


12-1-2007

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Wade, Jessica, "China's Good Earth: From Urbanization to Rural Development under Hu Jintao 's Administration" (2007). *Global Asia Journal*. Paper 1.
http://digitalcommons.pace.edu/global_asia_journal/1

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Social and Cultural Research

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**Occasional Paper No. 1
December 2007**

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New York, USA

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From Urbanization to Rural Development
under Hu Jintao's Administration**

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Social and Cultural Research

Occasional Paper Series

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Published and distributed by

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ISSN 1996-6784
Printed in Hong Kong

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Abstract

This paper analyzes the recent efforts of the Chinese government to facilitate rural development. It reviews the Chinese Communist Party (CCP)'s previous emphasis on urban-based growth, the history behind the shift towards rural development, and the attempts by President Hu Jintao to move from extensive urban development towards sustainable rural development. It asserts, first, that much of China's urban-based development was intentionally encouraged by the government, and second, that the CCP is now deliberately moving its investment and focus to rural-based growth. The paper justifies these findings through an exploration of the previous and current economic policies and propaganda of the CCP. This study also explores the logic behind the policy changes and the implications of the new rural development policies, combining the primary and secondary resources with fieldwork undertaken in Sichuan province. The findings help us better understand how the previous government policies have shaped China's dualistic development and how China's economic landscape may be drastically transformed within the decade.

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Introduction

Since the inauguration of President Hu Jintao and Premier Wen Jiabao in March 2003, rural development has quickly snaked its way to the top of the Chinese government's agenda. By March 2005 Premier Wen had pledged that agriculture, farmers and the rural areas would constitute "top priority of all [the] work" of central government. (*The People's Daily Online*, 10 March 2005) The Number One Documents of both 2004 and 2005 also made rural welfare a top priority for the government. (Lu 2005: 392) Hu and Wen's slogan of "Establishing the New Socialist Countryside" (*Jianshe shehui zhuyi xin nongcun*), unveiled in 2005, clarifies rural development as the leading goal for China in the twentieth-first century. This slogan represents a deliberate effort to reverse urbanization as both a phenomenon and an unarticulated development strategy of the previous administrations. Chen Xiwen, deputy director of the Office of Central Financial Work Leading Group, succinctly captured the logic of this reversal in

policy: "Are we to continue relying on the rural masses for industrialization and urbanization? ...The urban and industrial economy will now work to drive the countryside forward." (Bloomberg.com, 3 March 2006)

Hu and Wen have numerous reasons for reversing the previous policy of urbanization. First, urbanization has become a major social, political, and economic concern. Second, economic growth has been so chaotic that the government began trying to curb its growth in 2006. An emphasis on rural development can be seen as part of this effort to redirect investment and growth to the poorer regions. Third, environmental concerns make the current development pattern unsustainable and necessitate new strategies. Fourth, international media and Chinese intellectuals have called for the government to balance development; these criticisms threaten Hu's legitimacy as China's new leader. Fifth, and perhaps most importantly, the urban-rural gap has become so noticeable that it has sparked massive protests over the last few years. Protests in 2005 reached an official count of 87,000, with an increase of 10,000 over 2004. (Bloomberg.com, 3 March 2006) Chen Guidi and Wu Chuntao's controversial work, *Zhongguo nongmin diaocha* (*A Survey of Chinese Peasants*), published in 2003, portrayed the sufferings of Chinese farmers during a time of plenty, igniting more outrage across the country. In response to the growing criticism, the government has been increasing its investment in the rural areas and agricultural sector.

This study combines the Chinese official publications on rural development with fieldwork materials, which were collected in Sichuan Province in July 2006. The field work was undertaken through the assistance of Heifer Project International China (*Guoji Xiaomuniu Xiangmu*). During the fieldwork, I interviewed Chinese farmers and local officials who participated in Heifer's livestock-raising programs. The interviews were conducted in two counties. Nanbu County, five hours' drive northeast of Chengdu, is one of China's designated poor counties; the Heifer programs there involve rabbit and pig raising projects. Dayi County, an hour's drive west of Chengdu, implements Heifer's rabbit raising projects. Interviews focused on the planning, monitoring, and evaluation needs of Heifer Project International China. Although the experience in these two counties only represent a small fraction of the overall picture, the knowledge and insights gained from fieldwork highlight the complexities of rural development at the grassroots level.

This paper first examines the history of urbanization in China, the role of urbanization in Chinese development, and the government's role in encouraging urbanization. In particular, it discusses the current efforts of the Chinese Communist Party to shift from urbanization to sustainable rural development. It draws on the interviews conducted in the countryside in July 2006 to evaluate the government's policies of rural development, its implementation, and the reactions of Chinese farmers. This study then addresses the question of whether the new emphasis on rural

development represents a re-orientation of the Communist government policy of modernization. It concludes by analyzing the implications of the rural development strategies in twentieth-first-century China.

The Height of Urbanization Strategy

Urbanization in China differs from urbanization in the developed and developing world. Its main features include the intentional urbanization of small towns rather than major cities, the growth of floating migration rather than permanent urban migration, the constraints on rural-to-urban migration imposed by the *hukou* (household) registration system, and the rapid growth of urban development at the expense of rural welfare.

The Chinese term of urbanization, *chengshihua* or *dushihua*, refers to an increasing concentration of the national population in cities and towns. (*Demography Dictionary* 1986: 367) As Shi Yilong further points out, “[Urbanization] refers to the process of the agricultural population becoming a non-agricultural population as it concentrates in the cities.” (Shi 1997: 123) Gregory Eliyu Guldin notes that the State Statistical Bureau recorded an increase in the urban population from 20.8% in 1982 to 36.6% in 1988, and then to 49.6% by the end of 1988. (State Statistical Bureau 1989: 87, in Guldin 1992: 3) Other official figures cite the urban population rate as increasing from 19.39% in 1980 to 37.66% in 2001. (China Statistical Yearbook 2002: 21, in Chen 2004: 1) These conflicting

figures are affected by the different definitions of a township and by the presence of agricultural and floating migrant populations living within these urban areas. Nonetheless they exemplify the rapid growth of urbanization.

The phenomena of Chinese urbanization cannot be explained simply through a growth of city populations but is further distinguished in several specific ways. First, much of the “urbanization” taking place occurs as rural people move within their counties to small towns such as the county seat, rather than small or major cities. (See Figure 1) This pattern directly contradicts the conventional patterns of urbanization in other developing countries, where rural populations tend to migrate to the capital or to a megalopolis such as Lagos and Mexico City. (ISTED 2005: 7) This development directly stems from the state’s policies. In the new economic reform policies released in December 1978 and October 1984, the Chinese government created an urban distribution policy that promoted small towns and rural industrialization as a means to achieve its development goals. “The distribution policy called for limited development in all large metropolitan areas, the selective development of only a few medium-sized cities, more development in small cities, but most development in rural towns and villages. Rural-urbanization or ‘urbanizing the countryside’ continue[d] as slogans for urban development.” (Chang et al 1990: 140) This policy has been credited with preventing even more chaotic migration to major

cities such as Beijing and Shanghai, which have been overpopulated for centuries.

Second, Chinese urbanization is overwhelmingly characterized by the movement of rural population to towns and cities for a season or for a few years before returning home, thus never severing the social and economic ties with their home village. Many of these temporary migrants form regional and kinship-based communities in the city, extending the reach of their village into the city, and increasing the influence of the city back in the countryside. Figure 2 shows the growth of the inter-county “floating population” (*liudong renkou*) since 1982. The period from 1995 to 2000 saw the growth of a floating population almost 3 times higher than the created permanent migrant populations, at 59 million versus 20 million. (Liang et al 2004: 473) The size of this floating population accounted for 6 per cent of the country’s total population in 2000. (*ibid*) China’s floating population and its extensive linkages between rural and urban areas have become an integral part of the contemporary Chinese social landscape.

Third, Shi Yilong (1997) draws attention to a major tension in China’s urbanization: the natural “pull” of cities (due to more abundant employment opportunities) and the “push” of rural areas (through labour surpluses) cause a greater flow to the cities than what can be accommodated by the Chinese urban planning policies and household registration system. The government has in many ways prevented a great deal of urbanization through the

hukou restrictions, which prohibit those who leave their hometown without permission from receiving any benefits granted to “legitimate” urban residents. If the government did not have the *hukou* system in place, rural-urban migration would arguably be much greater than it is today. However, the restricted level of urbanization is nonetheless having a vast impact on the economy, increasing growth while leading to inequality and rural discontent. A corollary effect of the *hukou* policy is that rural areas are under great pressure to provide new non-agricultural work opportunities to employ relatively immobile surplus labour and to prevent this population from moving to the cities illegally. The inadequacy of the urban areas to absorb migrants and the rigid settlement system in place actually make urbanization all the more apparent, despite their statistically lower levels relative to other countries.

Indeed, China's rate of urbanization is well below average. “The urban population as a percentage of the total population on average is 78 for high income OECD countries but is only 31 for low income countries.” (World Bank 2001, in Chang 2004: 168) While figures on China's urban population vary from 32% to 49%, it is still far below the World Bank's calculation of an industrialized nation's average urban population. Gene H. Chang states that “China lags behind the world standard in urbanization, even during its rapid economic growth period under reform. ...Urgent attention and effective policies are needed to accelerate urbanization.” (Chang 2004: 167) This claim rests on the ability of urban populations to drive industrialization and, thus,

development. The claim takes theoretical models such as the Lewis dual-sector model and Kuznets Curve theories as universal models for development.

The appeals for China to improve its cities to absorb more rural migrants and to dismantle the *hukou* system both have merit. However, Chang's petition for China to increase urbanization in order to develop more rapidly confuses causality with correlation; "development" as an end result cannot necessarily be achieved through further urbanization, which would only increase the uneven development and inefficiencies as we see today. Furthermore, the Western capitalistic model of industrialization simply cannot withstand the extremely complicated realities faced by the Chinese government. Claiming that the state should actively promote urbanization overlooks many problems including the social tension created by such rapid urbanization, the economic inefficiencies of drastically uneven development, the environmental disasters, and the logical inadequacy of the Kuznets model, which claims that once all surplus labour is absorbed, national income equality will increase. (Lu 2004) "The Kuznets Curve...predicts that [inequality] should decline as more people move out of agriculture into the industrial sector. But since every seventh person on this planet works in Chinese agriculture, there are a lot of people left to move." (Piech 2004) Simply put, the direction of Chinese development and urbanization must not rely too completely on global comparative studies of urbanization, but rather on Chinese realities.

The Chinese pattern of urbanization is perhaps most fundamentally distinguished by the greater government investment and more rapidly increasing wage in the cities as compared to rural areas. Mao and his successors have invested tremendously in industrialization (which requires cheap workers), urban infrastructure (to facilitate industrial development and trade), and urban housing and food distribution. The wage gap in urban and rural areas represents an increasingly problematic and contentious issue in China. According to Gu Hongbin, "The share of the rural population in total consumption has fallen from around 60% in the early 1980s to just 42% in 2001, while the share of the rural population in China's total population still stands at 65%." (Gu Hongbin 2002, in Nolan 2004: 13) Gerhard K. Heilig argues that China's Gini index (its measure of inequality) stands at 0.447, which is highly uneven; the fact this level of inequality has essentially developed only since 1978 makes the contrast even more staggering. (See Figure 3) (Heilig 2006: 147) The "wage" gap is not merely about purchasing power and wages, however: "Urban residents earn about 3.22 times as much as their rural counterparts, according to official figures. But experts estimate that if the non-salary benefits of urban residents are taken into consideration, the gap could be up to six times." (*The China Daily*, 13 June 2006) Essentially, almost all of China's economic development in the late twentieth and early twenty-first centuries has taken place in the cities.

In the final analysis, three parallel processes of Chinese “urbanization” can be discerned: first, demographically, more rural people are moving out of the countryside and urban populations are increasing relative to rural populations. Second, sociologically, rural populations seem to be acquiring more urban ways of life through increased integration with cities and an increasing exposure to non-agricultural employment opportunities. Third, and most importantly for this analysis, “urbanization” describes the increasing prosperity and importance of urban areas in terms of their development. All these processes result from the previous government policies. Regarding uncontrolled causes of urbanization, China, like any other developing nation, has endured the systemic problems of comparatively poor rural access to healthcare, education, and perhaps most importantly, profit-making. Seasonal setbacks such as flood and drought intensified rural vulnerability. Due to centuries of overpopulation, China has also had a long-established rural labour surplus, making it unnecessary and illogical for all the farmers to remain in the countryside. Thus there has always been a trend for migration to the cities. The Communist authorities have greatly slowed down this process of rural-to-urban migration by introducing the household registration system. Chan Kam Wing points out that this restriction was introduced and maintained because the government prioritized industrial growth over consumption, and therefore was unwilling to spend a great deal of money on urbanization costs such as universal housing and welfare for the growing industrial labour force. (Chan 1992: 60)

Urban Development as Urbanization

Ironically, by 2003 the Communist Party was both at its height of urbanization strategies while preventing urbanization more than any Chinese administration or imperial dynasty. This contradiction is due to greater urban investment at the expense of rural welfare. The increasing prosperity of the cities creates an even greater sense of urbanization. Because there is so much improvement in urban areas, the desire of rural people to migrate is greater; this has further enforced the need for the household registration system as a means of social control and the lack of assistance for the so-called “illegal” migrants in order to discourage their migration. Consequently, the migrants end up living in a chaotic condition with no access to education, healthcare, decent wages, housing, pensions and unemployment benefits.

The government has, since the Han period (206 BC – AD 220), built up its cities not only as trading centres but also as administrative powers. Since 1949 in particular, the Communist state has sought to rapidly industrialize in order to become a world superpower. (Pannell 1992: 12, 24) The government has also actively invested and sought private investment for trade, including ports and factories, as well as higher-priced shopping and housing developments in cities. Despite the rhetoric of “de-urbanism” and “anti-urbanism” designed to close the gap between the rural and urban sectors, the most efficient industrialization

during economic reform took place in urban areas. (Kwok 1992: 67, citing Kirkby 1985:1-18)

Thus urbanization as a process of development, in which urban areas are being actively developed by the Chinese government to the detriment of rural populations, has been enforced by a number of policies. "Yang (1999) attributed the rise in urban-rural disparity after 1985 to what he called 'urban-biased policy mix', including increased urban subsidies, investments, and banking credits, which have affected higher inflationary taxes on rural earnings." (Lu 2004: 256) Meanwhile, D. G. Johnson points to three major policy areas that have affected rural incomes: restrictions on rural to urban migration, the inaccessibility of education in rural areas, and the urban-biased allocation of investment and credit. (Johnson 2000) Several specific policies, which have benefited urban workers and harmed rural-born citizens, are outlined here.

First, urban residents receive far better social welfare than rural residents. Urban benefits not only include access to healthcare and education; "universal work participation and residence were the key social inclusion and welfare entitlement factors." Meanwhile, "the state has never been directly involved in rural welfare affairs carried out by the communes and brigades and only intervened in residual relief work." (Hebel 2004: 224) The growing welfare gap is not simply a result of an improvement in urban welfare; rural welfare has in many cases degenerated. "It is

widely agreed that the relatively equal access to healthcare that existed before the reform has been eroded by decentralization and deregulation and inequality increased at the regional and household levels." (Bloom and Wilkes 1997, in Hebel 2004: 227) Ironically, "the rapid economic development brought by free-market reforms has ... brought a collapse in the country's health care system. Under-funded hospitals now refuse treatment to the poor, and medical professionals leave impoverished rural areas." (Ramirez, 1 May 2006) Evidently, the benefits accruing to urban residents are not only denied to rural workers nationally; within cities urban workers do not have to share their full benefits with non-legitimate residents. Were benefits shared among all residents, city resources would be stretched much further, and the overall prosperity of the legitimate residents would be lower.

Second, these unrecognized rural workers are providing the cheap labour essential for rapid industrialization. "According to official statistics, there are now 130 million (equivalent to one-half the American population) migrant workers in Chinese cities. This means that China has more migrant than urban workers, and that they constitute the main Chinese industrial workforce." (*China Today*, April 2004) A survey conducted by China's labour and social security department showed that within 2,600 enterprises in 26 Chinese cities, including Beijing, Tianjin and Shenzhen, migrant workers earn an average wage of 660 *yuan* per month. This amount is about 300 *yuan* lower than the average wage earned by urban industrial workers. (*ibid*) As the main component of the urban

work force, the extreme wage discrimination against migrant workers ensures fast industrial growth at the expense of these workers.

Third, cheap urban food comes at a severe burden to farmers in the countryside. "State-imposed price controls and a policy favouring industrial goods kept the prices of rural produce artificially low, forcing farmers to subsidize urban living standards." (Zweig 1997: 186) Much tax in rural areas has historically been paid with grain. During the most drastic level of state procurement, throughout the Great Leap Forward, grain taxes took crucial food from the rural population and fed both the urban population and the military, thus contributing to the tragic poverty and famines of the era. (*ibid*) While the grain tax has largely diminished, controlled prices have continued in some form until today, with some prices still controlled but at close to market value. When prices were at their lower levels, farmers have been prevented from making any profit and raising themselves above the subsistence level. Meanwhile, with rising urban wages and maintained low food prices, inaccessible urban work was becoming more profitable. Controlled low food prices directly kept rural areas from developing as quickly as urban areas.

Fourth, and perhaps most galling to rural workers in recent times, the historical agricultural taxes, based on size of family and size of holdings, was collected from subsistence workers and used to fund urban projects and, indirectly, urban wage workers. This

agricultural tax signified that the rural populations were funding the government's urban strategies of development. As the economy grew, the proceeds from the agricultural tax, as a portion of the state's fiscal revenue, dwindled (Lu 2003); however, at the household level the taxes remained a serious constraint on incomes, and a constant reminder of the rural workers' burden under the state.

Examining the New Emphasis on Rural Development

One of Deng Xiaoping's strategies was to encourage "natural development." Essentially, the naturally advantaged areas such as the coastal, accessible, and fertile regions should be allowed to develop quickly rather than adhering to the Maoist model of centralized planning. (*The China Daily*, 13 August 2004) A hallmark of this strategy was the creation of open economic zones along the coast. This strategy was hugely successful for several years, but since the 1990s, there have been growing criticisms of the huge economic disparity between urban and rural populations. Again, this disparity is problematic both because the rural populations cannot legitimately move to the cities, and because the rapid growth of urban economy is achieved at the expense of the wellbeing of rural areas.

The immediate benefits of the 1978 market reforms lifted up to 200 million people out of poverty (White Paper PDR I 2005) and directly benefited rural workers; but by 1993, the rate of

improvement in poverty reduction had slowed down greatly. (Merkle 2004: 160) The initial success of the Township Village Enterprises diminished, and rural unemployment and underemployment increased, affecting migration patterns. As Peter Nolan argues, "The massive growth of rural underemployment deeply affects the character of development in the non-farm sector. It provides intensive incentives for rural-urban migration, and great downward pressure on non-farm wages in unskilled and low-skilled occupations. By 2002, there were around 150 million rural residents who worked in the urban areas without permanent urban residence qualifications." (Nolan 2004: 13) By the mid-90s, rural residents could choose to embrace a subsistence livelihood in the countryside or to migrate to the cities for guaranteed low wages and a risky but relatively better quality of life.

When the dust of the reform era had settled, the drastic differences between urban and rural populations spelled trouble for the nation. As early as 1993 the government was exploring ways of tackling the rural poverty problem. In 1994 the government released its National 8-7 Poverty Reduction Plan, with "8" signifying the remaining 80 million rural poor and "7" denoting the time span of the project. The three main goals of the project were listed as follows:

"Socialism will abolish poverty. In order to solve the rural poverty problem further, narrow the gap between eastern and western parts of the country, and attain the goal of

common prosperity, the State Council decided to concentrate manpower, material and financial resources, and to mobilize forces from all walks of life between 1994 and 2000 in an effort to solve the subsistence problem of 80 million needy people in rural areas throughout the country within 7 years. This is a daunting battle against a difficult problem.” (GFKLXB, 1996: 1)¹ (Merkle 2004: 161)

Then Vice-Premier Wen Jiabao soon introduced a trial resettlement policy. In a speech at the Working Conference on Fighting Poverty, which took place in early June 1999 in Beijing, Wen stated that there were two types of impoverished people left in the countryside: “first, disabled and people in need of social protection (this means people who are dependent on family support and social welfare) and second, those people who live in areas with an extremely adverse natural environment, especially in remote mountainous areas and some of the national minority regions, where lack of basic productive and living conditions is common. Some of the people living there have to be moved out and resettled.” (*The People's Daily*, 22 July 1999: 2-3, in Merkle 2004: 162) Such quasi-voluntary resettlement schemes, which took place primarily in the western provinces of China, did not become the major poverty reduction strategy of the government.

The most significant measure introduced by 1986 was regional targeting. This method designated 592 counties, where the average rural net income was under 500 Renminbi (RMB) per

capita annually, as poverty stricken. “This approach to poverty reduction—spatially organized to targeted localities—was new in China’s history and is used both in carrying out public work programs and in implementing credit programs. Prior to that time, the main approach was to provide relief goods and grants to disaster-stricken people through the assistance system.” (Merkle 2004: 167) These regional funding schemes helped provinces and counties introduce specific projects. In Ningxia province, for instance, the 336 million RMB that it received from the fund between 1983 and 1992 helped establish 304 local development projects. (168) In general, most of the government’s anti-poverty funding went directly to these designated poor counties. (169)

These programs and strategies, while significant, can be seen in the context of Jiang Zemin’s emphasis on developing the western part of China and evening regional disparities. The focus of President Hu, however, is primarily concerned with rural development itself. The strategies of the 1980s and 1990s addressed dire poverty (“food and clothing” poverty) in specific areas; the new strategies represent a broader understanding of rural poverty not as an isolated problem of remote or adverse regions, but as a nationwide problem affecting all aspects of society. Hu Jintao and Wen Jiabao have backed up this comprehensive rural development program with major propaganda and funding. They have tried to slow down urban growth in terms of population growth and investment in public and private facilities. (*The New York Times*, 16 August 2006)

One explanation for this policy change is that the former model of industrialization has been exhausted, and the government recognizes the need to redirect growth to the poorer regions. On the one hand, the potential for agriculture to expand is severely limited, due to the shortage of cultivable land and falling prices. On the other hand, the ability of state-owned or collective enterprises to absorb any more of the rural unskilled labour is also limited. (Cheng 2004: 133) Thus the state must improve non-agricultural employment opportunities, both through increasing access to skills and to these jobs, and it must do everything in its power to protect agriculture and those employed in it to prevent an employment meltdown.

Questions of the sustainability, intensity, and sincerity of this new focus have inevitably arisen. The Communist Party seems to be committed financially to rural development, but for how long and at what sacrifice remains to be seen. For now the government will be using many of its land-use fees to support rural investment: "In recent years, local governments have made a lot of money charging industry developers land-use fees, but that revenue has been used mostly for urban construction, and rural areas have seldom benefited...[now] China will enhance the tax revenue from land lease or land-use fees and invest it in agriculture and the countryside." (Gov.cn, 24 February 2006) The government gives the impression that it is sincerely committed to tackling rural poverty and balancing national development. Hu Jintao and Wen Jiabao have repeatedly emphasized their wishes to improve rural

livelihoods, and they have backed up their words with action. They openly admit that there are other reasons behind the new approach: beyond the obvious desire to ease farmers' burdens, they are also hoping to avoid the outbreak of collective violence by improving farmers' conditions and their perception of the government. The state has been less forthcoming about whether this focus on rural development aims to reduce urban migration. The government could be trying to improve rural areas so that they will not be forced to abolish the *hukou* restrictions, a system designed to prevent full-fledged urban migration. Conversely, perhaps the government would like to lift the *hukou*, but it wants to make sure that the subsequent increase in urban migration will not be too overwhelming.

One of the most important changes in rural policy has been the elimination of agricultural taxes on farmers in 2006. These taxes, based on family size and land holdings, had existed in some form for almost three millennia: "Since the beginning of recorded history, all Chinese dynasties from the primeval Shang to the Communists have relied on often crushing taxes levied on the peasantry." (MacNamara, November 2005) As the Chinese finance minister Jin Renqing publicly announced: "We will completely rescind the agricultural tax throughout the country, throwing it into the 'dustbin of history' after a history of 2,600 years in China." Jin expected the reform of rural taxes and fees to reduce the financial burden of 800 million rural residents by about \$15.63 billion a year. (*The Financial Times*, 8 March 2006)

Wen Jiabao originally announced the proposal to phase out the agricultural tax during the 2004 National People's Congress Session, with the plan to eliminate the tax within 5 years. In 2005 he announced at the 10th National People's Congress that the government was accelerating the tax reduction process: "Agricultural tax will be exempted throughout the country next year, which means what had been targeted for five years will be achieved in just three years." (*The China Daily*, 6 March 2005) Evidence shows that the agricultural tax probably constituted 25% of the peasant's tax burden, with the rest of the burden comprising local taxes, "contributions" (*tiliu*) and "apportionments" (*tongchou*). (Li 2004: 48-52) Wen's tax reform addresses these local taxes as well: "Over 70 billion *yuan* in the form of 'three deductions' (for public reserve funds, public welfare funds and management fees) and 'five charges' (charges for rural education, family planning, militia training, rural road construction and subsidies to entitled groups) would also be eliminated." (*The Financial Times*, 8 March 2006) By eliminating the taxes for all rural residents nationwide, the government has sent a clear message that it is taking a comprehensive, rather than targeted, approach to rural development. Furthermore, the message is no longer simply about food and clothing, but about levelling the urban-rural disparity.

The portion of the agriculture tax as a share in China's total fiscal budget was only 1.7% by 2003. (Lu 2003: 392) However, some analysts worry that the tax elimination will hurt those local governments heavily dependent on tax revenue to function. The

elimination of the agricultural tax and similar “contributions” does not spell the abolition of all taxes for farmers: “Rural residents will gradually be moved to other tax categories similar to their urban counterparts.” (*The China Daily*, 26 December 2005, quoting Yang Jingyu, chairman of NPC Law Committee) In other words, the local governments are not fully bereft of tax revenue, but have lost a major portion of their previous tax revenue which must be compensated by the government: “Thus, elimination of the agriculture tax had to be tied to the institution of a centrally coordinated revenue sharing scheme and to shifts in responsibility for public service provision to higher levels of government. Otherwise, there would be no hope of restraining taxation and fees at the local level.” (Lu 2003: 392) Wen Jiabao was aware of this problem and had taken steps to address this financial loss: “Revenue decreases in local budgets incurred as a result of taxes reduced or exempted on agriculture and livestock will be offset principally by transfer payments from the central government.” (*The China Daily*, 6 March 2005) The government has promised over 103 billion RMB annually to both ensure normal operation of township governments and to meet the goal of rural compulsory education. (*The Financial Times*, 8 March 2006)

Besides the elimination of agricultural tax, the government was keen to improve the basic infrastructure for the rural population. In the 11th Five Year Plan the government allocated 100 billion RMB (US\$12.3 billion) for road construction in the countryside. (Gov.cn, 24 February 2006) Local governments are

thus able to grant subsidies for village infrastructure. Many villages which cite poor roads as their major obstacle to development pursue subsidies in building transportation infrastructure. In Zhangjiamiao Village in Pingqiao Township, Nanbu County, for example, the residents decided that the community's greatest need would be a central road from the highway into the village. The village group, aided by the Animal Husbandry Bureau and Heifer International, agreed that each family would invest 100 *yuan* plus labour, and solicit the remainder of necessary funds from the county government. The county government agreed to the request and provided the rest of the money on the condition that the villagers invest financially and contribute their labour to the construction of the road. (Xu Quanjian, interviewed by the author, 9 July 2006) In Dayi County's Qunming Village, which lies across the river from the main highway, the residents found that the dirt path between the river and the village isolated the villagers from the market and proved a danger to the residents. They petitioned for government assistance to build a concrete path from the river to the village, and throughout the village as well. The county government granted the village 20 tons of cement, with the understanding that each family would invest money and contribute labour to the construction of the concrete paths. (Zhang Mingxia, interviewed by the author, 13 July 2006) The villagers now hope to secure funding for building a bridge across the water in order to increase access to the main road. (See Picture 1)

The government has also in the last few years increased its subsidies to farmers for other infrastructure needs. For example, the government is increasingly subsidizing bio-gas tanks for farmers raising livestock. These tanks, which convert animal manure into gas which may be used for cooking, have multiple benefits for its owners: the use of gas eliminates the need for firewood, sparing both the labour and the environmental consequences of chopping down trees and branches; the remaining solid residue in the tank is purified of bacteria and much cleaner (and less odorous) for spreading on the fields and using in fisheries. The gas may cook all meals in summer and one or two meals a day in winter; when Zhang Chengbi showed us her bio-gas system, she bragged, “And best of all [the gas for cooking] is completely free. In the city you’d have to pay for gas!” (Zhang Chengbi, interviewed by the author, 7 July 2006) The subsidies for bio-gas tanks, which can be as much as 1000 *yuan* for a 1400 *yuan* tank, are awarded through a county’s Energy Resource Office; village heads or groups (such as livestock bureaus or non-governmental organizations) who apply to this office on behalf of the villages are put on a waiting list to receive the household subsidies and the technical construction assistance.

In Pingqiao Township of Nanbu County, the Nanbu County Animal Husbandry Bureau was able to secure from the County Magistrate a subsidy of 15 *yuan* per square meter for new pig barn construction. (The average cost for building a standardized pig barn is 125 *yuan*/m².) This standardized construction was

necessary for ensuring hygiene and efficiency, and the subsidy encouraged pig farmers to invest in building a new barn. In 2006 the government increased its subsidy to 50 *yuan*/m², which resulted in more investment from the Pingqiao farmers. (Long Baojun, interviewed by the author, 8 July 2006)

Soil erosion is a serious ecological problem troubling the farmers. In 1999, the government initiated one of the most ambitious conservation programs in the developing world in order to prevent soil erosion. (Uchida et al 2004) When completed, the program should convert around 14.67 million hectares of cropland, 4.4 million of which are to be on cultivated land with a slope of at least 25 degrees. (World Wildlife Fund 2003) All over China, the government pays a subsidy to each family for “returning” their hillside allotments to forest—in other words, for not farming it. They receive more money for tending the hillside by planting trees on it and caring for it.² The Grain to Green Policy is not voluntary; families are bound to return any land that is hilly enough to meet the government criteria. For some families in one village in Dayi County, this amounted to a family’s total allotment of land. (Zhang Mingxia, interviewed by the author, 13 July 2006) This policy has been controversial; some families are happy to receive a subsidy for not farming their land, while others feel that the subsidy cannot replace the amount of food they would produce on the returned plot. As one farmer pointed out, “Now all my land is returned to the government and we have to buy everything. The subsidy from the government is too little and we have to spend

money to buy food to survive.” (Huang Hua, interviewed by the author, 14 July 2006) The immediate consequence is that the policy pushes farmers further into the cash economy.

Meanwhile, the government is aware of the importance of providing micro-credit for households and small businesses in rural areas. According to Wu Xiaoling, Deputy Governor of Sichuan Province, “First, reform of the rural credit cooperatives has been underway smoothly and the number of rural households that have access to micro-credits and joint-guaranteed micro-credits from rural credit cooperatives (RCCs) nationwide reached 71.34 million as of the end-September, 2005, accounting for 32.31 percent of the total 220 million rural households.” (Speech, 22 March 2006) By his estimates, the micro-credit provided by the rural credit cooperatives is meeting 60 per cent of the needs of China’s 220 million rural households. The 2004 No. 1 document specifically called on financial institutions to better serve the rural economy by expanding micro-credit services and joint-guaranteed loans to farmers. (Wu 2006)

The No. 1 Documents of 2005 and 2006 further stress the need to foster micro-credit services and expand farmer access to credit: “The No.1 documents of the central government in [the last] three consecutive years all [emphasized] encouraging institutional innovation in rural financial system, while in [the most] recent two years it clarified that micro-credit should be developed greatly as an appropriate financial innovation.” (Wu 2006) Because the

inability of households and small enterprises to access credit has been a major obstacle to rural entrepreneurship, the government hopes increasing its financial and credit services to rural residents will improve livelihoods and increase employment opportunities.

Since privatization haltingly began in the 1990s, the ability of private companies to establish businesses has reportedly been difficult, particularly in rural areas. Some local governments set up barriers to small businesses in the form of land use and official permits. The central government has taken steps to lower these barriers, however, as it recognizes the dwindling potential of TVEs (Town and Village Enterprises) and state-owned enterprises to offer new employment. "Private firms are expected to be the engine of rural economic growth in the future. Although the National People's Congress revised the constitution to ensure equal treatment of private enterprises, more needs to be done to pull down the many barriers to private sector development that exist at the local level....The government should establish clear rules of the game and build up rural infrastructure." (Huang et al 2004: 57) Agriculture-related firms are already benefiting from the new policies: "As the government is going to increase subsidies for main grain production areas, agriculture material firms, such as Shandong Denghai Seeds Co and Nanjing Redsun Co, will be the largest beneficiaries." Firms that produce construction materials and consumption goods for farmers can expect new demand and create employment opportunities. (Gov.cn, 24 February 2006)

The ability of private businesses to develop new employment opportunities may greatly influence the outward migration trends and the outcome of the *hukou* dilemma. It is against this background that some cities and provinces have relaxed the *hukou* restrictions considerably. For instance, in Jiangsu Province, the differentiation of rural and urban domicile registration has been abolished, and the urban and rural residents are treated equally. (*China Today*, April 2004) Some welfare reforms have been enacted as well: "In big cities like Beijing, Shanghai, and Shenzhen, a considerable number of schools for migrant workers' children have opened. Migrant workers in some areas also have the legal right to a pension and industrial injury insurance." (*ibid*) Several interviewees mentioned that it became easier to migrate to the cities. Zhang Weishu explained, "The current policies allow all the young people to work out. We all like the policies—I quite agree that the people should be allowed to work out. If the young people are kept home, it is a waste of resources." (Zhang Weishu, interviewed by the author, 11 July 2006)

Despite the official press touting recent reforms, however, some studies show that the *hukou* reforms have made little difference to the most vulnerable migrants: "Official Chinese press statements portray recent *hukou* reforms as eliminating discrimination in the household registration system. Instead, these reforms have transformed the *hukou* system from a method of restricting change in permanent residence to a barrier preventing some of China's most vulnerable citizens from receiving public

services.” (Congressional Executive Commission on China 2005: 1) Whether the government has plans to further relax the *hukou* is still a matter of speculation, but the intense efforts to improve the welfare of rural residents may be seen as a strategy to reduce the need for urban migration.

The government is finally addressing what is one of the most contentious rural issues: land rights. Since the dismantling of the commune, land has been legally entrusted to the township, which administers it and ensures that every resident has access to land. (Oi 1989) The land is divided into residential, farming, and development zones, and must occasionally be reconfigured. Disputes arise when the reconfiguring of land infringes on the rights of users to access land, primarily when developers convince officials to lease agricultural land to them for real estate development. Land rights infringements have become a serious problem since the expansion of cities and the growth of industrial and housing developments in peri-urban areas. In these urban expansions and peri-urban developments, the newly developed land is too often taken from its users without adequate compensation. This appropriation is possible because land rights do not belong to the individual users, but rather to the township and village heads. These local leaders have strong economic incentives to sell or lease the land to the wealthy developers. Consequently, the land users are often forced out of the land to find low-paid non-agricultural work in the city. Of the 87,000 government-recognized collective protests in China in 2005, many

of them addressed the abuses of land rights. (Bloomberg.com, 3 March 2006)³

These protests, especially when illicitly photographed and captured on video, deal a damaging blow to the government's legitimacy. They reveal the government's inability to solve the land rights problem through the judiciary and its failure to address the poor people's grievances. To handle these protests, which increased by 10,000 between 2004 and 2005 alone (Bloomberg.com, 3 March 2006), the government has resorted to several tactics. First, they are clamping down on media coverage of the protests. But several protests which turned violent were widely publicized and greatly embarrassed the government. The government seems to permit such protests to take place as a kind of "pressure valve" so that tensions do not escalate into more violent confrontations.

Second, the government is keen to address some of the root causes of the land rights crisis. It publicly acknowledged the problem and allowed people to debate the issue. It also punished those officials who abused land rights for personal gains (China.org, 27 December 2000; *The China Daily*, 13 July 2005), and publicized the new legislations that protected the rights of land users. (Gov.cn, 11 May 2006) However, the government did nothing to change the local officials' absolute control over the land, the lack of judicial protection of land users' rights, the illegal transactions of land between the officials and developers, and the lack of press freedom to report the problems on the ground. While

the government has begun to address the land rights issue, it will likely remain the most contentious rural issue until the deeper issue of property and judicial rights are thoroughly addressed.

Regarding rural social development, the government has initiated several complementary programs to improve rural education. The most important goal is to offer free compulsory education in all rural areas by 2010. "All the rural students receiving the nine-year compulsory education (elementary and junior secondary education) will be exempted from paying miscellaneous as well as tuition fees by 2010, which is a goal we put forward in the 11th Five-Year Programme (2006-10).... Already 36 million rural students are now benefiting from this policy." (Gov.cn, 11 November 2005, quoting Han Jin, Director of the Ministry of Education's Department of Planning) The new development strategies of China, which include developing Chinese talent and education, stress the need for improved rural education: "[China] will quicken the readjustment of the educational structure and institute education aimed at all-round development of students, with emphasis being put on compulsory education, especially compulsory education in the countryside." (White Paper PDR III 2005)

The government has also encouraged teachers to teach in the countryside for several years in the hope that as more qualified teachers exchange both knowledge and experience with the students and local teachers, education will be improved. The

Ministry of Education spokesman Wang Xuming noted that mere access to schools would no longer be the main problem in rural education, as basic school fees for rural children will be abolished in 2007: "Instead, improving the quality of rural education will become the focus and is a key to building a new socialist countryside." (*The China Daily*, 8 March 2006, quoting Wang) Graduates who volunteer for the ministry's rotation program could receive a master's degree after teaching in the countryside for four years. This program is not only intended to improve rural education, however; it is also a social policy that encourages urban residents to acknowledge a social duty to rural populations.

Moreover, improving access to healthcare has become a priority for the government as the government acknowledges the medical concerns of rural residents. In 2005, the government established a new rural cooperative medical system to fund part of the farmers' medical expenses. In June 2006, 1400 counties joined the pilot program, which should be available to 80 per cent of Chinese counties by the end of 2008. (*China View*, 11 September 2006) "With the new policy, a farmer puts 10 *yuan* (US\$1.25) a year into his personal medical care account and the government adds another 40 *yuan* (US\$5). The government will pay a maximum of 65 per cent of his medical charges a year." The total allowance provided by the central government in 2006 should reach 4.23 billion RMB (US\$529 million). The government is also planning to improve rural healthcare facilities: "By 2010, China will renovate 22,000 village clinics, 1,300 county-level general hospitals, 400

county-level traditional or ethnic hospitals and 950 county-level maternity and child-care institutes.” (*China View*, 11 Sept 2006) Finally, the Ministry of Health is establishing a rotational system similar to the teaching rotational system, offering incentives to urban doctors for rural work.

The state has since the 1990s been allowing more non-governmental groups to form, even though it has maintained authority over all independent civil society groups. “It is often in the interests of the state, local government and organization members that greater autonomy is exercised—to deal with issues in which the state can no longer afford to be involved, to deal with conflict, and to further common interests in developing the local economy.” (Plummer et al 2004: 26) International organizations such as the Heifer International, the Plan International, as well as the Chinese groups like *Nongjianu* (Rural Women) use their connections, expertise and outside funding to improve the welfare of rural communities. Rather than seeing the Heifer International as a competitor, the government integrates certain Heifer strategies such as community focus, wealth and knowledge sharing, and equitable development with its agenda of “Establishing the New Socialist Countryside.” (See Picture 2)

In the midst of its rapid economic growth, China's environment has suffered massive deforestation, water and air pollution, and depletion of resources. According to Pan Yue, China's Deputy Minister of the Environment, “Our raw materials

are scarce, we don't have enough land, and our population is constantly growing...Cities are growing, but desert areas are expanding at the same time; habitable and usable land has been halved over the past 50 years...[China's GDP miracle] will end soon because the environment can no longer keep pace." (Wen 2005: 10) The dire situation has prompted the government to begin endorsing a "scientific concept of development," which promotes a more efficient use of resources and better protection of the environment. (Gov.cn, 13 Mar 2006)

Hu Jintao's focus on balanced growth has had the dual objectives of protecting the environment and addressing the rural-urban disparities. At a March 2005 meeting on population and the environment, Hu Jintao declared, "China should speed up the adjustment of its irrational economic structure and completely abandon the 'extensive way' of economic growth. China should promote economic growth based on improvement of quality of the people, efficient use of resources, environmental pollution reduction and the importance attached to quality and economic returns for the building of an energy-efficient and environment-friendly society." (*The People's Daily*, 13 March 2005) The increasing emphasis on the environment was apparent in many aspects of our interviewees' lives. The Grain to Green policy, the bio-gas subsidies, and the organic and sustainable farming raised public awareness of the importance of environmental protection.⁴ The current efforts of the government have reassured many rural

residents that the government is reversing the harm inflicted on the environment.

Do the Rural Development Strategies Represent a Reorientation of Reform?

Given the new and major changes occurring in the countryside, should the New Socialist Countryside movement be considered a reversal in the government's development strategy? Or should it be seen as no more than a political manoeuvre, however well-intentioned?

The current policies of Hu Jintao and Wen Jiabao represent a clear departure from the policies of Mao, Deng and Jiang. Mao, while exhibiting great empathy with the peasant as the backbone of the revolution (Mao 1951), openly exploited their food production and subsistence lifestyle through the collective system. Deng lifted millions of rural workers out of poverty by disbanding the communes and creating the household responsibility system, but his policies benefited the urban areas at the expense of the countryside. Jiang's policies, which established regional targeting through the provision of additional funding for the western part of China and for the designated poor counties, exclusively targeted the worst poverty in the country. By comparison, Hu Jintao's policy is more inclusive than those of his predecessors. It aims at evening the urban-rural disparities and accelerating rural

development. It represents a paradigm shift from rapid growth at any cost towards more balanced economic growth.

The new emphasis on rural development has significant implications for China in the twentieth-first century. This strategy wins strong support from rural workers, development strategists and public media. It affects the level of rural political support for the state, the changing patterns of migration, and the people's access to land resources. The elimination of agricultural taxes has won the Communist authorities much goodwill from the rural population. "Before when there were taxes, maybe some ... people hated the CCP. Now you get subsidy, and it's wonderful with no tax. Hu Jintao has really reduced our burden and has really helped us...This is just like heaven now." (Zhang Chengbi, interviewed by the author, 7 July 2006) "After Hu Jintao and Wen Jiabao gained power, they really are concerned about us. They try to do some good for us and ease our farmers' burden. They are really good people! They are supported by over 90% of the farmers." (Zhang Weishu, interviewed by the author, 11 July 2006) These remarks correspond to the positive portrayal of Hu Jintao and Wen Jiabao in the media abroad: "Hu and Wen's pledge to redirect government spending to basic rural services have helped to build an image of populist leaders who care about those who have not benefited from China's economic growth." (National Public Radio, 19 April 2006) The fact that every dynasty in imperial China was overthrown by discontented peasants may have played a role in changing the development policies. "Mao's successors are

determined to give the countryside a belated helping hand, they say, if only out of fear of a new peasant uprising.” (BBC News, November 2005) Since 2004, frequent outbreaks of rural protests have compelled Hu Jintao to adopt radical measures to improve his own image and that of the Communist Party. The popular support for the state will now depend on the successful implementation of his rural development policies. The ultimate goal of his policies is to “ease the farmers’ burden” and to improve social harmony. An immediate consequence is that a drastically improved rural environment will encourage some migrants to return home and to work in the local areas, and it may eventually reverse the rural-urban migration.

In my interviews with three returning migrants who participated in the Heifer livestock raising programs at their villages, they spoke of the good quality of life at home. Their income from the Heifer livestock raising programs was about the same of what they had earned in the city before. Zhang Anzhong returned to Pingqiao Township in Nanbu County from construction work in a nearby city to raise pigs through Heifer. “I prefer the fresh air of the countryside, and never aspired to life in the city. Even though [the construction job] made more money, I spent more too. I wanted to come back to start my own business. There is nothing to worry about, even if I lose some money.” (Zhang Anzhong, interviewed by the author, 7 July 2006) He is now the local veterinarian in his village. Kong Lingying worked in a garment factory in Shanghai and returned home to raise rabbits

with Heifer in Beiyuan Township, Nanbu County. She worked almost as much as she had in Shanghai but she was more financially secure and had control over her work schedule. As she recalled, “The salary is a little better than the city income and I can take care of my kids at home. I am enjoying a more peaceful and free (*ziyou*) life.” (Kong Lingying, interviewed by the author, 10 July 2006) When Chen Suqiong was in the city, she packaged liquor in a factory and transported sand at a construction site. She commented on the hardships of being a migrant worker:

“It is difficult, hard work, and you have to be watched; there is no freedom. If you have worked every day as a migrant worker then you might get more money than raising rabbits, but that is hard – usually it is seasonal work, not every day. It is heavy labor and the living expenses are worse [than here]. If it is scorching hot you still have to work. But here if it is hot I don’t have to go work; I can stay inside and enjoy the electric fan. It’s more relaxing here.” (Chen Suqiong, interviewed by the author, 14 July 2006)

Their stories reveal that as long as there is a better economic environment in rural areas, many migrant workers prefer to live a stable life at their home villages rather than enduring all the hardships in the cities. Chen Suqiong’s father agreed: “Now many people want to come back to the land because of the agricultural tax exemption and the government’s subsidy to them for growing on the land.” (Chen Suqiong’s father, interviewed by the author, 10 July 2006)

But many interviewees were concerned about their access to land resources. On average, most villagers in Nanbu and Dayi counties had an allotment of 0.7 *mu* of land per person.⁵ When the migrant workers returned, there would be a growing pressure on the limited land resources in overcrowded villages. As Zhang Weishu stated, "This is the situation in my village: all young people who are able to go out and work in the city have gone. This leaves only the old and babies. This means we have excessive land and excessive food. We worry though that when all the young people come back we won't have enough land." (Zhang Weishu, interviewed by the author, 11 July 2006) Zhang Anzhong shared the same view: "You just work out with the person who is leaving and you negotiate. [The migrant worker] may even ask around before leaving because he doesn't want to abandon the land because it is bad for the soil." (Zhang Anzhong, interviewed by the author, 7 July 2006) Where rural labor surpluses don't exist due to high migration, substantially improved rural opportunities may again cause tension over agricultural land.

Conclusion

The Chinese government's determination to "ease the farmer's burden" is a daunting task. But politically, this emphasis on rural development is a sensible strategy to address the frequent eruption of protests. Hu Jintao and Wen Jiabao are trying to prove themselves as competent as their predecessors Chairman Mao, Deng Xiaoping and, to a lesser extent, Jiang Zemin.⁶ Rural unrest

will not serve them well as they are eager to show the world that China has become a modernizing and strong world power. From an economic perspective, the White Paper for 2006 reveals that China's development strategy is to rely on domestic demand to fuel growth. (White Paper 2005 PDR I) A domestic demand-oriented policy depends on an increasingly prosperous population. With up to 900 million farmers, the government's investment in their well-being will eventually lead to the rise of their purchasing power. How long will the New Socialist Countryside Movement sustain itself? This campaign will continue until rural unrest has diminished and more balanced growth is achieved. The Chinese government is determined to provide universal free compulsory education for all children and access to health care for rural populations. When the government finally has lifted millions of poor rural families out of poverty, it may alter the *hukou* restrictions without any fear that the peasants may flock to the cities.

To conclude, the rural development policies implemented by Hu Jintao and Wen Jiabao set out to address all the social, environmental, economic and political problems caused by Deng's urban-based development strategies. If Hu and Wen succeed in accomplishing their goals, China will soon achieve a more balanced and sustainable economic growth and become a new model for the developing world.

Glossary

<i>chengshihua</i>	城市化
<i>dushihua</i>	都市化
<i>Guoji Xiaomuniu Xiangmu</i>	国际小母牛项目
<i>Guowuyuan fupin kaifa lingdao</i>	
<i>xiaozu bangongshi</i>	国务院扶贫开发领导小组办公室
<i>hukou</i>	户口
<i>Jianshe shehui zhuyi xin nongcun</i>	建设社会主义新农村
<i>liudong renkou</i>	流动人口
<i>mu</i>	畝
<i>Nongjianu</i>	农家女
<i>tiliu</i>	提留
<i>tongchou</i>	统筹
<i>yuan</i>	元
<i>Zhongguo nongmin diaocha</i>	中国农民调查
<i>ziyou</i>	自由

Notes

¹ *Guowuyuan fupin kaifa lingdao xiaozu bangongshi.*

² In Qunming Village, Dayi County, for example, the grain to green subsidy was 210 yuan/*mu*, with an extra 20 yuan/ *mu* for tending the hillside. (Zhang Mingxia, interviewed by the author, 13 July 2006)

³ The inability of the media to cover these protests means that the causes and nature of the protest is not always known. However, many protestors have managed to smuggle out photos, videos, or descriptions of the protests, and many rurally based protests focus on land rights abuses or local authorities' abuses. (National Public Radio, 13 December 2005)

⁴ One village in Dayi is experiencing a closure of the local coal mine because of the mine owners' extensive pollution violations. The river running through this township in Dayi County was entirely black and may never be safe for drinking or even swimming. Though the mine employed most of our interviewees, the closure was deemed necessary due to its constant harm to the environment and regular violations of safety codes. This single experience seems to back up the promises in the media that the government would crack down on environmental abuses by companies.

⁵ This allotment was based on family size during the land redistribution of 1978-1983. Changes in family size due to birth and deaths rarely affected the family's allotment of land. Several families expressed frustration that though they had gained daughters-in-law and children/ grandchildren, they had not gained any more land. Indeed, several villagers *needed* their children to move to the city so that the family could take over their allotment and have enough land to farm. This finding confirms the view of Elisabeth Croll that land allocation anomalies resulting from marriage, birth, and death was common in Henan Province as early as 1987, four years after the end of land redistribution. (Croll 1994: 36-94)

⁶ Informal conversations during fieldwork revealed that a number of Chinese people feel that Jiang Zemin was more concerned with the military build-up of the country rather than the everyday problems of rural Chinese. Even when expressing avid admiration for Hu Jintao, many people spoke with great cynicism about Jiang.

Appendices

Figure 1: National Population of Those Rural People Who Have Left Their Original Home or Household Registration

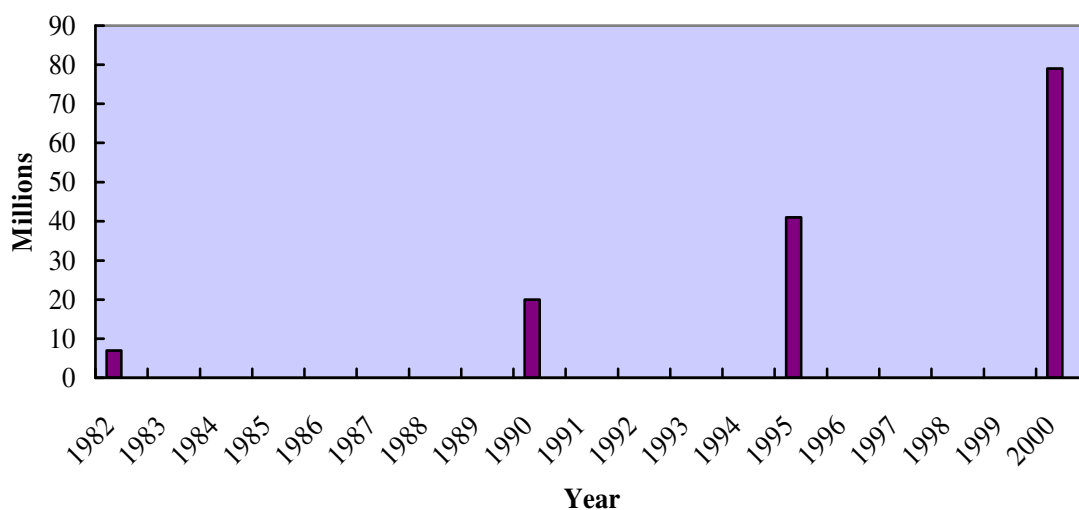
全国按现住地，户口登记地分的人口(乡村)

合计	本县(市) 其他乡	本县(市) 其他镇	本县(市) 其他街道	本市区 其他乡	本市区 其他镇	本市区 其他街道	本省其他县(市) 市区	省外
Total	[Moved to a] village in original county/ city	[Moved to a] town in original county/ city	[Moved to a] street committee in original county/ city	[Moved to a] village in original urban district	[Moved to a] town in original urban district	[Moved to a] street committee in original urban district	[Moved to a] different county or urban district in original province	[Moved] Outside the province
30,949,572	3,844,891	6,004,998	987,504	503,051	676,462	1,032,690	7,091,561	10,808,415

While almost 11 million of the 2000 rural migrant population had moved outside their province, over 13 million rural migrants stayed within their county, city, or urban district.

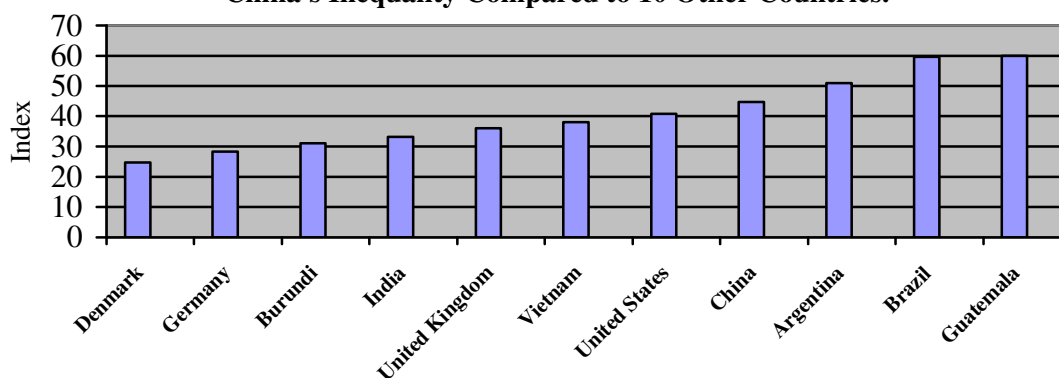
Source: *Tabulation on the 2000 Population Census of the People's Republic of China* (中国 2000 年人口普查资料), 726. 2002. Compiled By Population Census Office (PCO).

Figure 2: Growing Intercounty Floating Population of China, 1982-2000



Source: Liang & Ma, 2004: 471, citing PCO 1985: Table 2, p.559; PCO 1993: Table 1-2, p.6; PCO 2002: Table 1-4, p.15; (for 1995) Division of Socio- demographics, National Bureau of Statistics.

**Figure 3: Gini Index (Percentages):
China's Inequality Compared to 10 Other Countries.**



China's level of inequality is surpassed only by notoriously unequal countries such as Brazil and Guatemala, which have experienced many more centuries of uneven development than China.

Sources: Heilig 2006; Data from the World Bank (2005) and the China Statistical Yearbook, 2004, Table 3-11.

Picture 1: Dayi County Bridge

This “Bridge” from the main road to Qunming village results in deaths during most rainy seasons, when villagers must detour several hours to get to the main road or risk a trip through high water. Many villagers mentioned their hope to secure funding for a bridge as other villages downriver and up-river have obtained.



Photograph by Jessica Wade

Picture 2: Integrating NGOs and the Government Propaganda.

This sign in Dayi County reads: “The *Badi* Grass Exercise [The grass known for rapidly spreading over large areas of land]: Establishing the New Socialist Countryside: A Heifer International Rabbit Raising Project.”



Photograph by Jessica Wade

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- Huang Hua (黄华), 26-year-old female living in Qunming Village, Xieyuan Township, Dayi County. Rabbit raiser with Heifer. Interviewed by the author on 14 July 2006.
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ISSN 1996-6784