

A tale of two systems

Questioning land tenure reform in China

China maybe transforming into a fully-fledged market economy, but there are still many who see the commune as the only safeguard of land rights and livelihoods. At the same time, the market-oriented individualist approach to land tenure reform – subcontracting land to individuals – appears to work against sustainable rural development. Yongjun Zhao examines the case of Yakou village, Guangdong, which provides an alternative model of land tenure reform: a combination of commune ownership, management of land resources and a collective approach to taking full advantage of the market.

Yongjun Zhao



THE INTRODUCTION of the Household Responsibility System (HRS) marks a watershed in China's rural policy. A deliberate move from the collectivisation embodied in the People's Commune of the 1960s, HRS granted stable and long-term land tenure to individual households. The policy rolled out between 1978 and 1984 and resulted in dramatic increases in rural incomes by 15 percent per year. However, land allocation also saw the rapid loss of arable land to non-agricultural sectors and, consequently, increases in peasants' incomes began to slow down, contract and in some regions even reverse.¹ In the last decade, it is estimated that 1.5 million people have lost their land each year, triggering massive land conflicts.² Landless peasants, especially in poorer regions, have found it extremely difficult to pursue other economic opportunities. Alongside land loss, soil erosion, desertification and the downgrading of farmland have further constrained sustainable rural development. The continued economic pressures on the land and other resources have weakened the already fragile agriculture and ecology and even pose a direct threat to national food security.

In many parts of the country, the assumption that HRS would strengthen individual households' land rights and cultivate their interests in land investments has proved to be wrong. Rather, it has led to irresponsible farming and a degraded agro-environment.³ In fact, some villages in China choose not to adopt HRS. A case in point is Yakou village in Guangdong, where the commune system has been the mainstay of the village economy since 1977.⁴ The Yakou village of the Nanlang Township, Zhongshan City, is situated in the Pearl River Delta – the most developed economic region of southeastern Guangdong province. With a population of 3131 and 928 individual households, Yakou has eight natural villages consisting of 13 groups or 'production teams'. Endowed with rich natural resources such as fertile soil, water and forests, it is blessed with 3,000 *mu* (15 *mu*=1 hectare) of paddy rice land and 20,000 *mu* of tidal land. Whilst the paddy fields are cultivated collectively by the peasants, for the last 20 years the tidal land has been leased to others (mostly from other provinces). Yakou is a village of two economic systems – the commune inherited from the past, and the land leasing which followed market reform.

By granting all peasants equal rights to land use and management, and by providing them with social security, few peasants in Yakou feel the need to move to the cities.

ABOVE LEFT:
A public meeting in Yakou village hall.
ABOVE RIGHT:
Yakou village is situated in the Pearl River Delta an area rich with fertile soil, water and forests.

On the eve of market reform, Yakou had experienced peasant outmigration to developed regions like Hong Kong. The majority of those peasants remaining were not capable farm labourers but were elderly people, women and children. Given their limited farming abilities, the village Party secretary (still in his position today) strongly believed that HRS could fragment the village and weaken its capacity for pursuing collective solutions to sustainable rural development. He contended that the village's land assets should not be distributed to individual households, whose conflicting interests could not be easily accommodated. Instead, collective land arrangements provided a safety net for the poor, who were vulnerable to economic, environmental and political changes. Following heated debates on the future of the village, a consensus on the continuation of the commune system was reached. While choosing to maintain the fundamental characteristic of the people's commune – equal distribution of economic revenues – the village leadership also made efforts to build a new model that could deal with economic uncertainty and chronic poverty.

Hybrid land tenure system

Paddy rice farming remains the village's highest priority in order to ensure food security. Farming is organised on three tiers: the administrative village (often called 'the brigade'); the natural village ('the production team') and households. Each production team is accountable to the brigade, which, in turn, is responsible for target setting, technical support and overseeing production. Division of labour depends on demographic differences and no tasks are forced upon commune members. Labour input is directly linked to the distribution of wages and grain rations. Peasant migrants, who can no longer secure work in the cities, are always allowed to return to the village and work on the land. As a result, Yakou land is well preserved and cultivated, ensuring the equitable distribution of grain produce. Moreover, collective land management has been successful in deterring local authorities and businesses interested in acquiring the land.

Yakou peasants have taken full advantage of their tidal lands to develop fisheries. As most of the local people do not possess skills in this industry, it was decided that this land should be leased to those who can operate on it effectively. As a result, many people from other provinces are leased land and pay their dues to the commune. To maximise the benefits of this arrangement, a land shareholding foundation was established in 2002, managed by the village committee and peasant shareholders. Land shares can be inherited but not transferred to outsiders in order to protect the integrity of land management and local resources. The village committee decides on what to invest in the land, who the land should be contracted to, and how to redistribute the benefits to the shareholders equally. Other land is also leased to industries constituting another source of revenue for village shareholders.

The village committee upholds the principle that the village itself should not be involved in manufacturing, to avoid capital and management costs. Moreover, no large-scale industries are allowed to enter the village, in order to prevent air and water pollution. Transparent village governance and land management, characterised by full-cycle peasant participation, minimise peasant discontent and enhances management efficiency. For instance, decisions over budgets are made not only by the village committee, but in consultation with representatives of each natural village. More than 70 signatures are collected before a decision is made. In Yakou, transparent village government means effective and equitable land use and management, in contrast to the corruption of the village committee and local authorities seen in many other villages.

By granting all peasants equal rights to land use and management, and by providing them with social security, few peasants in Yakou feel the need to move to the cities. By keeping their rural status, they have the full access to the social welfare package provided by the commune. In addition, they believe that because of the commune, poverty has been reduced. In fact, the peasants managed to donate 110,000 Yuan to the Sichuan earthquake victims and their families in May 2008. This amount was higher than that of neighbouring villages.

Criticisms and challenges

This commune system has, however, been criticised regarding the use and management of farmland. Some peasants – especially young people with technical non-farming skills – contended that it would be better to lease the land to them so that they can sell it to outsiders for a quick profit. They could use that money to pursue making an income in whichever way they choose, since they do not have to rely on farming. Concerns were also expressed about the commune's inefficiency in farming. For many elderly people, however, keeping the commune intact provides a social security net. The village leadership believes that in an era of economic uncertainty, the commune plays an essential role not only in the rural economy, but in all kinds of activities and relations that can safeguard the peasants' best interests. In particular, the commune is

seen and actually used as an effective weapon against the illegal land takings found commonly in many other parts of the country. Also, the stronghold of communal land governance has deterred the local government from acquiring the land for economic development purposes. In this sense, the commune is an effective institution or weapon of the weak peasantry in keeping their landed livelihoods, in great contrast to HRS which weakens their capacity in economic and social organisations.⁵

In response, the village leadership strive to achieve sound land management, which requires its strong leadership over a democratic governance system as exemplified by their management of village affairs and elections. Primarily, the village Party secretary is recognised by the commune members as a leader without any involvement in corruption. With discipline and passion for helping the poor and a strong belief in the power of collective force in village development and governance, he is described as the most important person for the commune. Without him, the commune could have been dissolved long time ago.

Political divisions within the commune itself over its future direction, are, however, rampant. Some members want better distribution of benefits arisen from land management. Witnessing the land seizures taking place in neighbouring villages, and in some cases the large amounts of compensation paid to them, there are voices casting doubt on the profitability and sustainability of communal land management. Some believe that individual ownership is the only way to guarantee livelihoods. They fear that the imbalance of power between the commune and the local authorities will eventually lead to the abolition of the system.

The Yakou commune is an outstanding example of an alternative land tenure model, providing social protection of its members.⁶ Yet, with rapidly-changing national and global economies, it faces greater uncertainties concerning the land and its agricultural future. Population growth is another threat to their current



level of livelihoods with fixed land and resources. Without wider societal support for improved efficiency and better governance in land resources management, the village leaders will no doubt face increasing pressure on how to sustain the commune system. Above all, the empowerment of the peasants in decision-making and institutional building has to be given more attention. An in-depth study of the commune can uncover more issues concerning rural land relations, with far-reaching implications for the understanding of collective and individual action in rural transformation as well as land tenure reform in China.

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Notes

This article is based on author's fieldwork in Yakou Village in 2008. Participant observation and formal and informal interviews with peasants, the village committee and the local government were used during the fieldwork.

References

1. Martin Hart-Landsberg and Paul Burkett 2004 'China and socialism: market reforms and class struggles', *Monthly Review*, 56 (3): 7-123.
2. Minghong Tan et al 2005 'Urban land expansion and arable land loss in China-a case study of Beijing-Tianjin-Hebei Region', *Land Use Policy* 22: 187-196.
3. Wei Hu 1997 'Household land tenure reform in China: its impact on farming land use and agro-environment', *Land Use Policy*, Vol. 14, No. 3: 175-1186.
4. There are other commune villages, such as Lü Jia Zhuang Village in Hebei province. They are all facing economic challenges to sustain the level of livelihoods and the system itself.
5. See Scott, James C. 1985. *Weapons of the Weak: Everyday forms of peasant resistance*. New Haven: Yale University Press.
6. Zhenghan Cao 2002 *Belief, Efficiency and Institutional Change: Study on a commune in Yakou Village, Zhongshan City, Guangdong Province* (in Chinese), Beijing: China Economic Press.