new emphasis on family farming reduced the amount of labor and funds available for public infrastructure activities such as larger waterworks and larger agricultural machines. Social services were also weakened, with fewer villages supporting cooperative medical services or local schools. Income disparities increased in some villages, leading to jealousy of those families who did better and sometimes expropriation of their new-found riches until outside governmental bodies stepped in. Birth control became problematic as peasants calculated that they could prosper with more sons even if denied the increasingly less important collective rations. With fewer collective claims over individuals, illicit migration to cities became more difficult to control. These sorts of

dysfunctions, even if not widespread, provided potential ammunition for domestic critics of the new policies.

It is difficult to disentangle the positive and negative consequences of the last few years. Needless to say, the official press tends to mention the negative consequences only obliquely while trumpeting loudly the many positive consequences. It is also difficult to disentangle the causes of changes that are fully reported in the press. Because so many changes in policy were introduced so rapidly, ranging from price changes to more individual family farming, weighing the influence of each policy is difficult.

Fortunately, we can get around some of these difficulties because of the remarkable openness of Chinese villages to foreign scholars during the initial years of these policy changes. This openness included not only a new outpouring of statistics on villages but also permission for a limited number of scholars to live and conduct research in villages. The results of much of this unusual research are captured in this volume.

The scholars writing here do emphasize many of the positive effects of the focus on private, family types of farming (part 2). But they also note the many other kinds of policy changes that were necessary and will continue to be necessary for increased prosperity in Chinese agriculture (part 1). Finally, they note the positive as well as negative social consequences that flowed from earlier collective policies (part 3). In short, written by scholars with firsthand experience in Chinese villages and with new Chinese statistics, this volume provides a comprehensive assessment of where Chinese collective agriculture has been, the forces that led to recent changes, and the problems that Chinese agriculture will continue to face in the future.

Historical Developments

In the enthusiasm for rapid agricultural development since 1978, there is a tendency to forget the progress made in earlier years. In comparative, historical perspective, China's former experiment with collective agriculture may well continue to be judged as relatively successful. As new collectives were formed in the middle 1950s, many of the earlier mistakes of collective farming in the Soviet Union were avoided, and production continued to rise. This occurred in part because of the stepwise mobilization techniques that had been learned in the pre-1949 revolutionary war—peasants were not mobilized immediately into collectives but were taken first through land reform, small mutual aid teams, and then larger and larger collectives. Because the revolution had been a rural one, there was an ample rural leadership to help carry out these changes.

Perhaps most important, certain compromises were made with the existing natural social order in the countryside. Except for a three-year interregnum in the 1958–1961 Great Leap Forward, the basic production and income-sharing unit remained a group of twenty-five to thirty neighbors in the same village. Often these neighbors were close kinsmen as well. They were led not by an outsider sent in by the state but by a fellow neighbor who was paid out of their own farm receipts. Collective farmers kept 5–10 percent of the land for private vegetable plots, as well as family pigs and other sources of private income, totalling about one-fourth of all rural income. They also kept their own houses. More radical leaders were never very happy with these compromises, and there was frequent pressure to eliminate them by increasing the size of the collective unit, increasing collective pig production, limiting private income, and so forth. But the compromise more or less stuck through the 1970s, causing Chinese collective agriculture to be more family- and community-like than otherwise, and perhaps making it more palatable than in some other societies.

These compromises and the extensive rural administrative network helped produce significant progress on some dimensions. By standard development indicators, dramatic progress was made in the first twenty years of Chinese socialist agriculture. This was particularly true in the creation of an infrastructure that would support further development. A whole panoply of marketing and supply coops, agricultural machinery stations, hardware stores, repair shops, banks, credit coops, schools, hospitals, and clinics was created to serve peasants. In this volume, Marc Blecher describes many of these institutions in one particularly well-developed county. Also, statistics on linkages with the outside world help suggest the degree to which the larger state had entered the countryside. By 1975, virtually every rural brigade had a telephone. There were more than two wired loudspeakers for every team. Roads motorable by bus and truck extended deep into the countryside (table 1.1, panels A and E). Other statistics give a similar indication of progress. By 1979, for example, 87 percent of all commune seats and 63 percent of all brigades had electricity.

There was similar progress in the health and education fields (table 1.1, panel B). Between 1965 and 1975, with more emphasis on rural health care, the number of medical personnel and hospital beds increased rapidly. The number of university-trained Western-style medical doctors stagnated between 1965 and 1975, but the training of all other personnel including secondary-school-trained Western-style doctors, traditional-style Chinese doctors, and nurses as well as barefoot

Table 1.1

Social Change Indicators by Year

	1952	1957	1965	1975	1982
A. External Linkages					
Rural telephones ('000)	58	200	492	659	804
Wired broadcasting:					
—stations	11	1,698	2,635	2,481	2,631
—loudspeakers ('000,000)	—	0.9	9	108	91 [†]
Roads ('000 kms.)	127	255	514	784	907
B. Health and Education					
Rural hospital beds ('000)	39	74	308	1,140 [‡]	1,214 [†]
Doctors and nurses ('000)	690	1,039	1,532	2,057	3,143
Barefoot paramedics ('000)	—	—	94	1,559	1,349
Rural deaths per 1,000 population	—	11	10	8	7
Primary pupils ('000,000)	51	64	116	150	140
Lower-middle pupils ('000,000)	0.8 [*]	5	8	44	39
Adult literacy (%)	—	—	62 ^{\$}	—	76

C. Income and Consumption					
Rural per capita consumption:					
—index (based on constant yuan)	100	117	125	143	184 [†]
—annual growth for period (%)	—	3.2	0.8	1.4	5.2 [†]
Output per capita (in kilograms):					
—grain	288	306	272	312	350
—edible oil	4.4	6.6	5.1	5.0	11.7
—fish	2.9	4.9	4.2	4.8	5.1
—meat	6.0	6.2	7.7	8.7	13.4
D. Agricultural Sidelines—					
% of total value of agricultural output	4.4	4.3	6.5	9.1	16.0
E. Administrative Units:					
Communes ('000)	—	24 [#]	75	53	54
Brigades ('000)	—	—	648	677	719
Teams ('000)	—	—	5,412	4,826	5,977

Sources: *Zhongguo jingji nianjian*, 1981 edition, pp. VI-6, 9, 10, 12, 25; 1982 edition, pp. V-289, VIII-9, 11, 21, 28, 30, 31. Education statistics mostly from *Zhongguo baike nianjian*, 1980, p. 536; "1982 Census Results," *Beijing Review* 45 (1982): 20; *Zhongguo tongji nianjian*, 1983, pp. 105, 147, 151, 184, 320, 512, 534, 543, 545.

Notes: Some figures are for alternate years, as indicated by *1949, #1958, §1964, ‡1978, †1981.

paramedics continued at a fast pace. As a result of this training, China came to have more professional doctors, nurses, and hospital beds than virtually any country near its level of economic development.² With barefoot paramedics and others helping to educate villagers about sanitation, the death rate declined steadily. Thus, compared both to their own past and to farmers in other developing societies, Chinese farmers were more likely to live long lives in which they would be healthy, full-time laborers.

Not only were farmers healthier, they were also much better educated and prepared to absorb new technological changes that might be introduced in agriculture. By the mid-1970s 93 percent of all school-age children were said to be in school. And because of a push to create new two-year lower-middle schools, many were going on for a year or two beyond the five-year primary school as well. As a result of this educational expansion, over 70 percent of all adults were literate by the mid-1970s. As with health, this level of education is unusually high for a country at China's level of economic development.³

Despite the very real advances in communication, transportation, health, education, and other areas, there was considerable malaise in villages in the mid-1970s. One reason was that although income in 1975 was higher than two decades earlier, the progress over time had been rather slow (table 1.1, panel C). After the Great Leap, Chinese farmers did not return to 1957 consumption levels until almost 1965. Income growth in the late 1960s was respectable, but in the 1970s income again stagnated—the per capita income distributed by the collective was about the same in 1977 as it had been in 1971.⁴ Consumption of many basic commodities stagnated as well. Grain availability per capita was only about what it had been two decades earlier, and the same was true of fish and other aquatic products. There was less cooking oil than before, for oil-bearing crops had fallen before the onslaught of the self-sufficiency, grain-first policy of the 1970s. The increasing supply of pork, beef, and mutton only partially compensated for the failure of these other goods to increase. In addition, as Mark Selden and Nick Lardy explain in this volume, significant poverty pockets remained. In 1977, almost one-fourth of China's 2,100 counties received per capita incomes below the poverty level of fifty yuan per capita.

There was little chance to mend these sorts of lingering problems until the moderate leaders who had taken over after Mao Zedong's death in 1976 consolidated their power. But when they did begin to see to these problems, they did so in a sweeping manner. In a set of new

policies ratified at the December 1978 Third Plenum of the Eleventh Party Congress and then elaborated in the succeeding three years, virtually every aspect of rural organization was transformed. Prices for agricultural goods were raised, villagers got to plant more high-income commercial crops, farmland was partitioned out to families, some peasants left field agriculture entirely, and starting in 1984 party control over communes began to be replaced by economic managerial control over townships.

From this list, it is tempting to focus on the move toward family farming, and to conclude that China's experience with agriculture once again shows how the private family farm is superior to larger, collective units. It is the argument of this volume that this is too simple a view—that many of the lingering problems in Chinese agriculture in the middle-1970s had to do not with the micro-incentives of family versus collective farming but with more macro-issues of government planning and administrative strategies concerning agricultural investment, pricing, loans, and the like. This volume thus begins with these issues, analyzed by economists who examine statistics based on more than a single village. This order of presentation also coincides with how these changes were introduced in China—the macro-level planning and administrative strategies were emphasized in 1978 while the most dramatic micro-level incentive changes began after 1980.

Planning and Administrative Strategies

The question of proper macro-incentives involves the long-debated issue of the proper role of government in economic growth. The Chinese experience over the last three decades provides examples of both constructive and destructive government intervention.

The current literature on proper modes of government intervention remains mixed. Some authors call for an active government role in building rural infrastructure, including research stations, extension services, water control works, marketing, and other support services that benefit more than any one individual farmer. Some suggest that the state can and will play a central role in late-developing societies—the challenge is only to build a strong bureaucracy free of corruption and committed to serving national as opposed to narrow personal, local, and class interests. Statistically, it has been shown that societies with strong administrative structures in the countryside have tended to have more rapid agricultural growth over the last couple of decades.⁵

Yet other authors continue to identify interventionist governments as

a major source of economic distortions in rural development. To these authors, it is vain to speak of making a bureaucracy serve national interests when the urban middle classes have many more political resources than peasants. In this situation, active state intervention in the market makes it likely that urban interests in things such as industrial investment and cheap grain will be served while cultivator interests in things such as agricultural research and adequate grain prices will be ignored. Even when not serving particular class interests, bureaucracies cause problems of their own, being slower than the market to respond to new situations and serving as much to protect individual bureaucratic careers as larger social purposes. These problems are perceived as particularly acute in socialist regimes, and Soviet collective farms are often taken as an ideal-typical example of how agriculture can be stifled by the drive to fund industrialization by draining agriculture and by other sorts of improper bureaucratic interventions.⁶

It seemed for a time that China had avoided many of the latter types of problems. Based on a peasant revolution and with much talk about serving the peasants, it appeared that collective agriculture was not being used to drain resources from the countryside into cities or urban industry. And, except in the Great Leap Forward period, the state appeared to avoid heavy-handed bureaucratic management of agriculture in favor of more village autonomy, which allowed small peasant communities to make their own decisions about which crops and cultivation methods suited their area. Thus, China seemed to enjoy the benefits of many bureaucratic services from a strong central state without many of the disadvantages.

In hindsight, it appears that the peasant base of the Chinese revolution made less difference in the management of agriculture than we once thought. As Lardy explains in this volume, many aspects of the Soviet model were replicated in China in the three decades following the revolution. Even while the tax burden was lighter and the differential in prices between urban and rural goods was not so severe as in the early years of collective agriculture in the Soviet Union, prices were still slanted sufficiently in favor of the urban sector that there was a net drain out of agriculture. The state invested little in agriculture in return, even while increasingly large subsidies were being given to underwrite the food, housing, and other needs of the urban dwellers. Though committed to rural-urban equality in name, China encountered the problem of urban bias common to many developing societies and to the European socialist societies of earlier years.

Besides maintaining price and subsidy policies that favored cities, the state bureaucracy intervened rather directly in agricultural planning in a way that further lowered peasant incomes. By insisting on a grain-first, self-sufficiency policy guaranteeing that urbanites were fed and the grain-poor rural areas were not a drain on the state, villagers were prevented from going into profitable commercial crops. In a not-so-successful attempt to grow ever more grain, triple-cropping and other schemes were forced on farmers, driving up production costs as fast or faster than receipts. Though there was talk of favoring rural small-scale industry, the central control of raw material helped keep these industries at minimal levels so that they could not contribute all that much to rural income (see table 1.1, panel D). The nature of these pre-1978 problems is elaborated in chapters by Lardy and by some of the authors conducting field studies.

Other authors discuss the potentially positive role of state bureaucracy in rural development. Marc Blecher describes the government institutions serving agriculture in a county with a particularly elaborate rural infrastructure. Tom Wiens provides a systematic comparison of northern Chinese villages that have and have not succeeded as a result of government efforts. Examining the structure of government-set prices for agricultural commodities in the post-1978 period, Wiens concludes that absolute price levels are now sufficiently high to encourage production and that relative prices among different crops are now appropriate for encouraging an efficient allocation of resources. What is more problematic is whether villagers will continue to have the freedom to respond to appropriate price signals and whether the government will provide sufficient support services for agriculture. Research and extension services, facilities for maintaining seed purity, the mix of available fertilizers, the varieties of pesticides, and credit facilities remain less than ideal. The last factor is particularly important. The major factor that separates successful from unsuccessful villages in Wiens' sample is whether they have received government financial assistance in the past. Without that assistance, in the form of loans or other instruments, villages are unable to make the irrigation and other improvements that would promote their development.

In a study of another North China area, Steve Butler gives a more pessimistic account of the probable long-term successes of the immediate post-1978 reforms. Incomes had improved as prices rose, as villagers were allowed to abandon unprofitable methods, and as more farmers went into sideline activities such as making bricks or noodles. But many limitations on the ability to respond to new price signals re-

mained. Village accounting methods remained so rudimentary that it was difficult to determine the costs for producing each crop. Village leaders were habituated to accepting orders from above passively, and agriculture was perceived as a dead-end job that attracted little leadership talent. Village leaders did not understand the new technology. The new contract system for agriculture used in Butler's area actually increased the number of targets from above that local villages had to meet. And growing grain and some other agricultural products was still perceived as no better than a break-even endeavor done only to meet state-imposed obligations and personal subsistence needs. The initial effects of the post-1978 reforms were quite positive, then, but the long-term prospects for positive change under these reforms remained problematic—particularly because it was still unclear whether local villages could operate effectively in a quasi-market environment.

After 1980, however, we were not to see whether collective units could operate successfully in that new environment. The government chose instead to convert the countryside to a kind of family farming. We can only guess at the many factors that went into this decision. Part of the answer is that national leaders who opposed collective farms in the 1950s had since returned to power and were now in a position to implement their views. More significantly, national leaders may have begun to feel that they could not afford to transform agriculture through expensive price and financial instruments alone. To do so may have been perceived as threatening both long-term industrial modernization and the implicit promises to urban residents to keep the prices of basic food commodities low. A kind of urban bias, thus, continued. Lardy notes the resistance to raising rural prices further, and Wiens notes the insufficiency of loan funds available to farmers. To move toward quasi-family farming, then, may have been seen as a cheap alternative, providing a quick fix for many of the problems afflicting agriculture.⁷

Just as importantly, the Butler account suggests, the in-between response of loosening central control and relying more on prices may have had problems. Many local leaders, it would seem, would not allow villagers to make decisions completely on their own. Untrained in responding to the market, concerned about maintaining control, perhaps ideologically predisposed to favoring bureaucratic means of administration, and fearful of what political reversals might occur in the next campaign, many local leaders continued to resist efforts to provide villagers more autonomy—or so many stories in the press suggested. It may have been, then, frustration with local leaders that

led to a sudden post-1981 swing to more family farming.

The effort to sidestep old local leaders is also seen in the new administrative reforms that began to be implemented more widely at the start of 1984. Increasingly the old commune organization led by party specialists was replaced by a new township organization led by economic specialists. In theory, then, technicians were to replace politicians.

Regardless of the exact intent of national leaders, the chapters in part 1 of this volume suggest that the proper level of government intervention remains a critical issue. In some respects, through an infrastructure of roads, telephones, broadcast networks, irrigation works, health services, and education, the Chinese government has provided an essential basis for further economic progress. Recent changes in price and investment policies as well as the greater autonomy for villages in planting move in an even more productive direction. It is questionable whether these changes have been sufficient for long-run growth.

Incentive Systems

The second part of the volume examines China's grappling with different incentive systems within a single village. Again, the conclusion is not simply that family farming is better than collective farming but that "it depends." The authors in this section examine on what it depends.

Literature on other societies provides some clue to the conditions under which collective incentives might be effective. Part of this literature notes that usually there are few advantages to scale in agriculture—a small farm is just as, and in some ways more, efficient as a small farm. With the pooling of land in a large, collective farm, some borders between fields may come into cultivation for the first time. Fields may be more thoroughly leveled and made amenable to machine cultivation. Some hidden labor with little or no land to work on may be more fully utilized. Yet these advantages are often offset by the disadvantages associated with trying to provide proper incentives for hard labor and trying to manage large production units.⁸

Still others note that there may be a basis for collective agriculture in some situations, particularly when peasants desire the security of collective sharing. In a "moral economy" approach to village life, James Scott suggests that many villagers are less concerned with individual-profit maximization than with protecting themselves against starvation in times of adversity. This protection is provided by morally

enveloped village communities in which the wealthy are obligated to provide welfare support so as to keep fellow villagers above a subsistence minimum during years of famine and other difficulties. To the extent that these sorts of moral obligation already existed in villages, it should be relatively easier to find a base on which to build new collectivities.⁹

In an alternate “political economy” approach, Samuel Popkin suggests that the building of strong village ties is much more problematic. Most peasants, he argues, are not oblivious to the possible benefits of collective action, but their collective involvement is predicated not on moral obligations but on rational calculations that this involvement will benefit their individual family. They become convinced of the rewards of collective action only when they believe that others will cooperate fully in the collective endeavor, not shirking work or taking undue rewards. They are more easily convinced of this when the collective units are small, allowing for easier metering of each person’s contribution and just reward. People can also become convinced when there is a self-sacrificing leader who becomes a model for emulation and who convinces the potential participants that rewards will be distributed fairly. Additionally, the provision of extra payments that can only be earned by joining the collective may help allay some of the participants’ fears that they will not be justly rewarded.¹⁰

Louis Putterman extends this analysis with an examination of voluntary participation in collective farms in Tanzania. Much as in the earlier analysis, Tanzanian peasants were more likely to participate in collective units if these were small, permitting easy measurement of labor participation; if payment was more by labor than by need; if a strong, trusted leader handled labor rewards; if the collective sector was more productive than the private sector; and if the collective was dedicated not to subsistence farming but to more complex production such as sugar cane, fruits, and cottage industry. Other conditions such as ethnic homogeneity and lack of contact with external markets had no impact on the likelihood of joining the collective. In other words, the Tanzanian peasants behaved more like Popkin’s rational actors than Scott’s moral peasants. They joined collective farms not out of a quest for a communitarian past but from a calculated assessment that collectives were in their self-interest.¹¹

It once seemed that China had heeded the advice of both the “moral peasant” and “rational peasant” schools. In the early 1960s, after the failures of the Great Leap Forward, the basic units of collective farming and income sharing—the teams—remained relatively small. There

had been some consolidation in the late 1960s and early 1970s, but the average number of households per team remained at only about thirty-four. In these teams, families were paid not equally according to need but unequally according to how much work their members had done for the collective, as measured by daily work points. And there was a small private sector, allowing farm families to earn a little extra cash income on the side, independent of the collective. Thus, much as in the “rational peasant” model, family as well as collective interests were allowed for, and the major sources of poor work controlled. In addition, much as in the “moral economy” model, many of the families in each team were close kinsmen, and the rest were long-time village neighbors, with social ties that would seem to ease the job of mutual social control of potential laggards.

Despite these seeming advantages, the Chinese government now claims that this system was not working at all—that rewards were insufficiently linked to output, and that laziness and inefficiency were rampant. Steve Butler’s chapter in this volume tends to support the “rational peasant” interpretation of collective farm participation. The peasants in his village may have wanted security most of all when they joined the collectives in the 1950s, but in the 1970s they were beyond this stage. They were more concerned with increasing incomes in an open economy. To the extent that they cooperated with the collective it was because of strong local leaders whom they could trust, and to an extent because of administrative pressures from the bureaucracy above the village.

To attend better to the “rational interests” of peasants, restrictions on private plots and the free peasant market were liberalized. The size of production teams—the group of neighbors producing and sharing income—was reduced somewhat. By 1981, 38 percent of all peasant income was from private farming, and another 10 percent was from off-farm earnings, bringing total noncollective income to almost half of all rural income. The size of the average team had been reduced to thirty households from a high of thirty-four just a few years before.

These changes were but window dressing, however, compared to the changes that were to take place afterward. On the eve of the new reforms in incentives, most villages were using some variant of time or task rates to divide the year’s income after the fall harvest. Prior to the harvest, the village kept a record of how much each person worked each day, assigning either a fixed amount of points according to a time rate or a variable amount according to how difficult a task had been accomplished. The points a family earned during the year were then

used in dividing the distributable income of the village. The particular system used in any one village varied over time, depending on the political climate and the specific labor and land situation of that village. Jonathan Unger gives an example of the evolution of these systems in a village that tended toward a politically more moderate course, not putting much emphasis on the more egalitarian distribution systems except for brief periods of time. Steve Butler reports on a village that remained more egalitarian, employing the Dazhai system described by Unger until an unusually late 1978 date.

Government leaders decided that these earlier reward systems were inadequate on two grounds. One, these earlier systems divided farm work and income among too large a group. Even in a team of only about thirty households with perhaps sixty laborers, the results of a single individual's effort tended to be smothered so that neither extra output nor extra income from harder work was obvious. To correct this problem, responsibility for cultivation and income needed to be assigned to an even smaller unit—be that unit a small group of eight to ten individuals, much like the early 1950s mutual aid teams; an individual; or a family. Second, government leaders decided that regardless of the size of the group, rewards needed to be more closely linked to output. Thus, they urged that quotas for expected output be established and that farmers begin to sign contracts guaranteeing this output. If the guaranteed output were exceeded, the contracting farmers would keep the excess for their own use. If less than the guaranteed output were produced, then the contracting farmers would be penalized.

The systems created to cope with the perceived problems in agriculture have thus varied on two major dimensions—whether reward was linked to output and the size of the unit to which production responsibility and income have been entrusted. Table 1.2 arranges villages (production teams) according to how they vary on these dimensions. Villages have moved rapidly from the top to the bottom of this table. Most villages began with some variant of time or task rates paid to all families in the village and with no special rewards or penalties for meeting production targets. But by 1981 very few were paying a simple time rate and not many more were offering even task rates. A few offered only production contracts for specialized tasks such as making bricks, driving a tractor, cultivating an orchard, or overseeing a fish pond. Often offered through competitive bidding among village members, these sorts of contracts for specialized tasks tend to be used even when the grain fields are dealt with by one of the methods below.¹² Another intermediate approach was to contract the production of grain

Table 1.2

Labor Reward Systems by Date

	% of teams as of			
	Early 1981	October 1981	August 1982	Summer 1983
A. Time rates and other egalitarian systems	(3.4%)	(2.2%)		(1.7%)
B. Task rates	27.2	16.5		
C. Rewards linked to yields				
1. For certain specialized tasks only	7.7	5.9		
2. Contract for output with:				
a. Work-group (<i>lian chan dao zu</i>)	13.7	10.8		
b. Individual (<i>lian chan dao lao</i>)	14.4	15.8		
c. Household (<i>bao chan dao hu</i>)	16.9	7.1	74.0%	95.0%
D. Total household responsibility (<i>bao gan dao hu</i>)	11.3	38.0		
E. Other systems, including private farming	(5.4)	(3.7)		
Total	100.0%	100.0%		

Source: *Wenchai bao*, 15 December 1981, p. 1. *Zhongguo jingji nianjian*, 1982 (Beijing), pp. V:11-12. *People's Daily*, 22 August 1982, p. 1. *Beijing Review*, no. 34 (1983), p. 7.

Note: Figures in parentheses are inferred from totals stated in original source.

and other staples to small groups or even to individuals for periods of one to three years. This type of contracting did not reduce the significance of the team. Indeed, as Steve Butler describes for his village, which was using this type of intermediate system in 1980, the administrative role of the team and brigade actually increased. Much of the planning for planting, irrigation, fertilization, fertilizer application, and other tasks remained under team control. And all sorts of production targets had to be set and accurate records kept for each group or individual.

With household production contracts, the next type, many of the detailed planning decisions were passed down to the family. The family thus gained more control over what it planted and what its income would be at the end of the year. The team continued to allocate work points, but only in a block as contracted at the start of the year, and to

handle most relations with the state above, including purchasing fertilizer and other inputs as well as delivering tax grain at the end of the year.

Under the next, increasingly widespread, total household responsibility system, the team forsook most remaining management functions. Records of workpoint earnings were no longer kept. State tax obligations, state grain-purchase quotas, and the other expenses and profits that go with running a farm devolved on the individual household. A small amount was paid to the collective as an administrative fee for the few leaders who still served and for the welfare fund that helped support local medical, education, and public aid expenses. But because most of the administrative apparatus that kept accounts and handled relations with superior bodies could now disappear, and because medical and education expenses were more tightly controlled, these fees were much smaller than in the past. Because of greater administrative simplicity, the immediately previous household production contract system has tended to devolve into this system.

In this system, a family is assigned fields along with farm animals and most equipment for a period initially of two to three years and now increasingly up to fifteen years. The team continues to hold *pro forma* title to the land and can rotate it in fifteen years. The chances of becoming a rich peasant from grain production alone are limited, since one cannot continually add to one's land holdings. Quotas for production of grain are typically imposed, and the state controls fertilizer, machines, and most other inputs. Thus, in some respects, current reforms stop short of full family farming. The present system resembles more one of tenant farming, with the state and collective being benevolent landlords who distribute land equally. But in many other respects the reformed farming system resembles the system of family farming that existed immediately after land reform in the early 1950s. By 1983, 95 percent of all villages had adopted one of these last two forms of quasi-family farming (see table 1.2).

In the two or more years when family farming was beginning to sweep the country it was possible to get some idea of where family and collective farming were most advantageous. In his chapter in this volume, David Zweig neatly captures the appropriate contrasts among three different villages. Among his villages poverty influenced how quickly collective agriculture was abandoned. Much as described in the press, peasants in poor areas appeared to place little faith in the collective and more in the efforts of their own family. The collective provided little income. And with grain the usual crop in these areas,

there were few economies of scale. Farmers could grow grain on small fields by themselves just about as well while avoiding many of the management and incentive problems of large collectives. It would appear that in many of these areas, the collective rapidly became little more than a shell that came alive only once every few years when it was time to redistribute land among families. Much as in the Tanzanian experiment with voluntary collective farming, villages with only grain production generated little enthusiasm for collective activities.

In areas with a more diversified economy, Zweig implies, the story was quite different for a while. The brigade or team with its own industries, fish ponds, orchards, and other income-earning units had some means for retaining the loyalty of its members. Families may have preferred that their best laborers join these kinds of collective undertakings rather than work in family fields. And the collective with many supplementary-income-earning units could offer extra health, education, and welfare benefits that would continue to attract the attention of its members. Again, the pattern appears to mirror that found in Tanzania. Peasants calculate rationally when the collective is in their best interests and act accordingly.

While David Zweig describes some rural units that temporarily resisted the rapid transition to quasi-family farming, Victor Nee describes just the opposite. His village, distant from urban markets, with few products other than grain, and with an income that was slightly below the provincial average eagerly embraced the return to a greater emphasis on family farming. He finds the sources for this return in the long-standing inability of the collective to provide rewards that a family could not provide on its own. Despite real advances in some areas, the family continued to be responsible for old age support and many other aspects of its own welfare. With the economy still depending primarily on grain production on fields scattered in mountain passes, there were few economies of scale. Workpoints were too narrowly constricted in range to reward those who felt themselves good workers. And people felt that the collective caused a stagnation in living standards. The collective spirit that had existed prior to the Great Leap Forward was seriously eroded.

In general, then, the case studies in this section tend to support the "rational peasant" model of collective farm behavior. When the collective supports a complex economy that provides many additional benefits that can not be achieved by individuals acting alone, peasants are eager to join. But in most areas, where the economy remains one of simple grain production, there are few economies of scale or other sorts

of endeavors that would entice peasants into collective activities. Most of those families with ample labor power would prefer to work on their own without others organizing their work or sharing their income with neighbors.

Since the time of these studies, virtually all peasants have been forced to disburse fields and equipment regardless of their individual preferences, but for a short period we were allowed to see what direction their preferences pointed. From this period we see that the issue is not one simply of collective versus family farming but one of the conditions under which one versus another system will be favorable to the rational interests of peasants. The chapters in this section of our volume more clearly specify the nature of these conditions.

New Patterns of Equality and Inequality

Recent economic improvements in Chinese agriculture have been dramatic. Both production and income have increased rapidly, with a much wider variety of foods being available and many additional employment opportunities in local industry and other kinds of sidelines being provided (see table 1.1, last column). Much more problematic, however, is the question of these results for many of China's social goals. One of these goals has been income equality and provision of an adequate level of income, education, and health care for everyone.

The conclusion one draws about pre-1978 rural inequality varies dramatically depending on whether one chooses to emphasize local inequality within a single village or production team, regional inequality among different villages, or urban-rural inequality. As Mark Selden discusses in this volume, local inequality was sharply reduced in the 1950s, first by land reform and then by collectivization. This increasing equality applied not only to current income but also to guarantees of basic consumption, health, and education that collective units came to provide. Most teams allocated part of their grain on the basis of need so that a family could draw grain regardless of whether it could afford to pay for this grain. And, as we have already suggested, education and health care came to be widely available for everyone in all parts of rural China. As Victor Nee explains, education and health care were not completely free, but they were often subsidized from collective sources and poor families could often get tuition remissions and help with meeting medical emergencies.

It is the latter sorts of services that are jeopardized by the new quasi-family farming arrangements in the countryside. Access to basic grain