

# Collective Ownership or Cadres' Ownership? The Non-agricultural Use of Farmland in China\*

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**ABSTRACT** In China during the reform period, the multitude of conflicts between the state or its agents and peasants has become a serious concern for the Chinese government. A fundamental reason for these conflicts is the fact that peasants' basic economic or political interests have been threatened or ignored. Using the case of non-agricultural use of farmland, this study seeks to explain why the peasants' lack of resistive power appears institutionalized in China. The use of rural land often gives rise to conflicts because peasants are usually under-compensated for their land. Facing the encroachment of their interests, peasants may take *ex ante* preventive action and *ex post* measures. While *ex ante* action is more effective, it is not always feasible because it needs the organizing of village cadres. Hence, peasants are weak because usually action can only be taken *ex post*, which, more often than not, is ineffective because of the political arrangements through which the state, peasants and cadres interact.

In China during the reform period, the multitude of conflicts between the state or its agents and peasants has become a serious concern for the Chinese government.<sup>1</sup> A fundamental reason for these conflicts is the fact that peasants' basic economic or political interests have been threatened or ignored, as illustrated in the case of peasant burdens.<sup>2</sup> Facing the encroachment of their interests, peasants have adopted a number of modes of resistance. Although they may succeed occasionally, the numerous demonstrations of their resistance suggest that they are weak and usually unable to prevent the encroachment *ex ante*. When do peasants succeed in their resistance? Why do they often fail? The answers to these questions are important in order to gain an understanding of the peasants' position in today's China.

This study seeks to explain why the peasants' lack of resistive power appears institutionalized in China by examining the issue of non-agricultural use of farmland. As the use of rural land often involves an interaction of the state, cadres and peasants, it serves as a valid case to explore state-peasant relations in China. Existing studies have provided

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1. Zhang Xinjie (ed.), *Kuashiji de youhuan (Worries that Persist into the Next Century)* (Lanzhou: Lanzhou daxue chubanshe, 1998).

2. For a discussion of peasant burdens and the consequences, see Thomas Bernstein and Xiaobo Lu, "Taxation without representation: peasants, the central and local states in reform China," *The China Quarterly*, No. 163 (2000), pp. 742-763; Xiaobo Lu, "The politics of peasant burdens in reform China," *Journal of Peasant Studies*, Vol. 25, No. 1 (1997), pp. 113-138; Thomas Bernstein, "Instability in rural China," in David Shambaugh (ed.), *Is China Unstable: Assessing the Factors* (Armonk, NY: M.E. Sharpe, 2000), pp. 95-111.

different assessments of the role of the state in the rural development of China. While some stress its developmental function, others highlight its predatory behaviour.<sup>3</sup> One important reason for the opposite conclusion is that these studies have focused on different issues. This article will show that in the use of rural land, the state tends to assume a predatory role in the sense that the local state and its agents often ignore the basic interests of the peasantry. More importantly, it will examine why peasants are usually unable to protect their interests when confronting the state and cadres of different levels.

Non-agricultural use of farmland may significantly affect living conditions because it deprives peasants of their land, which is an important source of income and probably the only guarantee of their welfare available thus far. Given the scale and speed of urbanization together with the conversion of farmland for non-agricultural purposes in China, the lives of a significant number of peasants has been or would be influenced. From 1986 to 1996, 31 cities in China expanded by about 50 per cent by consuming the farmland in their suburbs. Meanwhile, the construction of small towns and houses has also been extending into farmland.<sup>4</sup> While urbanization has raised the critical issue of the preservation of China's limited farmland, it has also posed a serious problem for some Chinese peasants: how to protect their interests in dealing with other land users. Earlier studies have rightly pointed out that peasants are in a weak position regarding the use of land.<sup>5</sup> But there are some important issues that need to be addressed. Why are some modes of resistance more effective than others? What is the role of village cadres in the use of rural land? Why has political development like the introduction of village elections failed to protect peasants' interests?

This article suggests that non-agricultural use of farmland tends to give rise to conflicts in rural China because peasants are often under-compensated for their land. It argues that peasants are weak because usually action can only be taken *ex post*, which, more often than not, is ineffective because of the political arrangements through which the state, peasants and cadres interact. Specifically, when protecting their interests, peasants can take both *ex ante* and *ex post* action. While *ex ante* preventive action is more effective in resisting the predatory behaviour of the local state or its cadres, it is not always feasible because such

3. For an examination of the developmental role, see Jean Oi, *Rural China Takes Off* (Berkeley: University of California Press, 1999); David Zweig, "'Developmental communities' on China's coast: the impact of trade, investment, and transnational alliances," *Comparative Politics*, Vol. 27, No. 3 (1995), pp. 253–274; For more on the issue of the predatory behaviour, see Xiaobo Lu, "The politics of peasant burdens."

4. The Research Group of Farmland Preservation of the State Land Management Bureau, "Jinnian lai, woguo gendi bianhuaji zhongqi fazhan qushi" ("The recent changes in the use of farmland in our country and the development trend in the medium period"), *Zhongguo shehui kexue* (*Chinese Social Sciences*), No. 1 (1998), pp. 75–90.

5. See Xiaolin Guo, "Land expropriation and rural conflicts in China," *The China Quarterly*, No. 166 (2001), pp. 422–439; David Zweig, "The 'externalities of development': can new political institutions manage rural conflict?" in Elizabeth Perry and Mark Selden (eds.), *Chinese Society: Change, Conflict, and Resistance* (London: Routledge, 2000), pp. 120–142.

measures need the active participation and organizing of village cadres. The property rights of rural land reside with the “rural collective,” but there is no guarantee that village cadres who are the representatives of the collective are able or willing to defend the interests of villagers. Without effective constraints, self-serving village cadres may pursue their interests at the expense of the collective.<sup>6</sup>

On the other hand, precisely because of the difficulties in taking *ex ante* action, peasants have also resorted to *ex post* resistance like lodging complaints and holding village elections. But the effectiveness of these measures is often limited. The introduction of village elections has been regarded as a significant change in China’s political system. Its implications not only lie in the fact that it serves as a channel for the people’s participation in politics at the grassroots level, it also indicates that limited democratization is possible within an authoritarian regime. A number of studies have explored why village elections have been accepted, implemented and promoted.<sup>7</sup> Others examine what village elections mean to the villagers and their cadres in light of the level of economic development (industrial or otherwise) or the degree to which the villagers’ economic and profit-generating activities are tied up with their villages.<sup>8</sup> Yet insufficient attention has been paid to an important aspect of this political reform: how and why village elections have been able or failed to protect peasant interests. This study will show that village cadres, elected or otherwise, still operate in the administrative hierarchy of the political system and thus remain weak vis-à-vis the state and local officials. Hence, even if village cadres are willing to defend the interests of their villages, they may not be able to do so.

### *Property Rights and Legal Arrangements of Land Conversion in China*

Non-agricultural land use often leads to conflicts in rural China because of the ill-defined and poorly-enforced property rights of rural farmland.<sup>9</sup> According to the Land Law of 1986, ownership of rural farmland resides with the “rural collective.” But the law stops short of

6. See Yongshun Cai, “Between state and peasant: local cadres and statistical reporting in rural China,” *The China Quarterly*, No. 163 (2000), pp. 783–805; Kevin O’Brien and Lianjiang Li, “Selective policy implementation in rural China,” *Comparative Politics*, Vol. 31, No. 2 (1999), pp. 167–186.

7. See Tianjian Shi, “Village committee elections in China: institutionalist tactics for democracy,” *World Politics*, Vol. 5 (1999), pp. 385–412; Lianjiang Li and Kevin O’Brien, “The struggle over village elections,” in Merle Goldman and Roderick MacFarquhar (eds.), *The Paradox of China’s Post-Mao Reforms* (Cambridge, MA: Harvard University Press, 1999), pp. 129–144; Daniel Kelliher, “The Chinese debate over village self-government,” *The China Journal*, No. 37 (1997), pp. 63–86.

8. It has been found that in those industrial villages or villages whose villagers conduct their economic activities outside their villages, elections are less competitive and participation is also less active. See Jean Oi and Scott Rozelle, “Election and power: the locus of decision making in Chinese villages,” *The China Quarterly*, No. 162 (2000), pp. 513–539; Tianjian Shi, “Cultural values and democracy in the People’s Republic of China,” *The China Quarterly*, No. 162 (2000), pp. 540–559.

9. Also see Peter Ho, “Who owns China’s land? Property rights and deliberate institutional ambiguity,” *The China Quarterly*, No. 166 (2001), pp. 394–421.

defining who comprises the rural collective. In practice, the administrative village, the small group (*xiaozu*) and sometimes even the town government can all be regarded as the rural collective. When the Household Responsibility System (HRS) was adopted, most farmland was distributed among peasant households within the former production team which was changed into the small group after the HRS. A nation-wide investigation of 271 villages suggests that even in the late 1990s, rural land ownership belonged to different rural collectives. Among these villages, 105 (or 40 per cent) held the administrative villages as land owners and 119 (45 per cent) held the small groups as owners. In 39 villages (15 per cent), the land was owned by both the village and the small group.<sup>10</sup> Because of its emphasis on the management of rural land, the Chinese government has been trying to unify rural land ownership by delegating to the administrative village the authority of farmland management.<sup>11</sup> This suggests that decisions on land use may involve both the village and the small group.

On the other hand, according to the Land Law, rural land cannot be employed for non-agricultural purposes without the permission of the state. Regardless of the status of the land user, conversion of land for non-agricultural purposes needs the approval of the government at different levels, depending on the amount of land to be converted. Given the arrangement of property rights and the legal requirements, peasants have to deal not only with their village cadres but also with the cadres at the town or higher levels. For land conversion within a village, village cadres have the deciding vote although some of their decisions still need the approval of higher-level governments. Collective ownership thus means that the cadres of a collective retain the most power in decisions regarding land use if peasants lack mechanisms to keep them in check. This is particularly so in the case of housing construction, as the approval of village cadres is first required. In some cases, village cadres even grant land to peasants directly without reporting their applications to the higher-level government. As the representative of the rural collective, village cadres play an important role not only in the use of land within the village but also in land conversion involving external parties. For peasants, the problem is whether village cadres are willing or able to protect their interests.

If land users are persons or organizations external to a village, the government would exercise its right to nationalize the land first, thereby changing its ownership. There is nothing wrong with this policy *per se*, given the necessity of converting land for public use. What may cause discontent among peasants is the compensation. As regulated, the compensation covers the loss of land, loss of plants and attachments to the

10. Wen Tiejun and Zhu Shouyin, "Zhengfu ziben yuanshi jilei yu tudi nongzhuangfei" ("Governments' capital accumulation and the conversion of farmland into non-agricultural uses"), *Guanli shijie (Management World)*, No. 5 (1996), pp. 161–69.

11. In the village organization law, the administrative village is entitled to sign land contracts with peasant households.

land, and subsidies for the allocation of peasants. If the amount of land per capita of the rural collective is reduced to a certain degree (regulated differently in different regions) the government would convert the status of some peasants into that of urban citizens and provide them with jobs.<sup>12</sup>

Problems arise when the state-regulated compensation is too low. There are two modes of compensation: with job allocations and without job allocations. One of the problems with the first method is that many people who are allocated to enterprises fail to receive the promised salaries. The market economy is making the concept of the “iron rice bowl” less possible. In some places, allocated peasants received no salary because of the poor performance of their enterprises, whereas others even failed to secure jobs in the first place. In one city in Sichuan province, for example, by 1993 more than 20,000 peasants had failed to be allocated jobs after their land was taken away.<sup>13</sup> In some villages in the suburbs of Shanghai, many peasants were not allocated jobs because there were not enough positions. Consequently, they received a 200 *yuan* subsidy each month which was less than their income from farming.<sup>14</sup> In addition, insufficient attention has been paid to those who are not qualified for job allocation because of their age or health. Although the policy stipulates that land users should grant special subsidies to these people, many local governments often fail to act in accordance with their own regulations. Indeed, as the benefits from land conversion such as the urban *hukou* and job allocation become less attractive, some peasants are no longer interested in exchanging their land for local urban *hukou*; instead, they tend to seek more compensation.<sup>15</sup> In the compensation scheme without job allocation, land users provide a lump-sum compensation. If the compensation is too low, peasants’ long-term interests are compromised. Hence as discussed below, the arrangement of property rights as well as cadres’ power place peasants in a weak position.

### *Village Cadres and Rural Land Use*

Farmland conversion in the suburbs of cities or county seats suggests that rural land is an important resource controlled by village cadres. Hence being a cadre even at the village level may be a means to amass wealth for some. One town Party secretary who has been working in rural areas for more than 20 years points out this rationale: “Once they become

12. Yao Kunyi, *Jianshe yongdi guanli (Management of the Construction Land Use)* (Shanghai: Baijia chubanshe), pp. 135–39; State Land Management Bureau (ed.), *Zhongguo dizheng fagui zhengce quanshu (A Collection of the Policies and Laws on the Land Management in China)* (Beijing: Zhongguo wujia chubanshe, 1995), pp. 642–47.

13. Tang Hongqian, Guo Xiaoming and Shen Maoying, “Dangqian nongyong tudi feinonghua wenti de diaocha yu fenxi” (“An investigation and analysis of the current non-agricultural uses of farmland”), *Nongye jingji wenti (Issues in the Agricultural Economy)*, No. 3 (1993), pp. 45–51.

14. Zhou Wei and Che Dongjiang, “Nongcun tudi feinonghua guocheng zhong nongmin liyi baozhang wenti de duice yanjiu” (“Measures to protect peasants’ interests in the non-agricultural use of land”), *Zhongguo nongcun jingji*, No. 8 (1996), pp. 45–49.

15. Yu Wenhua, “Zhejiang sheng xiaochengzhen jianshe zhong tudi zhenyong cunzai de wenti ji duice” (“Problems of the use of land in the construction of small towns in Zhejiang province and the solutions”), *Zhongguo nongcun jingji*, No. 8 (1996), pp. 50–55.

village cadres, they would have control over the most important resources such as collective land, houses and land for housing construction. These are the basis of peasant livelihood and the guarantee of wealth. This is especially the case for land in the suburbs because of the higher market value. Whoever controls these resources will control the distribution power while amassing wealth."<sup>16</sup> A peasant complains of the cadres' abuse of power in her village:

A few years ago, our village cadres said that the fruit trees in the orchards we had leased from the village were too old to produce fruits. Through the land bureau, the village cadres turned our orchards into land for the construction of housing for their relatives. But after assuming possession of our orchards, they did not fell the trees but reaped the fruits. They also obtained money from the sale of land. We appealed to the town government but it did not take any action for about a year. We had no choice but to appeal to the county and provincial governments as well as local and national news organizations. In the end, we received some compensation. But within a few years, we suffered losses because our land had lain idle. We also needed to offer bribes in order to win the case ... If you are a cadre, you have power, and will not be hurt. We need to make more money so that we can buy a post ... Within two or three years, you will be able to recoup the money you had paid for the post. By then, nobody will push you around.<sup>17</sup>

It cannot be assumed that all village cadres are corrupt although corruption is widespread in rural China.<sup>18</sup> What is stressed in this study is that corrupt village cadres tend to create conflicts with regard to land use. Once self-serving people become village cadres, they may use power to pursue personal interests by usurping more land, selling land to others and pocketing the money, or even allotting land to some people as gifts. Their control over resources like land also enables them to establish personal connections with higher-level cadres which may help them obtain personal benefits and even provide protection for their corrupt activities. Given their stake in the post, village cadres have a strong incentive to exclude peasants from participation in the process of decision-making or the management of village economic affairs. For this reason, although the Chinese government requires that village affairs (*cunwu gongkai*) are made public, in many villages the accounts, including those of transactions of land sales, have never been publicized.<sup>19</sup> Indeed, one important phenomenon in rural China today is that the leadership of the rural collective, including the Party secretary, the village

16. Bai Lin and Liu Shuyun, "Jinri 'cunguan' shuilaidang" ("Who are village cadres today?"), *Banyuetan (Biweekly Forum)*, No. 17 (2000), pp. 13–14.

17. "Kewang fubai" ("Hoping for corruption"), *Zhongguo shehui daokan (Report on the Chinese Society)*, No. 6 (2000), pp. 4–10.

18. Tang Fangxin, "Nongcun ganbu de jianbu guanli yaoyou guoying banfa" ("There should be effective measures to supervise and discipline rural cadres"), *Zhongguo jiancha (China Discipline Inspection)*, No. 5 (2000), pp. 22–23.

19. Huang Jicai and Pei Dapeng, "Gaige nongcun caiwu guanli banfa qianghua cunji caiwu minzhu guanli" ("Reforming the management methods of rural financial affairs and strengthening the democratic management"), *Nongcun hezuo jingji jingying guanli (The Operation and Management of the Rural Co-operative Economy)*, No. 4 (1998), pp. 30–31.

head and other village committee members, may co-operate and pursue their personal interests as a collective.<sup>20</sup>

An analysis of specific cases is an effective way of examining how village cadres have abused their power in the issue of land use which in turn creates conflicts with peasants. The following elaborates on the interaction between village cadres and peasants taking an example from the author's fieldwork.<sup>21</sup> This village (hereafter called N village) is located in east China. It consists of nine small groups and has a population of more than 1,300 people. Land in the village had been distributed and adjusted within each group in the village since the adoption of the HRS. Among these nine small groups, four are located closer to the county seat and thus had more opportunities for the conversion of their farmland for non-agricultural uses. After the mid-1980s, the amount of farmland had decreased in the village, especially in the areas occupied by the four groups, because of public and housing needs. As the public use of land often provided opportunities for *hukou* transfer and job allocation, what annoyed the peasants was not the government's use of land but the construction of housing by external people.

In N village, the power to make decisions regarding the use of land resided with cadres at both the group and village levels. Because village elections were significantly affected by town cadres,<sup>22</sup> villagers did not take them very seriously. Traditionally, the village Party secretary had more power than the village director despite the introduction of village elections. Therefore, the power for decision-making lay with the leadership headed by the village Party secretary, a power that allowed them to pursue personal interests. In the 1980s, urban *hukou* was a great attraction for most peasants. At the time, peasants from some of the groups in the village had the opportunity to be granted urban *hukou* and to be allocated jobs because of the government's use of their land. Because land in this village was distributed within each group, only those who belonged to the group whose land had been taken away would obtain the urban *hukou* and jobs. Most peasants valued this opportunity and were less likely to allow village cadres who did not belong to their groups to be included. For this reason, the children of some village cadres had to remain in the village because the land of their group had not been converted. Given this situation, village cadres worked out a system to their advantage. They claimed that if anyone was able to introduce a land user, he or she would be rewarded with a *hukou* transfer and job allocation. Cadres were evidently the persons who recommended land users since the use of land needed their approval. In this way, most village cadres had been able to

20. Tang Fangxin, "Effective measures."

21. I visited the village in 1996 and 1998. During my visits I interviewed 16 peasants and four village cadres.

22. It is for this reason that, as reported by my interviewees, some villagers who wanted to become village cadres went to town cadres in order to be included in the nominees.

obtain urban *hukou* as well as better jobs for their children, although they did not belong to those groups whose land was taken away.

Because of their power, village cadres also made decisions regarding *hukou* admission and housing construction while ignoring peasants' interests. Many people wanted the *hukou* from villages in the suburbs of cities or county seats for a number of reasons. First, their children would be able to go to those schools that only accepted students living in certain districts. Secondly, with the *hukou*, it was more possible to secure a piece of land for housing purposes in the future. Thirdly, living near the county town also provided people with the chance of finding non-farming jobs. N village had been the target of external people after the 1980s. Village cadres, including group heads, benefited much from granting *hukou* or land to external parties for the construction of housing. This is because most of these deals were made discreetly between village cadres and *hukou* or land buyers.<sup>23</sup> Villagers were thus kept in the dark and did not know how many people had been admitted or how much land had been sold until the houses were built. Nor did they know how much money had been collected by the village or the group because the accounts were never publicized.<sup>24</sup>

Village cadres tended to benefit more from the sale of land. As the deal was not conducted openly, the price was a result of the negotiation between village cadres and land buyers. It is not surprising that the price would not be as high as the market value. In the area where N village is located, one *mu* of land was worth at least 80,000 *yuan* in the 1990s. But villagers suspected that most of the people who had bought land did not pay that much as village cadres had accepted backhanders in these deals. Some villagers also reported that village cadres used collective land for other personal gains. For example, in order to obtain a good job for his son, one village cadre ceded a piece of land to the head of the work unit where his son worked. The peasants' suspicion of such deeds was not unfounded. Some village cadres, including a few group heads, built new houses not long after they took their posts. One group head, for instance, built a two-storey house which was estimated to have cost him about 200,000 *yuan*. But his annual salary was only about 4,000 *yuan*. Some peasants reported the suspected corruption of this person to higher-level governments because he did not have any external sources of income. Upon investigation by the government, this cadre claimed that he had borrowed the money from friends and it was not against the law to build a house on borrowed money. He was not punished, although few people believed what he said.

Land sale for housing construction is less likely to be prevented if land users are local cadres, because village cadres seek to establish favourable

23. One of my informants reported that village cadres accepted her bribes when granting *hukou* to one of her relatives.

24. Also see Xie Liqun, Ye Xincui, Cai Yuanji and Chen Lijiang, "Jiaqiang cunji caiwu guanli, fazhan zhuanda jiti jingji" ("To strengthen the management of village financial affairs and develop the collective economy"), *Nongcun hezuo jingji jingying guanli*, No. 5 (1998), pp. 35–37.

connections with higher-level cadres for personal gain. Such connections are particularly important for corrupt village cadres. In one instance, some peasants wrote to report the misconduct of a village cadre, but the letter was referred to the discipline inspection committee of the town Party committee. As this cadre had a close friend in the town Party organization, the discipline committee did not carry out an in-depth investigation. This village cadre even found out who had written the letter and tried to get back at them. The close relations between village cadres and higher-level cadres caused peasants to doubt that higher-level cadres paid the market value for the land they had bought from the village.

What happened in N village is not an isolated incident. In a high-profile case reported by a Chinese writer, by 1994, S village in Hubei province had lost about 500 *mu* or one-third of its land. Six corrupt village cadres, including the Party secretary and the village director, had paid only a small sum of money for the land they occupied for their extra housing construction. Moreover, village cadres had also sold land to town and county cadres in the Party, government and legal departments. Despite the objections voiced by peasants in the village, these buyers did not pay what they should have, nor were they punished for their misconduct. The cadres at different levels created a strong network that even thwarted the efforts of the Discipline Inspection Commission of the Central Party Committee to investigate the suspected corruption.<sup>25</sup> Such connections or networks have posed a serious challenge to the anti-corruption measures in China, resulting in the phenomenon of “the people do not want me (a corrupt cadre), but the Party does.”<sup>26</sup>

### *Higher-level Governments and Rural Land Use*

If peasants are unable to prevent self-serving local cadres from usurping village land, they are even less able to stop the local government.<sup>27</sup> In addition to occupying farmland for construction purposes, local governments may also use land to raise funds or to set up factories or joint ventures. The “Zone Fever” in 1992 and 1993 is an illuminating example of how local governments may take land from peasants at will. Less than a year after Deng Xiaoping’s southern tour, numerous economic development zones (*kaifa qu* or EDZ) aimed at attracting investors were established across the country.<sup>28</sup> But many local governments had set up EDZs not because of investors but because everyone else was doing so. Consequently, some land that had been converted failed to be utilized and thus lay idle. By 1996, the amount of such undeveloped land in the country totalled 1.74 million *mu*, of which 53 per cent was originally

25. Ren Yanfang, *Minyuan (The People’s Complaints)* (Beijing: Zhongguo wenlian chubanshe, 1999), pp. 74–75.

26. Yin Guo’an, “Xie ‘renmin bu yaowo dang yaowo’” (“An analysis of the phenomenon that ‘The people do not want me but the Party does’”), *Jiangsu jijian (Jiangsu Discipline Inspection)*, No. 7 (2000), pp. 52–53.

27. Xiaolin Guo, “Land expropriation and rural conflicts.”

28. The National Agricultural Area Demarcation Committee, “Kaifaqu zhandi baixian qingkuang diaocha” (“An investigation of land consumption of the economic development zones in over 100 counties”), *Zhongguo nongcun jingji*, No. 3 (1993), pp. 56–62.

farmland. Half the idle farmland could no longer be converted back for farming purposes. In the process of this large-scale land conversion, many local governments occupied farmland at will and did not pay enough attention to the compensation for peasants.<sup>29</sup>

Local governments have also tried to profit from the sale of farmland. In fact, land lease or sale has been an important channel through which local governments raise funds. In a number of prefectures and counties, the amount of such revenue accounts for 30 per cent of their fiscal revenue, and it is as high as 70 per cent in some places.<sup>30</sup> Nation-wide, between 1987 and 1994, the amount of fees collected from the leasing of land totalled about 242 billion *yuan*, with most of it being the extra-budgetary fund controlled by local governments.<sup>31</sup> It was estimated that about 60 to 70 per cent of the profits from land conversion went to the government or its agencies and about 25 to 30 per cent was collected by the village government, whereas peasants received about 10 per cent.<sup>32</sup>

Yet what annoys peasants most is that decisions regarding the use of land made by local governments threaten their livelihood. It is these decisions that are more likely to elicit strong reactions. One such example is the lease of land in a village in Guangdong province.<sup>33</sup> This village had 140 households and more than 760 people in the early 1990s. In 1993, the town government decided to lease 7,000 *mu* of land to a businessman from Hong Kong to build villas and a golf course. The village in question was asked to turn in 577 *mu* of land. This deal dramatically reduced the portion of paddy farmland per capita in the village from 1.4 *mu* to 0.18 *mu*. When converting land, the major village leaders held an extended Party-member meeting and announced the plan of the township government, declaring that it had to be accepted unconditionally. At this meeting, many had voiced their objections, but their opinions were ignored. All decisions were made by the upper-level government and the then village head.

The town government not only made the decision for the village but also controlled the money collected from the lease. According to the agreement between the town government and the Hong Kong businessman, the lump-sum compensation for one *mu* of land was 10,000 *yuan*. But the actual amount paid to the town was 8,000 *yuan* with the other 20 per cent being retained by parties other than the village. Since most of the land had been converted, the town government planned to use the 4.61-million-*yuan* compensation to build factory buildings for lease which would be the major source of income for the villagers. The problem was that the town government did not allocate the money to the village all at once; instead, it was distributed piecemeal, hundreds of

29. *Jingji ribao (Economic Daily)*, 18 June 1998.

30. The Research Group, "Recent changes."

31. *Ibid.*

32. Wen and Zhu, "Problems and countermeasures."

33. Chen Fang and Mo Wenjian, "Minxuan cunzhang weihe buyuan shangren" ("Why the elected village director refused to assume the position"), *Xuanzhai (Digest)*, No. 18 (1998), pp. 11–12.

thousand of *yuan* each time. Due to the shortage of money for building materials and the salary of workers, the construction of the factory houses lasted five years and still had not been completed at the time this event was reported. But by then the funds for compensation were depleted. The loss of land and the failure of the project as a new source of income posed a severe problem for peasants in the village. After the loss of land, the peasants repeatedly presented their grievances and demands to higher-level governments, and the already antagonistic relationship between peasants and cadres was intensified. When the former village accountant was elected village director, he refused to assume the position and submitted several resignations to the township government, stating that “it is too difficult for me to become the village director.” He admitted that unauthorized land conversion was commonplace, and that compensation was unreasonably inadequate. “My fellow villagers elected me village director, expecting me to assume the responsibility of protecting their legal interests. Yet, can a village cadre resolve the many problems? Now the village has neither money nor land, what can the village director do?”<sup>34</sup>

### *Peasant Resistance*

Peasants who have lost their land do not always remain silent.<sup>35</sup> Rather, they have adopted different means to defend their interests. Disputes over land use have been one of the most important reasons for peasants’ collective action. In Guangdong province, before 1992, petitions by peasants concerning land conversion accounted for half the total number of petitions.<sup>36</sup> In 1998, the Central State Council Letters and Visits Office received 460,000 letters and appeals from the whole country, of which issues concerning peasants accounted for two-thirds. Unauthorized fee collection, usurpation of farmland and corruption are the most common complaints.<sup>37</sup> Some lower-level cadres have admitted that peasant burdens and loss of farmland have been the two most serious issues that threaten stability in rural China.<sup>38</sup>

In the issue of land use, peasants have used *ex ante* means to prevent encroachment and *ex post* means to have their problems addressed. While *ex ante* prevention is more effective, it is difficult because such methods often entail active participation and organizing of village cadres. Precisely because *ex ante* action is difficult, many peasants can only address their problems after their land has been taken away. But there is no guarantee that their action will succeed because once the land is occupied, it is difficult to reverse the situation. Hence although *ex post* action may partly succeed in some cases, it is also true that peasants have experienced significant failures.<sup>39</sup>

34. *Ibid.*

35. Zweig, “The ‘externalities of development’”; Kevin O’Brien and Lianjiang Li, “The politics of lodging complaints in China,” *The China Quarterly*, No. 143 (1995), pp. 756–783.

36. Wen and Zhu, “Governments’ capital accumulation.”

37. *Zhongguo gaige bao* (*China’s Reform News*), 2 September 1999.

38. *Nongmin ribao*, 23 September 1998.

39. Zweig, “The ‘externalities of development’.”

*Ex ante resistance.* Village cadres in China may play a significant role in the peasants' confrontation with the state. Village cadres, as a result of their position in the village community, have the resources as well as prestige to make co-ordinated action possible, thereby playing the role of a political entrepreneur.<sup>40</sup> There have been cases of village cadres taking leadership of peasant resistance against unauthorized fee collection.<sup>41</sup> In the case of land use, the village cadres' position, to some extent, may determine whether peasants' *ex ante* or preventive resistance will succeed. Because village cadres are the representatives of the rural collective, their willingness and ability to negotiate has a direct impact on the final outcome.

One method used by village cadres and peasants is to prevent the local government from taking away their land by adopting the land share-holding system. Under this system, villages translate peasants' rights to land usage into shares indicating ownership of the collective land, and with that plans are made for the use of the land. They divide the land into different categories: for industrial development, for commercial construction of housing and for grain production.<sup>42</sup> Peasants, as shareholders, receive the profits made off the land both through agriculture and other non-agricultural business.<sup>43</sup> By pooling the resources of all individual peasants, the rural collective binds the interests of villagers together because land is no longer distributed within each small group. Although the government may still require villages to turn in some land for public use such as road construction, this method reduces the odds of the local government occupying farmland at will for its own fund-raising. Since all land has a designated purpose, governments will face difficulties in forcing villages to turn in more land without reasonable compensation. This is because village cadres can easily mobilize the entire village and have strong support. The system also has another advantage that makes it acceptable to the government. By pooling the land together, it makes large-scale farming possible. For this reason, the share-holding system has been regarded as a significant institutional change in rural China and has received extensive attention from both the government and academics.<sup>44</sup>

40. For a discussion of the importance of political entrepreneurs, see Samuel Popkin, "Public choice and peasant organization," in Robert Bates (ed.), *Toward A Political Economy of Development: A Rational Choice Perspective* (Washington, DC: Resources for the Future, 1987), pp. 245–271.

41. Bernstein and Lu, "Taxation without representation."

42. As regulated by the central government, farmland for non-agricultural purposes needs to be approved by high-level governments, depending on the amount. Since the late 1990s, the approval power has been concentrated in the provincial government and the central government. But before that, some villages divided their land into small pieces for approval or simply used the land before they obtained the approval. See Lin Wenyi, "Tudi zai shenyin" ("Land is lamenting"), *Fazhi yuekan (Rule of Law)*, No. 10 (1997), pp. 4–7.

43. Wang Zhuo, "Chuangxin nongcun hezhuo jingji de tudi chanquan zhidu" ("To create a new land property rights system for rural economic co-operation"), *Nanfang nongcun (Countryside in the South)*, No. 2 (1994), pp. 7–8.

44. Zheng Xuan, "Shenzhen nongcun gufen hezuozhi de xin tansuo" ("New experiments of the share-holding system in rural Shenzhen"), *Nanfang nongcun*, No. 1 (1998), pp. 22–25.

This method was first adopted in Nanhai, a city of Guangdong province where farmland conversion had been widespread as a result of economic development. In this city there were more than 40 petitions to the provincial, prefecture and town governments by peasants because of misuse of land between 1992 and 1993.<sup>45</sup> To protect their interests, some villages adopted the land share-holding system, the earliest reportedly being Xiabo village. In early 1992, this village was worried about government occupation of more farmland, and, after retaining enough land for grain production, decided to allocate 50 per cent of the 4,600 *mu* of farmland for industrial use and 16.3 per cent for real estate development. Peasants would receive bonuses from the businesses conducted by the village based on their shares. In another village, after the local government occupied 1,100 *mu* of its 1,540 *mu* of land, the village decided to allocate 200 *mu* of land as the village development zone, 20 *mu* for building commercial houses and 80 *mu* for grain production. All these measures were aimed at preventing the local government from usurping the farmland for its own fund raising.<sup>46</sup>

This method did produce a demonstrable effect and gained popularity in a number of places in Guangdong province. By early 1994, 164 places in Nanhai city had adopted the system.<sup>47</sup> Peasants and village communities did benefit. In some places, the guaranteed benefits of land conversion made many peasants reluctant to become urban residents, because this would lead them to lose the high income and the option of having a second child. By building factories, restaurants, hotels or offices on the collective land either for lease or for the development of their own non-agricultural businesses, these villages are able to provide a stable and high income for their members.<sup>48</sup>

This mode of resistance poses a *fait accompli* for the local government, and it will be difficult for the government to effect change *ex post*. Since any attempt to alter the arrangement will inevitably provoke strong and co-ordinated resistance by all the peasants in the village, it is wise for the local government not to attempt change or to provide reasonable compensation if it uses the land. With the adoption of this system, the conflicts between peasants and the local government “gradually disappeared” in these places.<sup>49</sup> Village cadres also admitted that the system enabled them to “solve some persistent problems in rural areas.”<sup>50</sup> Another advantage of adopting this system is that it prevents the problem of job insecurity after the conversion of land because peasants no longer have to rely on

45. Wang Zhuo, “New land property rights system.”

46. “Nanhaishi ‘yi tudi wei zhongxin gufen hezuozhi lunzhenghui’ jiansu” (“A brief description of ‘the conference on the land share-holding system’”), *Nanfang nongcun*, No. 1 (1994), pp. 17–18.

47. *Ibid.*

48. *Remnin gong’anbao* (*People’s Public Security*), 5 June 1993.

49. Wen and Zhu, “Governments’ capital accumulation.”

50. Ma Encheng, “Cong nongcun de ‘liangge feiyue’ kan gufen hezuozhi” (“Looking at the share-holding system from the perspective of ‘Two Leaps’”), *Nanfang nongcun*, No. 5 (1994), pp. 3–6.

job allocations.<sup>51</sup> It is also for these reasons that some villages in other provinces have adopted the system.<sup>52</sup>

*Ex post resistance.* The success of the land share-holding system is a result of the willingness of village cadres to protect the interests of their fellow villagers. The permission and encouragement of village cadres has created a situation in which the state has to make constant concessions to peasants in order to complete public projects. In some cases, to obtain further compensation from the government, village collectives may increase the attachments and plants on the land to be converted or construct houses on the most valued part of the land ostensibly for the development of the collective economy or solving the housing problem for poverty-stricken families. They may also demand to be contracted for the construction of the buildings for land users and even to own part of the buildings.<sup>53</sup>

Nevertheless, not many village cadres are willing to defend collective interests by offending higher-level cadres. It is not always clear why some village cadres are willing to align themselves with the government while others are not. Two factors may affect village cadres' attitude towards higher-level cadres: their stake in the post and their motives for being a cadre. Although it is difficult to examine motives, some town officials admit that there are village cadres who want to effect positive changes for their fellow villagers and are even willing to lead peasants to resist tax and fee collection and take action against the government. Hence village communal pressure on these people and their sense of justice may motivate them to defend the interests of the collective, which is also an important reason for the emergence of political entrepreneurs in collective action.<sup>54</sup>

In addition to village cadres' motives, their stake in the post may also affect their attitude towards higher-level cadres. Those who have a high personal stake in the post tend to be less willing to offend higher-level cadres.<sup>55</sup> As mentioned, some village cadres are corrupt and are very keen to establish connections with higher-level officials to avoid punishment lest they are caught.<sup>56</sup> In N village, peasants have written to governments from the county to the province to complain that village cadres had never reported the sale of land and the amount of money collected. But none of the complaints received serious attention from the higher-level government. It was a common occurrence that these letters were referred to the

51. Liu Peirong and Dong Jiatong, "Guanyu 'nongzhuang fei' laodongli anzhi de wenti yu jianyi" ("Problems and suggestions on the 'allocation of peasants to nonagricultural sectors'"), *Nanjing nongcun*, No. 4 (1994), p. 32.

52. Ma Encheng, "Looking at the share-holding system."

53. Yu Wenhua, "Problems of the use of land."

54. See Bai and Liu, "Who are village cadres today?" For a discussion of the emergence of political entrepreneurs, see Dennis Chong, *Collective Action and Social Movements* (Chicago: University of Chicago Press, 1991).

55. Also see David Zweig, *Agrarian Radicalism in China 1968-1981* (Cambridge, MA: Harvard University Press, 1989).

56. Tang Fangxin, "There should be effective measures."

officials of the town government. Some villagers reported that when village cadres and town officials met, peasant complaints were merely alluded to and were not taken seriously by town officials.

There are also other factors that may prevent village cadres from organizing the resistance of the local government. First, the village Party secretary, who can be a powerful entity with control of economic resources, is still appointed by the higher-level Party organization in most cases.<sup>57</sup> Hence if the higher-level government can control the Party secretary, it will be able to exercise significant influence on village affairs.<sup>58</sup> Secondly, elected village cadres may not have the right to veto the decisions of the higher-level government who has various means of discipline. In theory, the higher-level government does not have the right to remove elected village cadres. Yet in practice, the county or the town government may be able to do so under the pretext of misconduct. For example, in N village, one elected village head was removed by the town head because he did not show enough respect to the latter. When this town head came to the village for a work inspection, it was discovered that the village head had not completed his work on time. More importantly, the village head had drunk too much at a dinner the previous night. During the town head's inspection, he spoke excessively about the dinner he had had with some locals of a higher social status to demonstrate his personal connections. This annoyed the town head who had the village head replaced on the basis of incompetence.

All these factors have shaped the behaviour of village cadres and limited the effectiveness of village elections. In N village, after the 1990s, external parties had been consuming an increasing amount of farmland. Peasants had long been discontented with their cadres; yet retaliation against village cadres can be costly. Village cadres can be self-serving, but they do not always offend all villagers. In fact, some villagers may even receive benefits from incumbent cadres. For example, cadres have the power to approve an application for the construction of housing by peasants, which is the first step in the procedure (it also needs the approval of higher-level governments). But cadres' power may not be a prohibitively high cost that prevents resistance if peasants face a subsistence problem. In N village, while the farmland decreased, a majority of the villagers who were granted the urban *hukou* and assigned jobs failed to receive the payment of their salaries because of the poor performance of their enterprises. Indeed, more than half the peasants allocated to factories were laid off by 1997.

The lack of job security cautioned these villagers and made them realize that they needed to protect their source of income – the farmland. It was clear to them that if they could retain the land, the collective could build houses on it for lease or utilize it for communal businesses. Since many of them were laid off, there was occasion to gather. At such gatherings, “the more they talked about the village cadres, the more angry

57. Oi and Rozelle, “Election and power.”

58. Interview, no. 12.

they got." Some people suggested that decisions regarding land conversion and admission of immigrants should be discussed with and passed by group members. This appealed to most peasants. Given job insecurity, most of them agreed that they preferred more compensation to job allocations.

As the sale of land had been conducted within each group, peasants wanted to keep check on their group head. In 1997, just before the election of village cadres and group heads, a veteran who was allocated to a loss-making factory in group 4 suggested that they remove the incumbent group head who was thought to be a minion of village cadres. This idea was immediately accepted by many other members, especially those who did not have good rapport with the group head. They decided to vote him out. This was not an easy task, because most group members did not believe that the higher-level government would recognize elections decided by their votes. For years, the elections had not received serious attention in the village because peasants lacked confidence and therefore interest in them. Consequently, elections were carried out as a face-to-face survey of each household by incumbent group heads. In such a situation, few peasants would elect a person other than the one standing before them. Group leaders also did this for village cadres. Hence, many group heads remained in their positions for many years.

Since the activists were themselves not eligible voters because their *hukou* had been transferred to their work units, they voiced the demand of an election through the mouths of other group members. They also made visits to persuade the group members to vote against the incumbent group head. When the election was finally held, all representatives of the 38 households of this group participated. There were two candidates: the incumbent group head and a young man who did not qualify for job allocation because of his small family. This young man was a high-school graduate and had also been dissatisfied with the incumbent group head. The pre-election work conducted by the non-voter activists was successful. While some peasants voted against the incumbent group head because of their own discontent, hesitant voters were secretly pushed by other active villagers discontented with the group head. Some even voted on behalf of undecided voters in favour of the young man.

The outcome was not surprising, and the incumbent group head received less than ten votes. The discontented head reported the election to the village cadres and to some township officials, pointing out that the election had been manoeuvred by external parties. The town government urged the village to investigate the election. But some peasants of the group were worried that village cadres were biased and insisted that the town government send a cadre to conduct the investigation. The official who was sent to the village did not find compelling evidence for the supposed irregularities in the election and concluded that the outcome was valid. Afterwards he was criticized by some town cadres for his decision. Nevertheless, it was not appropriate for the township government to annul the decision made by its representative.

While this elected group head did try to preserve the group land, he

encountered great difficulties. In the issue of land use, the decision is made not only by the group head but also by village cadres. In order to raise funds for the construction of an office building, the village administration asked this group to cede a portion of land to the village for the development of real estate, and the group had to comply with the demand. When the local government was the land user, it was also beyond the jurisdiction of a group head. In 1997, the county government decided to set up a factory on the land of this particular group. As regulated, in addition to compensation, the land user was required to pay the group about 5 per cent of the total investment as a subsidy to the aged in the group. While this amount of money would be a great help to these people, the local government did not pay it because it claimed that it did not have the funds. Perhaps due to the higher education of the elected head and his reluctance to let external parties usurp land from the group, the village finally decided to co-opt him, including him in the village leadership. It then appointed another person in replacement. Peasant resistance was undermined because the appointed group head was subjected to village leadership.

The case of S village in Hubei province previously mentioned also indicates the limited effectiveness of *ex post* resistance, including village elections. After much land had been lost, peasants took action. Despite the fact that their appeals received the attention of the central government and influential media, including the Central TV station, *Zhongguo qingnianbao* (*Chinese Youth*), and *Nanfang zhoumo* (*The Southern Weekend*), they still failed to prevent external people from consuming their land for housing construction. Efforts on the part of peasants to hold village elections were thwarted by town cadres. The town Party secretary told them: "I am the Party secretary, and I decide whether to hold an election or not. If I do not think there should be an election, it should not be held."<sup>59</sup> After repeated negotiations with local leaders such as the chairman of the county people's congress and the town cadres, peasants were finally allowed to hold an election for the selection of a village committee. But elected cadres do not have the authority to discipline local officials. A fundamental reason for the peasants' failure is the strong personal connections between village cadres and county officials. When the newly elected village committee required the ousted village director to return the extra land he had occupied, this person approached the county Party secretary who told him that: "You have been a cadre for many years, do you not understand that although the county government has made the statement [that these cadres should turn in the extra land they occupied], it is the Party that controls everything? Do not worry. The village does not have the right to deal with this issue."<sup>60</sup> Peasants' persistent resistance annoyed the town and county governments who finally decided to silence it with repression. A peasant leader was incarcerated for nine months because of his role in organizing the

59. Ren Yanfang, *The People's Complaints*, p. 27.

60. *Ibid.* p. 231.

collective resistance, whereas another leader who was even elected as a deputy village director had to flee the village.

The precondition for the success of "rightful resistance" of peasants is that they are able to find higher-level authorities who are sympathetic to their legitimate claims and are willing to exercise their power to address the problems faced by these people.<sup>61</sup> In the case of land use, peasants are less likely to succeed in their "rightful resistance" for a number of reasons. In addition to the personal connections between the cadres of different levels as discussed above, local officials may be unwilling to punish village cadres because they depend on them for the management of village affairs. In one township in Guangdong province, for example, town officials were reluctant to discipline the blatantly corrupt cadres of two villages with regard to the issue of land use because of this dependence. As one town cadre defended:

The intention of the cadres of the two villages is good as they want to develop the collective economy. But they do not have the experience, nor do they fully understand state policies and thus sometimes sell the land illegally. In addition, the process of land sale is not transparent. But it must be pointed out that it is now difficult to work in the rural areas, and we should empathize with the situation of the cadres at the grassroots level and grant leniency to them.<sup>62</sup>

Another reason for peasants' failure in their struggle is the lack of financial resources on the part of the government. If a lower-level government makes the wrong decision, it is difficult for the higher-level government to take up the case because redressing an issue often needs financial resources which may be beyond its ability.<sup>63</sup>

### *Conclusion*

It is well-known that, despite their huge numbers, Chinese peasants are politically weak. As one Chinese provincial official admits: "To peasants, the state can do whatever it wants without much worry."<sup>64</sup> This article shows why this has been the case by analysing the issue of non-agricultural use of land in rural areas. Rural China has been riddled with conflicts in the reform period, largely a result of the repeated and numerous encroachments upon peasants' interests. The weak status of peasants lies in the political arrangements that shape the context in which the state, cadres and peasants interact. The decision-making style in China has been characterized by the exclusion of peasant participation. This is true not only at high-level governments but also at the village or town level. Without *ex ante* participation, there is no guarantee that peasants' interests will be looked after.

Earlier studies differ in their assessments of the role of the state in rural development in terms of their developmental or predatory behaviour. This

61. Lianjiang Li and Kevin O'Brien, "Villagers and popular resistance in contemporary China," *Modern China*, Vol. 22, No. 1 (1996), pp. 28–61; Kevin O'Brien, "Rightful resistance," *World Politics*, Vol. 49, No. 1 (1996), pp. 31–55.

62. *Neican xuanbian (Selected Materials)*, No. 16 (2000), pp. 14–16.

63. Chen Fang and Mo Wenjian, "Why the elected village director refused to assume the position."

64. *Renmin ribao (People's Daily)*, 22 January 1993.

study finds that the state tends to be predatory in land use in the sense that it may usurp land for its self-serving purposes. The state is also shown to be irresponsible towards peasants when it makes wrong decisions regarding land use. In addition, this study reveals that the state is less active in addressing the problem it has itself or its agents caused in the use of land because of the lack of financial resources. Unable to constrain the state and its agents, peasants are not in a position to resist its irresponsible or predatory behaviour.

The peasants' position is further weakened because they are often unable to keep their village cadres in check or obtain their support or initiation. This study suggests that peasants may protect their interests either *ex ante* or *ex post*. A more effective way to protect their interests is to prevent the encroachment from occurring rather than addressing it *ex post*. But this is not easy for Chinese peasants because such a mode of resistance needs the co-ordination and organizing of village cadres. Because of their prestige and ability, village cadres can play a significant role in confrontations with the state. While it is true that some are willing to align with peasants, there are a number of factors that may prevent more of them from doing so. If village cadres have a high stake in the post or are themselves corrupt, they tend to do the bidding of higher-level officials rather than that of fellow villagers. Although peasants may also use other *ex post* modes of resistance, such as village elections, these modes have limited effectiveness. This is because village cadres, elected or otherwise, still operate in the administrative hierarchy of the political system and are still subjected to the influence of higher-level counterparts. Hence the politics at the grassroots level in China should be examined not only by looking at the people at that level but also by looking at the political structure and political players in higher levels.