

Rural China: From Modernization to Reconstruction

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Abstract

Chinese rural society has played a significant role in the modernization, industrialization, and economic development of the People's Republic of China from the 1950s onwards, albeit at great cost. This process was characterized by, among others, the siphoning of resources away from the rural areas; the ongoing expropriation of land; human and environmental degradation; the erosion of local enterprises in the name of export-oriented growth; and the undercutting of local governance. Rural China has also absorbed the attendant crises—massive unemployment, among others—that have been generated by the country's economic policies. Despite the fate that has befallen rural China, it will and should continue to play a role in the future developmental trajectory of the country. It is in this light that the historical and contemporary manifestations of rural reconstruction movements in China, which are based on the small peasantry and village community, provide an alternative to destructive modernization. This will ensure the protection of rural livelihoods and function as a resistance hub to the external crisis derived from global capitalism.

Key words: modernization, small peasantry, village community, rural reconstruction

Introduction: The Four Phases of Industrialization of a Peasant State

CHINA'S KEYNOTE HISTORICAL project of the last 150 years has been forced modernization and industrialization. Underlying this drive to industrialize and modernize was the desire to erase the shameful memory of being a defeated semi-colony and the anxiety of lagging as a backward peasant country. It also inevitably had a strong tinge of self-defense and anti-colonialism. A strong modern nation, it was thought, could counter Western hegemony. Industrialization was thus regarded as the vital means to secure independence and safeguard sovereignty.

For Wen Tiejun (2001) China's development since the mid-19th century has undergone 'the four phases of industrialization of a peasant state,' whose ultimate aim was to become a powerful modern nation; counter European and Japanese imperialism; and resist the United States' embargo during the Cold War. The first phase was the *Yangwu Yudong* or Western Affairs Movement initiated by the Qing dynasty from 1850 to 1895; the second, the industrialization policy pursued by the Republican government from 1920s to the 1940s; the third, the "State Primitive Accumulation of Capital" practiced by the Communist regime from the 1950s to the 1970s; and the fourth, the reform and open-door policy promoted by Deng Xiaoping in the late 1970s.

After 1949, modernization was imperative. Though established as a socialist state that year, China did not see socialism as an exclusive mandate. Even before its final victory, the new government had initially opted to orient China's development toward a "national capitalism" under the leadership and tutelage of the State. At one point, even the possibility of introducing investment from capitalist states was on the table (Wen et. al. 2013). However, the Cold War, in the form of pre-emptive measures against communist China by the Western bloc, sealed China's subsequent development trajectory. Under this geopolitical condition, the new regime opted for rapid industrialization that followed the Soviet model (Wen et. al. 2013). However, a weak country's affiliation with a powerful ally does

not usually come without a cost. China had to establish an asymmetric dual system that would exploit rural society.

Rural China and Frank's Theory of "Dual System"

Andre Gunder Frank (1969) challenged the "dual society" argument which depicted a dichotomized Latin America. On the one hand was a stagnant, backward traditional rural sector; on the other, a thriving capitalist sector. The goal of development was to modernize or assimilate the former into the latter. However, Frank pointed out that instead of a neat, smooth dichotomy, an internal colonialism was at work, in which urban sectors extracted surplus from the rural areas. Defined by the dynamics between these two sectors, Latin American societies mirrored the "center-periphery" relationship of the developed and underdeveloped regions at the global level. In fact, the correspondence was not accidental. They originated from the same historical process known as capitalism, but manifested at different correlated levels.

One discovers a similar developmental dynamic in China's industrialization after the 1950s, which has accounted for China's trajectory in the last 60 years. First, to obtain technology and industry transfer from the Soviet Union, China submitted to that country's geopolitical orbit (Wen et. al. 2013). Armed with a powerful industrial capacity, the Soviet Union occupied a prime position to export its products and capital, along with its political, ideological, and military influence. China did align itself with Moscow, and the price was, among other things, the massive loss of human life during the Korean War. The institutional cost of aligning with the Soviets was equally significant, as Russian aid translated into foreign debt. Plus, China's institutions were transplanted from the Soviet model, from industrial administration to bureaucracy and its tertiary education; this indebtedness generated a sort of path-dependency that would affect China's developmental trajectory (Wen et. al. 2013).

In order to industrialize and modernize while maintaining this high-cost "superstructure" (institutions in general), China had to have a recourse

strategy common among developing countries. Unlike early industrialized countries, which could extract resources and surplus from colonies or externalize institutional costs by transferring them to the less powerful periphery, countries like China had to pursue a sort of “internal colonialism” (Hechter 1977). It had to extract resources or surplus from less privileged domestic sectors, which was often rural society. In this light, rural collectivization (the People’s Commune) was less an ideological maneuver than an institutional strategy to systemically extract rural surplus at a lower transaction cost. The State thus controlled all surplus value produced by both rural and urban labor, and had a monopoly on production, purchasing, and marketing. The central government thereby allocated resources to expand production based on heavy industry.

Modernization and the Exploitation of Rural China

Rural China has been stigmatized as a backward region with low productivity. For some intellectuals, especially early in the 20th century, it was the root cause of China’s submission to the capitalist world order. Rural China needed to be abnegated so that the country could modernize (Jiang 2011). As in the relationship between colonized and the colonizer, this process usually implied brutal exploitation. While advanced Western countries had colonies to exploit and a periphery to which they could transfer the costs of development, China could only rely on internal exploitation in order to achieve industrialization. As Wen Tiejun and his colleagues summarized, China before 1978 adopted three kinds of industrialization strategies that affected the rural sector:

- Extraction of surplus value from the agricultural sector through low pricing of agricultural products and high pricing of industrial products
- Forced modernization of agriculture (mechanization and using agrochemicals) to absorb domestic industrial products through rural collectivization

- Mobilization of intensive and massive labor input to substitute for capital factors under condition of extreme capital scarcity. When faced with economic crises, the State tried to ride them out by transferring the redundant labor force to the rural sector through ideological mobilization (Wen et. al. 2013).

According to Kong Xiangzhi's research, the contribution of peasants to nation-building in the first 60 years of the People's Republic of China amounted to around RMB 17.3 trillion, all of which are made possible by policies such as the price-cutting system of agricultural and nonagricultural products, the mobilization of cheap labor, and land acquisition (Kong 2009).

Land Expropriation in Rural China

Another way rural China has underpinned the economic development of the country is through an ongoing and systematic expropriation of peasants' lands. In rural China, land ownership is a form of collective ownership. Indoctrinated by neoliberal ideology, however, many Chinese intellectuals today advocate a radical privatization of land, which may facilitate and accelerate the commodification of land. But one must ask an essential question: who then will take a larger share of the institutional returns? Not the small holding peasant households with their last small parcel of land, but most likely the real-estate interest bloc and rent-seeking authorities. Who will eventually bear a greater part of the consequent institutional costs and resulting social destabilization? Yet again, the powerless peasants.

Under a relentless drive for privatization, more and more peasants are losing their land. The government estimates that the current amount of arable land is roughly 122 million hectares, which has remained unchanged since 2005. According to Tan Shuhou's research, the ratio of construction site in arable land occupation has continuously increased from

around 10% in 2002 to 80% in 2008 (Tan 2011). The Ministry of Land and Resources disclosed that of the loss of arable land, 77% goes to construction projects.

According to *2011 China Urban Development Report* by China's Academy of Social Sciences (CASS 2011), the number of Chinese peasants who have totally or partially lost their land currently amounts to 40 to 50 million. The number is expected to increase by 2 to 3 million per year. Land expropriation is propelled by local governments and speculative financial capital. Since 2000, only 20 to 30% of the capital gain obtained from value added to land has been distributed to the village level and merely 5 to 10% is eventually allotted as compensation for the peasants. Local governments take away 20 to 30% of the added value, whereas real estate developers take a lion's share of 40 to 50%. Sixty percent (60%) of peasants' petitions arose out of land disputes, and a third of these cases are related to land expropriation. Sixty percent (60%) of those surveyed are facing difficult living conditions, particularly in regard to the issues of income, retirement, and healthcare.

Local government's fiscal constraint has been a major cause of extensive large-scale land expropriation. Since the 1978 reform, there have been intermittent deficit crises on several occasions. The central government responded by decentralizing the tax and revenue system, which led in turn to the local government's dependence on local revenues (Yang and Wen 2010). From 1984, local governments occupied farmland for local industrialization in order to generate income; it was the period of "land for local industrialization" (Yang and Wen 2010). In 1994, China was confronted with a triple crisis (balance of payment crisis, fiscal deficit crisis, and bank system crisis), which also marked the period of China's reckless embrace of globalization. To cope, the central government implemented yet another drastic tax and revenue system reform. Before 1994, about 70% of local tax revenues went to local governments but since then, about 50% has gone to the central government. To compensate for a drop in their share of revenues, local governments again appropriated farmland to invest in commercial projects. This was the period of "land

for commercial fortunes.” Since 2003, local governments have increasingly collateralized farmland for mortgage loans from commercialized banks. Financialization has launched a period of “land for mortgage loans” (Yang and Wen 2010).

In 2003, the Law of the People’s Republic of China on Land Contract in Rural Areas was promulgated. It stated that new inhabitants would obtain contracted land only if land was reserved, increased through reclamation, or refused by other contractors. The law essentially precluded those born from that time onwards from being beneficiaries of land distribution. Once arable land is no longer evenly distributed and the peasants are no longer expected to share in the benefits of land, a rural community’s risk management through internalization would be greatly weakened. Moreover, because they are less tied to the land, the new, younger generations of rural China will be radically dislocated from agriculture and rural society (Wen 2008, 81–97). Indeed, partly because of land expropriation, according to the National Bureau of Statistics of China, in 2012, there are now around 262 million peasant migrant workers in Chinese cities (NBSC 2012). Unlike previous generations of migrant workers seeking urban employment, the new generations are no longer content with simply earning enough cash to maintain the reproduction of peasant households, assuming they still have to till of course. Furthermore, their expenditures – on education and medical care for instance – have far exceeded the income they could generate through agriculture; hence the exodus to the cities (Wen 2008, 81–97).

“Rise” at the Expense of the Rural

Much has been made of China’s spectacular rise. In 2010, China stood as the second largest economy after the United States. According to the *2011 Annual Report of State Administration of Foreign Exchange of China*, China’s foreign reserves reached 3.18 trillion at the end of 2011 (SAFE 2011), which accounted for nearly one-third of the share of the world’s foreign reserves (China Global Trade 2011). According to the World

Trade Organization secretariat (2011), China's share of the global GDP was 9.6% in 2008, 9.1% in 2009, and 10.3% in 2010. Nevertheless, this kind of "rise" has been achieved at a dear disproportionate cost to rural China, its environment, and its people, especially the peasants and workers from rural areas.

After China resumed diplomatic relations with the West and re-introduced foreign investments on a massive scale in the early 1970s, serious fiscal and debt crises broke out almost instantly. China's famous reform and open policy in 1978 actually originated from the response to these problems (Wen et. al. 2013). At the beginning of reform, the peasants enjoyed the benefit of new policies and witnessed a substantial improvement in income. However, by the early 1990s, the central government had systematically suppressed the development of township enterprises (Wen et. al. 2013). The income growth of peasants declined and has fallen since then. A major turn took place in 1993, when China was struck by triple crises: fiscal deficit, balance of payment crisis, and a banking crisis (Wen et. al. 2013). To cope, earn foreign exchange reserves, and resolve the foreign debt crisis, the government suppressed the domestic market and embraced a predominantly export-oriented strategy. Today, after more than 20 years of participating in globalization, China has now been facing the increasing pressure of global excess financial capital. The tension between domestic and international interests is approaching a critical point of explosion (Wen et. al. 2013).

In spite of stunning economic growth, the environmental and ecological devastation in the wake of China's rise has been cataclysmic. Water and air pollution is constantly at harmful levels. Sixteen (16) of the world's 20 most air-polluted cities are located in China, with a population of 400 million under daily threat. One third of the land is contaminated by acid rain, while almost 100% of soil crust is hardened (Impact Lab 2006). In addition, China has also become a dumping ground of waste from the West. According to Greenpeace's research in 2009, "inspections of 18 European seaports in 2005 found as much as 47 percent of waste destined for export, including e-waste, was illegal. In the UK alone, at

least 23,000 metric tonnes of undeclared or ‘grey’ market electronic waste was illegally shipped in 2003 to the Far East, India, Africa, and China. In the US, it is estimated that 50 to 80 percent of the waste collected for recycling is being exported in this way” (Greenpeace 2009).

The National Bureau of Statistics of China announced that, according to sample surveys and comprehensive statistics conducted in 31 provinces throughout the nation, the total grain production was 54,641 million tons in 2010, up from 1,559 million tons (2.9% increase) in 2009. This is the seventh consecutive year of increasing grain production (NBSC 2010). At the same time, however, the use of chemical fertilizers has increased from around 1 million tons in 1979 to around 5.5 million tons in 2009 (NBSC 2009). Indeed, industrial agriculture has become the largest source of water and soil pollution in China, and peasants suffer the most from chronic agrochemical poisoning.

According to the National Environmental Statistics Report of the Ministry of Environmental Protection of China, in 2006, 60% of the country’s rivers were too polluted to be potable sources of water. Continuous polluted emissions come from industrial and municipal sources, as well as from pesticides and fertilizers (MEPC 2006). The environmental impact is compounded by the perennial problem of water shortage, with 400 out of 600 surveyed Chinese cities were reportedly short of drinking water. According to the Ministry of Water Resources, in 2005, about 300 million people in China were unable to access to safe drinking water. Drinking water for roughly 190 million rural populations contains harmful substance that exceeds health standards (MWRC 2013).

The social cost of specializing in low-end manufacture is also enormous. In China, about 200 million people suffer from occupational diseases, over 90% of them are migrant workers from rural areas. In the Pearl Delta Zone alone each year, at least 30 thousand cases of finger-cutting machinery accidents are reported, with over 40 thousand fingers mutilated. Again, most of the victims are migrant workers from the rural areas (70.2%, merely 4.3% are from the cities) and many of them fail to receive any compensation in the end (Zhang 2005, 4–27).

On top of these problems, China is facing two (though not only) major structural contradictions. The first is the huge income gap between the urban and the rural sectors; the second is the developmental disparity between the coastal regions and the hinterlands. The peasantry is directly bound up in these two contradictions (Wen et. al. 2013).

Rural China as Social Stabilizer

While the Chinese government has always sought to siphon resources away from the rural sector, the latter also serves as a buffer that absorbs social risks and the inherent crises of modernization and procapital reforms. Wen Tiejun and his colleagues argue that from 1949 to 2009, China went through eight notable crises, all of which have coincided with the introduction of foreign investment. Indeed, the introduction foreign capital in pursuit of industrialization, be it Soviet or western capital, renders a nation vulnerable to economic risk. Crisis is inexorably endogenous to capital (Wen et. al. 2013).

The first crisis related to the introduction of foreign investment occurred when China-USSR relations deteriorated. Between 1950 and 1956, the USSR's total aid investment in China was worth US\$ 5.4 billion. In 1960, the USSR aborted all assistance, thrusting China's economy into crisis first in 1960 and then again in 1968 (Wen et. al. 2013).

The second began in 1971 when China accepted US\$4.3 billion in investments, which led to an economic crisis in 1974 and 1979. The third took place in 1980s. Many local governments sought to attract foreign direct investment (FDI) and amassed a lot of foreign debts in the process, which again proved to be a recipe for economic crises in 1988 and 1993. These foreign investment-induced economic crises derived from domestic fiscal deficits. Another set of crises broke out in 1998 and 2008 after China had embraced globalization. Both can be categorized as an "imported crisis," a consequence of the external and global financial woes (Wen et. al. 2013).

Rural China helped absorb the costs and impact of these crises. Wen Tiejun and others (Wen et.al. 2013) point out that in 1960, 12 million unemployed educated youths were sent by the state to the countryside to re-educate peasants and build a new socialist village. In the crisis of 1968, at the height of the Cultural Revolution, another 17 million youths were sent to the countryside to ease pressures from large-scale unemployment. In 1974, more than 10 million were dispatched, and the total number added up to around 40 million. Wen has pointed out the regularity of crisis and reform in China over the last 60 years. He concludes that if the foreign-investment induced economic crisis could be contained by displacing the adverse conditions towards the rural sector and the crisis in the capital-intensive urban-industry sector could thus be abated, China would achieve a soft landing and existing institutions could be maintained. In this sense, rural China has acted as a safety valve that helps defuse and de-escalate potential socio-political tensions. Thus, in cases of “hard-landing” in the urban sector, the central government would be forced to reform the fiscal and economic system (Wen et. al. 2013).

Wen and his colleagues also show (2013) that rural China has also helped absorb the institutional impact arising from massive and repeated urban unemployment. This was the case in three occasions before 1978, in which the regime initiated a massive population migration to the rural areas. In the post-1978 era, the rural sector has served as a source of employment. For example, in 2008 when the global financial crisis broke out, 20 million workers from rural areas lost their jobs in the coastal cities. A sudden upsurge of unemployment on such a scale would mean social and political disaster in any country. Yet no major social unrest happened in China. The peasant workers simply returned to their home villages to sit through the period of temporary unemployment. Despite ongoing land expropriation, many of them still had a small plot of land, a house, and a family to rely on. Their small holdings became their “base of social security.” The urban sector, as a capital-intensive pool, is necessarily vagarious and risk-generating, and constantly destabilizes society through cyclic crises. However, the rural sector can regulate the labor market by re-absorbing

unemployed migrant workers from the cities. As we have seen, this stabilizing capacity is partly attributed to a system of rural land ownership, one that has been in place since the 1950s (Wen et. al. 2013).

This system of ownership has its roots in a land reform policy initiated by the Chinese Communist Party between 1949 and 1952. CPC used the traditional slogan “*land to the tillers*” to mobilize hundreds of thousands of peasants to fight for land revolutions and national liberation. After 1949, CPC took power and facilitated the equal distribution of land; at least 85% of peasants enjoyed the benefits (Wen 2001). Each peasant household had and most of them still have a small parcel of arable land. Per capita arable land stood at 1.4 *mu* (around 0.09 hectare) in 2005.

How has this been a buffer? Since 1989, the contribution of agriculture to GDP and peasant household income has been declining. After 1993, the development of rural enterprises was systematically curbed in order to boost export-oriented growth (i.e. globalization). This resulted in the massive flow of migrant workers from the rural areas into cities. They endured irregularly paid wages, accepted employment without social benefits, and consciously suppressed consumption to collect (once a year in some cases) their cash income. What underpinned this tolerance was land ownership. Though they sell their labor power just like the proletariat, they had arable land to own and fall back on for subsistence. It is the reason why they put up, even supported, the state’s industrialization policy, even though it meant the exploitation of rural society. More importantly, this land ownership has also been the real foundation for China’s ability to maintain low labor costs for 20 years. Indeed, the rural sector has taken up the cost of social reproduction of labor, a cost capital that the state generally aims to shrug off. Peasants and workers are increasingly suffering from exploitation and social injustice, but the legacy of land reform, as well as a few residual socialist practices, continues to insulate, more or less, Chinese society from being ruthlessly plagued by the neoliberal globalization and its destructive projects of modernization (Wen et. al. 2013).

The State and Rural Development

The Chinese government may have conducted the systematic extraction of resources for rural areas, but to be fair, it has taken steps to address problems in rural development. Several prorural poor policy has been carried out: the elimination of agricultural tax (for the first time in 2600 years in China's history!); comprehensive aid to agriculture; the cooperative medical service system; the cancellation of educational fees in poor western regions; a substantial increase of government investment in public services; and new rural finance polices, among others (Wen 2012).

In October 2005, the Chinese government highlighted the “New Rural Development” as a national strategy. The Central Government's No.1 Document, issued in February 2006, illustrated that “the building of a new socialist countryside” is “characterized by enhanced productivity, higher living standards, healthy rural culture, neat and clean villages and democratic administration.” In 2006, Hu Jintao, who was then the General Secretary of the Central Committee of CPC, emphasized that “as the resolution of issues concerning agriculture, rural areas and peasants [*sannong wenti*] has an overall impact on China's target of building a moderately prosperous society, in all respects, we must always make it a top priority in the work of the whole Party.” In October 2007, the articulation of an ‘Ecological Civilization’ was set as a guiding principle. From 2005 to 2012, RMB 6000 billion was invested into New Socialist Countryside programmes; ninety-five percent of administrative villages have been provided with water, electricity, roads, telephone, and internet connection (Wen 2012).

In an attempt to assert their authority to govern or reverse the degradation of rural society, the central government and village committees have also endeavored to address the detrimental role money plays in destroying social relations. However, the focus of their solutions is still in terms of money: increase the investment in the rural sector or set up equitable profit-sharing initiatives. In that sense, they are not yet critical of the destructive aspects of modernization or developmentalism (Wen 2007).

“Three Dimensional Problem” of Rural China

Rural China has been constantly appropriated and systematically exploited for national modernization. It is in this context that Wen Tiejun coined the renowned notion of the “three dimensional problem of rural China:” *sannong wenti* (Wen 2001). Wen explains that the issues affecting rural China cannot simply be regarded as an agricultural issue. On the contrary, they involve the complex and dynamic interrelations among “rural people (income disparity/migrant workers), rural society (multifold socioeconomic issues and governance), and production (agricultural vertical integration/township and village enterprises development).” Given this complexity and in light of China’s history, it follows that China’s rural problem cannot be simply solved by industrializing agriculture according to the US model, a task naïvely imagined by many proponents of modernization.

Plus, despite increasing attempts to modernize and industrialize (rural) China, and to facilitate rural-to-urban migration, the fact is that about 600 million people will still be living in the rural areas (Wen 2008) even if the rate of urbanization in China has exceeded 50%. At any rate, even if one puts aside the nonsustainability of industrial agriculture—because of ecological devastation and energy consumption—the surplus labor force (maybe up to 200 million) (Wen 2008), liberated by highly mechanized agricultural production, simply cannot be absorbed by the expansion of industrial capacity. In other words, peasant agriculture remains an indispensable mode of production in China, whether the single-minded advocates of modernization like it or not.

The indispensability of land, agriculture, and rural society should and will still play a role in China. It is in this light that one can see, among other things, the significance of land ownership in rural China. As has been pointed out, it has helped insulate rural from the crises arising from urbanization and industrialization. Though neglected in light of the dominant neoliberal ideology, rural land ownership should be safeguarded, and the legacy of the 1949 land reform should be preserved. However, one doesn’t stop there.

The Rural Reconstruction Movement in China

In the 1920s, all major strands of Chinese intellectual thought were in agreement that China needed a social overhaul. The only and main point of contention was whether the model should be American capitalism or Russian socialism. Yet there was also another alternative: the rural reconstruction movement, which was represented by Liang Shuming and James Yen during the 1920s and 1930s. It was a much-neglected social initiative. Today, however, in light of the preceding discussions, this intellectual and social heritage is of particular relevance to contemporary China. The Rural Reconstruction Movement is the biggest yet peaceful social movement in China with several organizations and tens of thousands of volunteers (Wen et al. 2012).

The Rural Reconstruction movement traces its lineage to the time before the Japanese invasion of 1937. At that time, some Chinese intellectuals, such as Liang Qichao (1873–1929) and Liang Shuming (1893–1988), challenged Marx’s idea of five stages of the world history, namely: primitive communism, slavery, feudalism, capitalism, and socialism or communism. However, they agreed with Marx’s formulation of the Asiatic Mode of Production and its application to Chinese society. Marx saw ancient oriental civilizations like India and China as characterized by this mode of production, which referred to an integration of peasant agriculture, household industry, and village community, a social arrangement that had been resistant to historical change. Marx’s knowledge of Asia was limited, and his articulation of Asiatic mode of production was mainly based on “the unity of small-scale agriculture and home industry” and “the form of village communities built upon the common ownership of land.”

The obstacles presented by the internal solidity and organisation of pre-capitalistic, national modes of production to the corrosive influence of commerce are strikingly illustrated in the intercourse of the English with India and China. The broad basis of the mode of production here is formed by the unity of small-scale agriculture and

home industry, to which in India we should add the form of village communities built upon the common ownership of land, which, incidentally, was the original form in China as well (Marx 1991, 451).

Claude Lefort interprets that Marx's ancient mode of production is generally based on the double determination of the individual, as a property owner and as a member of the community. Each individual has the status of proprietor or possessor only as a member of the community. Communitarity of blood, language, and customs is the primordial condition of all appropriation (Lefort 1986). Marx remarks in *Grundrisse* that "land is the great workshop, the arsenal which furnishes both means and material of labor, as well as the seat, the base of the community" (Marx 1993, 472). Therefore, Marx elaborates, "in the oriental form the loss [of property] is hardly possible, except by means of altogether external influences, since the individual member of the commune never enters into the relation of freedom towards it in which he could lose his (objective, economic) bond with it. He is rooted to the spot, ingrown. This also has to do with the combination of manufacture and agriculture, of town (village) and countryside" (Marx 1993, 494).

As Lefort further elaborates, "the communes are sheltered from all the torments of the political domain, but also that a given mode of communal existence proves to be shielded from outside attacks" (Lefort 1986). This simplicity has made Asiatic societies endure social stability. Marx later remarks that

[t]he simplicity of the productive organism in these self-sufficing communities which constantly reproduce themselves in the same form and, when accidentally destroyed, spring up again on the same spot and with the same name – this simplicity supplies the key to the riddle of the unchangeability of Asiatic societies, which is in such striking contrast with the constant dissolution and refounding of Asiatic states, and their never-ceasing changes of dynasty. The structure of the fundamental economic elements of society remains untouched by the storms which blow up in the cloudy regions of politics (Marx 1990, 479).

Although the idea of a changeless Asia, one unaffected by the general progress of history, is a Eurocentric fabrication, Marx did capture some aspects of social stability in Asian states. Indeed, amidst various crises throughout its history, China had a tenacious capacity to manage them through internal cooperation and the management of common resources. Liang Qichao and Liang Shuming saw Chinese society in similar terms; it featured rural governance based on the small peasantry and village community, and promoted a combination of private and public ownership of land and labor. This sociopolitical arrangement had existed for at least two thousand years.

The notion of the peasantry and Asiatic mode of production ignited a debate about China's history and future among Chinese intellectuals. Many of them saw the "peasantry" as the stagnant and backward element which (had) hindered China's progress. Both the rightist and leftist intellectuals largely embraced the idea of 'modernization' in the name of 'sciences' and 'democracy.' China, they thought, should pursue industrialization in order to resist imperialist invasion (Liang 2006). However, a different intellectual and practical trajectory was at work, and it was critical of industrial modernization. Instead of doing away with the small peasantry, this movement saw it as the starting point of China's transformation.

The foundation and the centre of Chinese society is the village. All cultures mainly come from and are practised in rural society – for example, the legal system, secular customs and commerce, among others. Over the past hundred years, imperialist invasion certainly destroyed the village, directly and indirectly. Even the Chinese people ruined the village, like those revolutionaries who were involved in the Hundred Days Reform or the nationalists who promoted national self-salvation. Therefore, Chinese history over the past hundred years is also a history of village destruction (Liang 2006, 10–11).

Intellectuals like Liang Qichao rediscovered the importance of rural society and its culture. A renowned modern intellectual and politician, he

visited Europe during 1918 and 1919. He had been involved in pushing for western democracy and parliamentary government. But he changed his views completely after witnessing the war and the disaster in Europe. He then went back to China to study Chinese traditions. In his book, *A History of Chinese Culture* (1923), he concluded that Europe was founded on urban governance, whereas “China is based on village governance but not urban governance.” Chinese civilization had always relied on irrigation and small-scale agriculture, carried out by small peasantry and village communities.

Liang argued that small peasantry comprised the nature of China’s society for at least two thousand years. During the Qing Dynasty (1644–1911), for instance, it was mandated that family property be divided up equally among one’s offspring. The result was the creation and proliferation of small-holding peasants or small landowners. Village governance on the other hand is composed of two main factors: small peasantry and village community (Liang 2003, 52). Moreover, a village community usually contains three crossed layers of relations: kinship (blood), neighborhood (locality), and agricultural fellows (farmers).

Small peasant households, however, cannot individually solve problems such as flood, drought, and other external crises. Their very survival demanded that a cluster of villages, especially those along the rivers (Yellow or Yangtze), work together to manage public affairs and deal with external threats. There had to be cooperative collective labor and the protection of common property (Wen 2001).

This, then, was the basis of village community-building and of local governance, in which lay the roots of the modern nation/state formation. The set-up not only helped solve or at least manage natural disasters but also turned the crisis into a reinforcement of crisis-management capacities. This requires, as we have seen, mass mobilization among peasant families and village communities. Thus, the practice of sharing common property and solving common problems is inclusive and cooperative (Wen 2001).

During the 1920s, the rural reconstruction movement attempted to re-activate these historical legacies of Chinese rural society, with its small-scale agriculture, and traditions of cooperative and village governance. Liang Shuming (1893–1988) was one of the movement’s leaders. He was not only a Confucian and Buddhist intellectual but also a political and social activist. He was involved in the reconciliation between the Kuomintang and Chinese Communist Party during the Sino-Japanese War (1939–1945). In 1977, he reflected on his engagement in rural reconstruction during Republican China. “At the very beginning, I was no more than childishly believing that we must learn from the West. Shortly afterwards, I was awoken to understanding that it was impossible for China to become a westernized capitalist society. So I have the idea of ‘village as the national base’” (Liang 1977, 424).

In 1937, Japan, an emerging capitalist country, invaded China. Liang Shuming was forced to stop his experiments in rural construction. In the same year, his book, *Theory of Rural Reconstruction* (*The Future of Chinese Nation* as another title) was published. In the book, he theorized his working experiences in *The Institute of Village Governance* in Henan province in central China (1929–1930) and *The Research Institute of Rural Construction* in Zhouping Township, Shandong Province, north China (1931–1937). Counteracting Western and Japanese imperialism and going against the dominant understanding, Liang did not urge complete Westernization and industrialization, as Japan did. Liang not only condemned foreign imperialists but also reprimanded Chinese nationalists and radical revolutionaries, who, he thought, fundamentally destroyed rural society. Although Liang was born into an urban intellectual’s family, he considered the countryside as the base of Chinese rule and democracy.

In the face of village destruction, Liang devoted himself to the rural reconstruction movement. Liang’s experiments included the “village school as the basic administrative unit,” organization of peasants’ association, setting up of cooperatives, small-scale village industries, and the improvement of agricultural technologies, among others. Liang designed the village school as a learning unit that was composed of local elites,

villagers, and outsiders, which included intellectuals and professionals. They aimed to activate the communal capacity of problem-solving at the grassroots level. Therefore, Liang's theorization of and praxis for the future of China are rooted in the village community. He treats 'the rural' as an alternative to modern capitalist society (Liang 2006).

Liang thought that village regeneration could help revive Chinese culture. Rather than being a conservative and chauvinist Confucian, Liang reinforced the importance of nurturing a "new ethics" from the tradition and of distancing oneself from aggressive bourgeois culture and belief. He criticized that the powerful development of Western culture was based on a drive "to conquer Nature and to take advantage of Nature" and that capitalism is "individualistic and self-centered" (Liang 2006, 29).

Liang used a metaphor of "new buds on the old tree" to describe the rural reconstruction movement. In 1977, he wrote a paper to reflect on his experiences, in which he concluded that it was also a question of ethics. "To be positive towards life and to remember the importance of ethics and friendship" was an answer to the capitalist value system. Furthermore, discussing the revival of "Chinese culture," he poses a question, "If you ask me, 'what is actually the revival of Chinese culture in the world in the near future?', I will simply answer that when it proceeds from socialism to communism, religion declines and it is replaced with a self-awakening and self-disciplined morality; national law disappears and it is replaced with social customs" (Liang 1977, 428).

Another famous leader of the rural reconstruction movement is James Yen (1890–1990). Yen dedicated his life to the education of the *ping-min* (the common people). He served with Chinese coolies working with the Allies in France during World War I. In particular, he helped the illiterate coolies write letters to their families in mainland China. This experience of working for the poor enabled him to promote and engage in a literacy campaign. Returning to China, Yen organized for mass education and became involved in the rural reconstruction movement in 1923. The PING (literally means common, ordinary, and equal) was the logo of the

movement for mass education and rural reconstruction, which was founded in China in 1923. It is also the logo of the International Institute of Rural Reconstruction, which was established in 1960 (Wu 2011).

Yen saw that the majority of the poor, who came from rural areas, were plagued by poverty, physical weakness, ignorance, and selfishness. It was necessary to provide a new, better quality of life, and Yen saw its basis in rural reconstruction. His experimental area was Ding County in Hebei Province, some 200 miles south of Beijing. Working together with the village committee and local government, Yen coordinated innovations ranging from hybrid pigs and economic cooperatives to village drama and village health centers. But his work was also disrupted by Japanese invasion of 1937. He later founded the International Institute of Rural Reconstruction (IIRR) in the Philippines in 1960 (Wu 2001).

The early development of the rural reconstruction movement was superseded by the modernization that China promptly undertook. The following section discusses how the movement has fared today in light of these changes.

The Rural Reconstruction Movement Today

Following Liang's and James Yen's spirit of rural reconstruction, a new rural reconstruction movement emerged at the turn of the 21st century. Its emergence comes amidst rural degradation, which has been brought about by China's export-led manufacturing industries, the demand for cheap labor, and the impact on the Chinese economy of the global financial crisis, among others.

There has been a heated debate about the *sannong wenti* (three dimensional aspects of the agrarian issue) in the academe and media. Intellectuals, NGO workers, and local villagers worked together and explored projects to help regenerate rural society. Some see their efforts as part of poverty alleviation while others perceive their commitment as a way to provide, in the spirit of Liang and Yen, an alternative to Western,

and urban-based model of development and modernization (Wen et. al. 2012).

One of these initiatives was the James Yen Rural Reconstruction Institute (2004–2007), which gave peasants free training courses and mobilized university students to work for the countryside. Similarly, Green Ground Eco-Center was founded in 2006, which promotes ecological farming and rural-urban cooperation. Little Donkey Farm was established in 2008. Comprising 230 *mu* (Chinese unit of measurement for area) and situated in a Beijing suburb, it is a partnership project between Haidian District Government and Renmin University of China. It promotes community-supported agriculture and facilitates rural-urban interaction. Liang Shuming Rural Reconstruction Centre was set up in 2004, providing university students with training programs wherein they would work in the countryside (Wen et. al. 2012).

The above experiments operate on the following premise: the advent of capitalist modernization and developmentalism, with its emphasis on growth and wealth generation, has gradually eroded rural society and communal relations. The predominant solution usually adopted by the government or village committee revolves around the increase of monetary investments. Cash investments and profit-sharing schemes have been typical. There is a popular phrase saying that “RMB (PRC’s currency) is the solution of settling contradictions among people.” But human relations to the land and to the community, which are largely damaged by modernization, are yet to be addressed (Wen 2007).

Rural reconstruction projects concern themselves with rebuilding one’s links to nature and to others. Peasant agriculture is an important way of repairing human relations to Mother Earth. Currently, the world’s food system is mainly controlled by capitalist transnational agrocompanies, which reap huge profits through mechanized and chemical monoagriculture. To help reverse this trend, rural reconstruction promotes and protects small peasantry and peasant agriculture, which practice organic farming and local knowledge. Organic food products can be one of the

foundations of rural-urban solidarity. At the same time, communal capacity is practiced through the common use of common resources and participatory problem-solving mechanism (Wen et. al. 2012).

Rural Reconstruction: Overview of Case Studies

Huojiagou Village Enterprise of Shanxi Province exemplifies the values of equality and solidarity amidst the forces of individualism and monetization. The village community covers 5 km², with 191 households and a population of 776. It had a small coal mine, which had become the primordial resource for Huojiagou's industrialization. Later, the community built a refinery and a power plant (Wen et. al. 2011).

The people implemented a policy to help ensure the fair distribution of wealth. For example, in December 2004, the assets of the enterprise amounted to about 500 million RMB while the net asset was 300 million RMB, 33% of which was reserved for the village community. The remaining 67% became shares distributed to the villagers in three parts: individual share, seniority share, and post and duty share. They still insist on collective ownership despite intensive capitalization (Wen et. al. 2011).

Another example of rural reconstruction is Yongji Peasants' Association of Shanxi Province. It was formerly the Center for Women's Cultural Activities and Women's Association, which was established in 2003. Today, it has 3,865 members from 35 villages in 2 counties. It manages six technological service centers, a handicrafts cooperative, steamed buns workshops, and an ecological agriculture zone. Socialized voluntary labor, redistribution of resources, and concern for the young generation are central to these initiatives (Sit 2011).

Participating in collective activities rooted in daily practices creates a feeling of life-transforming solidarity. Indeed, doing so embodies Marx's conception of revolutionary practice as a conjuncture of social and self-change (Marx 1845). By devoting labor to social redistribution rather than to capitalist accumulation, peasants take pleasure in helping others as they

gain others' respect for their contributions. Working for others through socialized labor may mistakenly be regarded as a residual, rural practice, but it is also a radical one in the face of the globalization, individualism, and entrepreneurship. Building a culture of collectivity through voluntary labor and profit redistribution is a profound mode of being that counteracts the violence of capitalist economic endeavors. This is what rural reconstruction is all about: overcoming capitalism by rediscovering valuable practices such as cooperative labor (creativity), collective ownership (sustainable management of the commons), and communal credit creation, etc. (Liang 2006).

Claude Lefort once asked an astounding yet most meaningful question on Marx's thought, "Should we say that [the proletariat] is the destroyer of the social imaginary or the last product of Marx's imagination?" (Lefort 1986, 180). Maybe the peasantry with its historical agency, not unlike the proletariat, too, is a social imaginary. But it is a timely and efficacious one.

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