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AGRARIAN TRANSFORMATION AND SOCIAL DIFFERENTIATION:
A CHINESE VILLAGE UNDER THE RURAL REFORM, 1980-1991

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**AGRARIAN TRANSFORMATION AND SOCIAL DIFFERENTIATION:
A CHINESE VILLAGE UNDER THE RURAL REFORM, 1980-1991**

By

Minchuan Yang

A DISSERTATION

**submitted to
Michigan State University
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ABSTRACT

AGRARIAN TRANSFORMATION AND SOCIAL DIFFERENTIATION: A CHINESE VILLAGE UNDER THE RURAL REFORM, 1980-1991

By

Minchuan Yang

This dissertation presents an ethnographic account of economic development in a Chinese peasant village, Shenquan, under the PRC government's current reform, which began in the late 1970s and triggered China's current agrarian transformation. The dissertation describes the pattern of socioeconomic diversification and differentiation in Shenquan. The analysis addresses the pattern of interaction between market influences, peasant culture, and peasant socioeconomic conditions in stimulating or hindering peasant participation in rural industrialization and commodity economy, and in affecting peasant socioeconomic differentiation.

This study is based on one-year anthropological field work. The research documents a pattern of Chinese rural village development, which is marked by the diversification of peasant economic activities including: the rapid development of rural industry, household petty commodity production, commercial activities, engagement in wage labor, and the continuation of family farming. The development in this village has resulted in the restructure of its peasants into socially differentiated groups, the refashion of their cultural norms, economic behavior, life styles, and social relationships, and

gradually, the deintegration of previously homogeneous peasant community. The study interprets how relevant kinship relationships, sociopolitical status, ideological and economic factors have affected peasants to develop different patterns of family economy under the current government reforms.

The study's objective is to explain this pattern of rural development in China through an examination of the substantivist and political economic approaches. The analysis aims at understanding how differences peasants have in social, political, and economic conditions provide them with varying access to commodity production, thus, influencing their different responses to the market economy. The study calls into question the substantivist approach and shows that Chinese peasant village has often demonstrated conflicting and dialectical social, economic, and cultural forces, such as collectivism and individualism, market pursuit and subsistent farming, that interact with the outside market economy and social structure. It is through the mutual negotiation and interplay of these forces that peasants construct their pattern of development by using cultural forms and socioeconomic resources available to them.

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my study.

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PREFACE:

Doing Field Work in Shenquan

Doing field research in a Chinese peasant village had been my goal for a long time. Since the 1980s, as the government began the rural economic reform, much news about the changes of Chinese peasant society and peasant agrarian economy appeared in newspapers and through broadcasts. I was often amazed about new changes because I knew what Chinese peasants' lives were like before the 1980s when I had experienced a few years of living in a northern Chinese village, where the government sent me to live during the Cultural Revolution.

In studying cultural anthropology in Michigan State University, questions about Chinese peasant culture and peasant economy have haunted me for years. I chose Chinese peasant socioeconomic transformation as my research topic and, in the Summer of 1990, I returned to Sichuan province in China to do my field work with the sponsorship of the Wenner-Gren Foundation for Anthropological Research. Since I had lived in Sichuan province studying history for four years and then teaching anthropology for about two more years in Sichuan University, previous to coming to the U.S.A. for graduate study in anthropology. I hoped that my previous connection with Sichuan university would provide me with convenient help in doing my field research.

Finding a village for doing research became difficult when I arrived back in

Sichuan province in 1990 since the county official whom I had previously contacted had been moved to some other government position, out of Sichuan. The arrangement he had made for me then had to be changed. Finally, through a personal connection--an official who had earlier worked earlier in the Xindu county government as a leader--I was introduced to Shenquan village leaders and the arrangement for my field research was made. My previous teaching position in Sichuan University then helped me obtain the necessary official permission to carry on research in Sichuan rural areas. I, then, also had to go through official approval from various levels of local governments to let me live in and study Shenquan village.

During the ten-month research period, I lived in a village factory's housing facility in Shenquan. The village council assigned a former village cadre to be one of my assistants. Often times, I also had another assistant who I found in local areas, but this assistantship was filled by different persons at different times since I could not find someone available for the entire period of my research.

For outsiders to participate in and observe a village life was not a simple matter in Chinese rural society at that time. First, doing anthropological research in a village was something villagers and local cadres could not understand because no one had done such a study in this area before. Only by trusting the person who introduced me to them did they allow me to come to the village. Villagers and cadres alike all continually attempted to figure out what I was really doing in the village.

Moreover, even though the commune organization had long been abandoned by the time of my research in 1990-91, peasants were still very politically oriented and

sensitive. By saying this I mean that peasants were very cautious about speaking of their thoughts or deeds to officials and someone from a government institution. They were afraid that the political campaigns which had happened many times in the past might happen again in the future, thus bringing new changes of government policies. They were not even sure that what they were doing under the responsibility system was politically safe. Actually, there was no real guarantee in terms of law to regulate many new things happening in China. Different officials could give different opinions and judgements on the same phenomenon. China, as a whole, was, and still is, carrying out an experiment, "fumble for stones to cross the river," as the paramount leader Deng Xiaoping said himself, meaning to find a right approach of development by trying out any possible ways.

Thus, at the beginning of my research, the villagers in general had two kinds of attitudes toward me: one was to shun me or not to talk to me about anything concerning any peasants' private money-making activities; the other was to regard me as an official from high government investigating cadres' wrong-doing or some other "capitalist activities" in the village. Given the latter attitude, some peasants wished to expose some cadres as being very capitalist, hoping I could correct their wrong-doing through a political campaign, as was usually done in the past.

Many peasants were very familiar with the Communist Party's strategy in Mao's era: mass movement for political struggle. In the past, governmental officials were occasionally sent down to villages to do "investigation", looking for "class enemies," and "capitalist tendencies" as targets of political campaign. Some peasants, thus, mistook me

as one of these sent by the government. It also just so happened that the time of my research was a period of growing political tension in Chinese society since it was so soon after the 1989 Tiananmen Incident. The government announced the beginning of a series of campaigns for "socialist education" in the rural society. And, at that time, the government did send some officials down to the countryside to strengthen local social control. For this reason, in the beginning, some peasants often doubted that I was a teacher in Sichuan University and a graduate student from the U.S.. Only later on, when I had demonstrated that I had no intention to do any political investigation and campaign for the Party lines, did they accept me and talk to me about their lives in the village with less reservation than before.

At the beginning of my research, the village leaders suggested a list of villagers for me to interview; the role of the Shenquan village assistant assigned to me was to show me the homes of those families. But I later found that when my assistant and I visited some families, peasants of those families were reluctant to talk with me about their opinions of some village affairs in front of my assistant. Some peasants also felt uncomfortable or refrained from talking about their own family matters or their private activities in front of someone from the same village unless they had an intimate relationship.

Soon after, as I became acquainted with some villagers, I tried to visit peasant families by myself. I also found another way to participate in their lives. The village restaurant/teahouses became my favored places to talk to villagers, observing their interactions and listening to their conversations. Offering tea, cigarettes, snacks, and

sometimes, even a meal and wine, which is a usual way of reciprocity among villagers, then also became my way to make friends and to create an opportunity for in-depth interviews with villagers.

Other good places for me to learn about villagers were local markets. Many times, some villagers asked me to join them in going to local markets on market opening days. I had been to all of the local markets to which the villagers frequently went and which were the most important ones for their economic life and social interaction. In these markets, I learned how they developed their social networks, delivered messages to their relatives in other villages, and with whom they constantly interacted in the local market. I also learned which group of villagers were absent from the local markets. Through participant-observation of peasants' activities in the local markets, I developed a great appreciation of Skinner's (1964-1965) analysis of the role of rural markets in peasant society.

Another place where I constantly had conversations with villagers was inside the village factory. Since I lived in the factory's facility, it was convenient for me to go around to the factory's departments and offices to chat with some managers and workers when they were not busy. The factory also hired several temporary workers as night watchmen to safeguard the factory. This situation provided me with a good opportunity to have conversations with them during evenings and during night time when they were on duty watching over the factory's property.

On some occasions when I was invited to participate in weddings, old men's birthday parties, and family ceremonies, I was asked to take color pictures for them. Taking color pictures for villagers was my first approach to establish rapport with

villagers. Some peasants were grateful for my offering and invited me to their ceremonial parties in return. Some, however, tried to take advantage of me by getting more free pictures and services. But for me, both situations were good for my gathering of data and understanding of village life. Village cadres and factory leaders also invited me to participate in a few of their village council and factory meetings, in order that I would know of their work for the village or the factory.

During most of my field interviews, I took brief notes, always, rewriting and expanding the notes in more detail later in the same day as I tried to remember every word I had heard. I found out that recording villagers conversations with a tape recorder often made them nervous. First, it was the first time for villagers to know such a small tape recorder existed and that it was so easy to carry around recording people's words. "But what was teacher Yang going to do with my words?" They were often puzzled and a little bit afraid. Second, they thought that it was OK for me to know the things they told but that it was not good to let some other villagers hear them. Even though I often assured them of confidentiality it was clear that Chinese peasants, after experiencing so many political movements, policy changes, and encountering various conflicts, were very cautious and reserved. As a field researcher I had to respect their concern for their safety, as well as their feelings and avoid creating an uncomfortable atmosphere.

Most of the data used in this dissertation are qualitative data. For this village study, I have been able to gather few statistics or quantitative data regarding either the village itself or about the larger region and its development. Perhaps, in a future study of this village and this region, I will be able to provide the appropriate complementary data.

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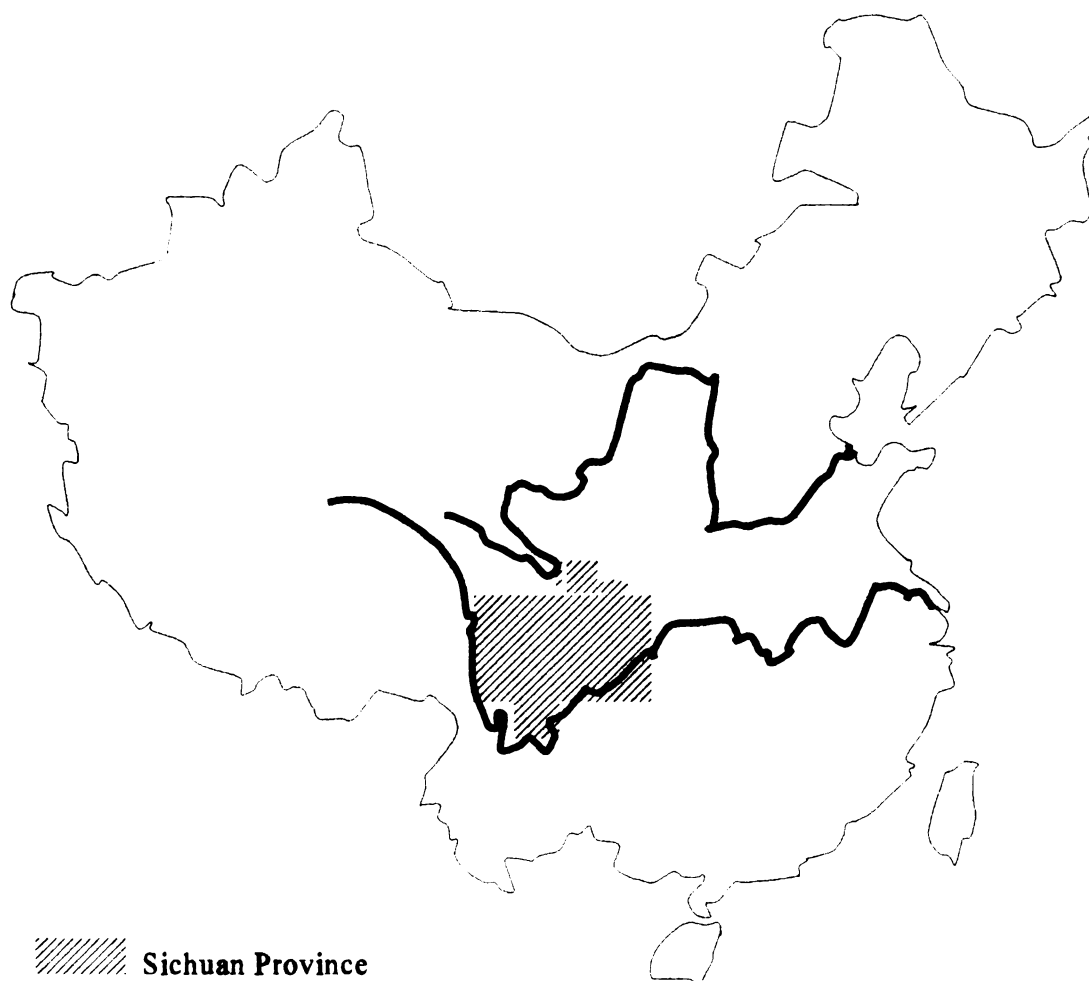
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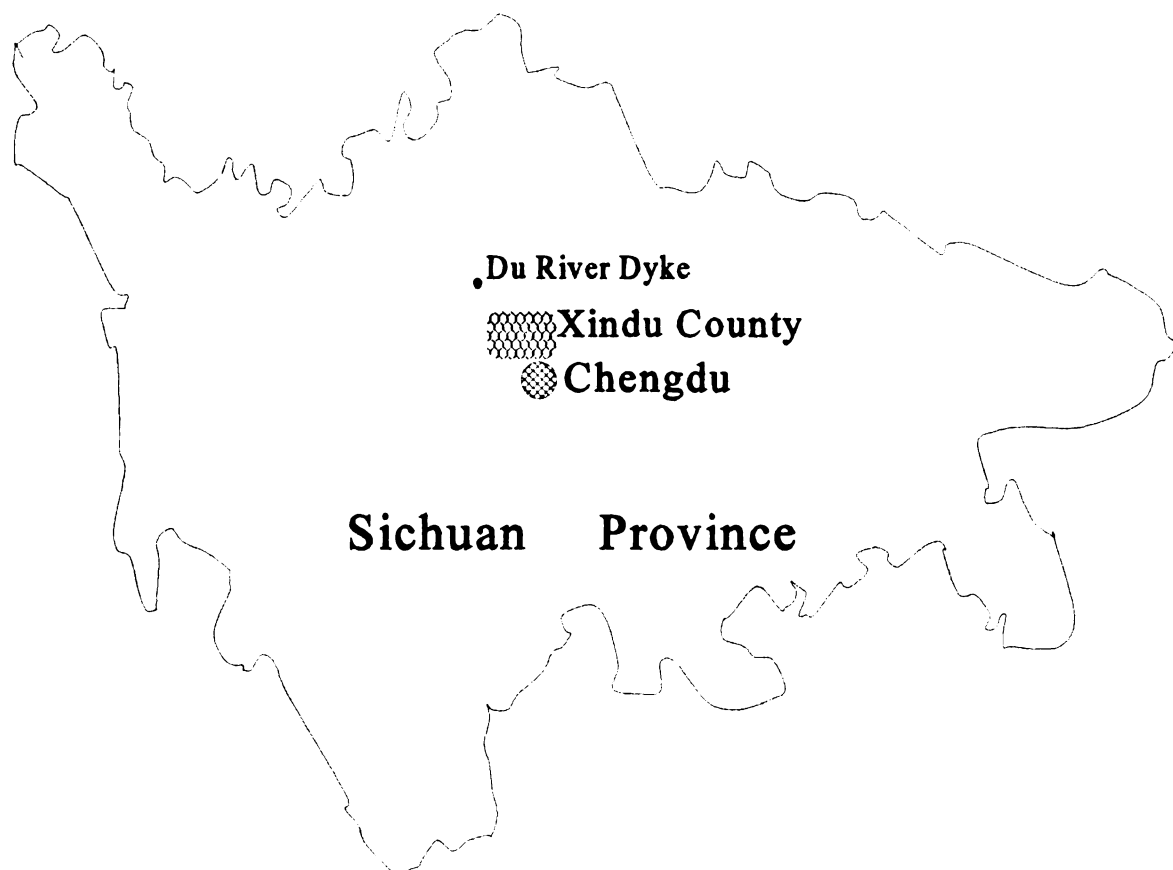
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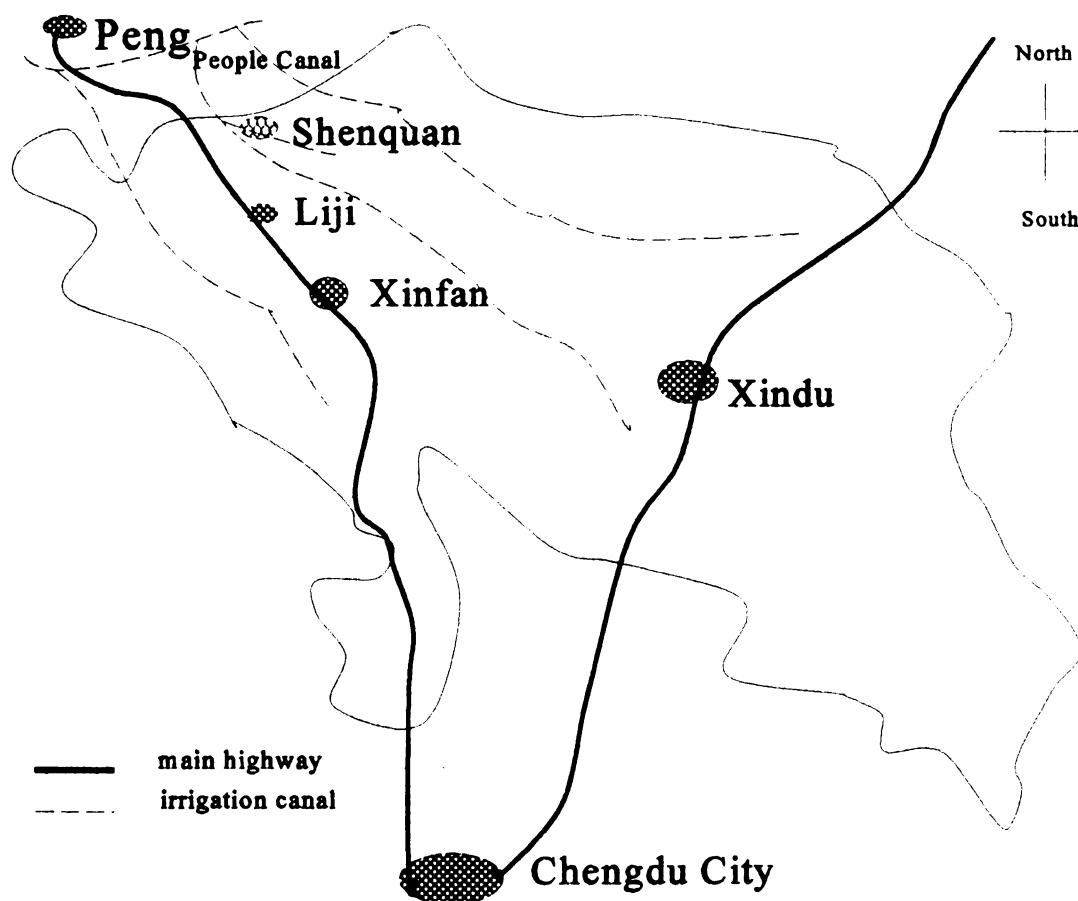
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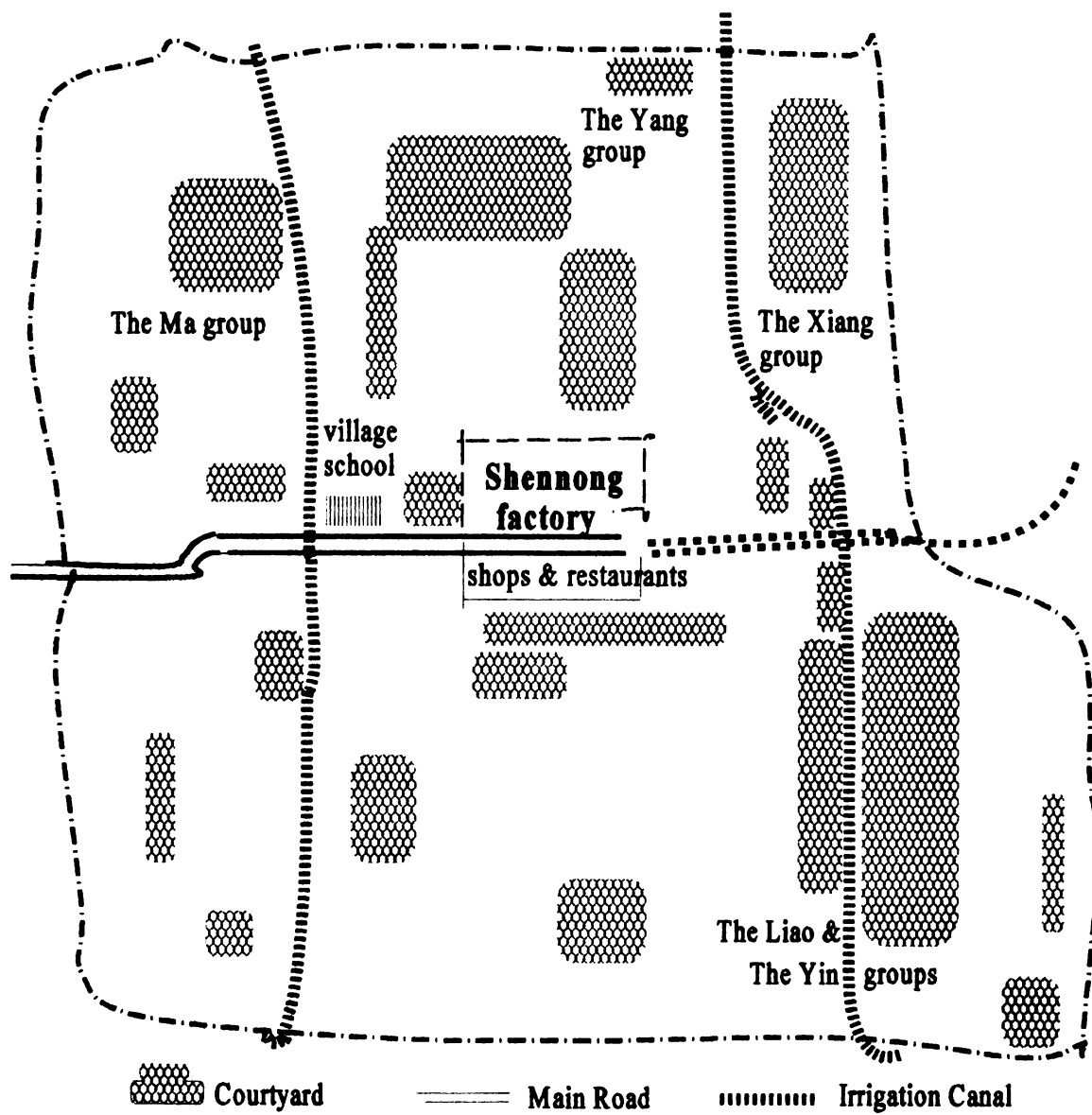
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Chapter 1:

INTRODUCTION

Two contradictory processes of rural socioeconomic change in China since the mid-twentieth century distinguish Chinese socialist development from development in other societies. One is collectivization, starting in the mid-1950s under Mao Zedong's regime and representing the Chinese Communist Party's early policy to renovate peasant society. The other is privatization, the household responsibility system; this process, initiated in the late 1970s during Deng Xiaoping's era, represents the current government's reform program for modernization through the transformation of peasant social and economic structures. My study focuses on the second process and its consequences by examining one peasant village in Sichuan Province. Through this examination, I hope to shed light on the themes of China's agrarian transformation and peasant social and cultural transition.

Since the late 1970s and the early 1980s, peasants in China's rural areas have been experiencing a new revolution started by the government and officially referred to as rural economic reform. The introduction of the household responsibility system--privatizing agricultural production--has almost reversed the revolution of rural collectivism (1950s-1970s) by restoring peasant family farming. ^x

Under the government's most recent rural economic reforms, Chinese peasant society has been undergoing tremendous transformations in economic and social life. The new government policies ^{move} granted peasant families individual decision-making power

in agricultural cultivation and allowed them once again, to participate in the market economy. Under the rural reform program, land and other collective-owned tools, cattle, and even machines were either allocated, contracted out, or sold to peasant families for production. The commune system, once the symbol and the basis of Chinese socialism in the countryside, finally collapsed in most rural areas after 1984.¹

The abandonment of the commune system, with the reversion to individual family farming, and the development of a rural market economy in the period from the 1980s to the early 1990s represent a most important phase of China's agrarian transformation. Agrarian transformation has been a spectacular phenomenon in the twentieth century (in the world in general and in developing countries in particular. Among the many approaches or models of agrarian transformation in developing countries, China's model of changing peasant economic and social/cultural systems presents special meanings as well as problems.

This study describes agrarian transformation in Shenquan village² in Sichuan Province where I conducted field research in 1990-91. As part of the current rural reform

¹The Chinese government officially abandoned the commune system in the period from 1984 to 1985. The administrative function of the commune system was given to xiang government, which is the grass-roots administrative unit in contemporary China. Peasant individual family farming replaced collective economic operation of the commune system, although in theory each village collectively owns the village land. The terms "commune" and "collective" can be used interchangeably if they refer to the rural collective organizations of the commune system. Since the xiang government now assumes the similar administrative responsibilities as that of the previous commune system, Sichuan local peasants often still refer to xiang as "commune" in their colloquial conversations.

²This is a pseudo-name.

program the village has developed rural industry and, hence, has greatly diversified its economy. My account of the development of the village presents a specific picture of changing peasant economic behavior, cultural practices, social interrelationship, and increasing socioeconomic differentiation in that peasant community. In discussing the process of the village's economic development and social transformation, I draw upon the theoretical discourse on the nature of the peasant economy, peasant socioeconomic differentiation, and Chinese peasant cultural transition.

Without doubt, agrarian transformation in China today is connected to the past process of rural collectivization as well as to developments in the pre-communist period. The multifaceted effects of this connection can be seen in various patterns of rural development. Understanding both the earlier development and the deterioration of collectivization is necessary to interpret ongoing rural reform.

CHINA'S RURAL COLLECTIVIZATION ON TRIAL

Perhaps no other society has experienced such dramatic structural changes in a mere three decades as has Chinese peasant society. Starting in 1958, the Chinese government introduced the rural commune system as the economic, social, and political organization in rural China. The commune became the grass-roots administrative unit to replace the previous xiang government. Communist Party leaders and the government believed that organizing peasants into the commune system was the best way to develop the rural economy and to bring prosperity to the rural population. Collectivization of land and all other means of production was perceived as the proper economic system to

inspire peasants to increase economic production and the construction of socialism.

Collective economic operation under the commune system was considered necessary to develop an efficient economic production and to achieve communal prosperity.

According to Marxist theory--the official theoretical guide for Chinese socialism--peasants, as owners of small private property, are doomed to disappear. It was believed that in the course of the development of a market economy and private family farming, the peasantry would be divided into capitalists and proletarians. For the Chinese government, to curb the growing tendency of capitalist accumulation among peasants and the trend toward polarization, it was, therefore, necessary to transform peasants from individual farmers to collective farmers.

The commune system in the period from 1958 to the early 1980s modified Chinese rural society according to the Marxist approach by establishing collective ownership of the means of production such as land, cattle, tools, and equipment. The commune system mobilized peasants into a three-tiered organizational structure: the commune as the administrative unit, the natural village as the production brigade, and the neighborhood as the production team. According to policies for the commune system, the state was responsible for directing, planning, and managing agricultural production and distribution. In addition, under the commune system, individual peasants were restricted from participating in commodity production and in the market.

The commune system represents the model of agrarian transformation adopted by Mao's socialist regime. With little doubt, this model enlisted and combined traditional Chinese peasant values such as communal cooperation and the basic attribute of Chinese

peasantry--a self-reliant subsistence economy. The model located peasant economic activities in self-sustaining organizations which assumed responsibility for all-round management of agriculture, handicraft industries, and commercial exchange as well as cultural and educational affairs (Selden 1979:402).

The government distrusted the free-market economy. It adopted policies which imposed severe constraints on peasant "petty trade" and household "petty commodity production," thereby hoping to cure the social ills and injustices supposedly generated by them. The policy of "unified purchase and unified sale," which was institutionalized into a government procurement system, outlawed peasants from marketing grain and other important products such as cotton, oil, and even pigs and eggs. At the same time it regulated prices of all agricultural products in rural and national markets.

Yet, aware of the dialectic collective and individualistic qualities of peasantry, as well as of the impact of the large market outside of peasant communities on peasant economic behavior, Mao and his comrades also used political control and ideological education to minimize peasants' pursuit of individualist interests. Thus, Mao's model of agrarian transformation aimed at achieving economic equality. To achieve this goal, the government ultimately concentrated its efforts on building a moral system. Mao Zedong himself often emphasized the significance of the education of peasants. Mao's prescription for inhibiting capitalist development among peasants was for peasants to learn a new culture, a socialist one, which emphasized egalitarianism, collectivism, and altruism. These values were not strange to Chinese peasants. Despite conflicting perspectives and behaviors among peasants, throughout Chinese history, those values had

been the basis for peasant demands for a good social system. Since the Chinese communist revolution, the communists many times called upon the norms of economic and social egalitarianism and cooperation to win consent from peasants and to inspire and mobilize them into the Chinese revolution. For many years, the marriage between the communist party and peasants was solidly maintained by peasants' dreams of an egalitarian system under the Communist Party leadership.

No doubt, the commune system in rural China in general resolved many economic problems by organizing peasants to collectively work on large agricultural projects such as irrigation, public projects, building roads and other public facilities, and the development of mechanization. Nevertheless, by the 1970s, the failure of the commune system was causing serious economic and social crises in rural areas. Criticism of the commune system became open and extreme during the early 1980s and during the current family responsibility system (Hinton 1990:140-163; Nee 1985; Parish 1985:3-29; Riskin 1987; White 1984).³

This criticism primarily focused on the commune system's inefficiency and its inability to generate economic development. Among the problems cited were egalitarianism, poor management, and government and commune economic policies for collective agriculture. Specifically, the lack of incentives for peasants to work for collective agriculture was seen as an overwhelming problem while the egalitarian

³Criticism of the commune system came from intellectuals, the general public, and various levels of the government after the Chinese Cultural Revolution, which ended in 1976. It was a part of the political movement of "emancipating thought," which basically was criticizing "the leftist" policies and thought of the past.

distribution of commune products was seen as a mechanism which stifled peasant initiatives to work for collective production. The government's austere economic control purposely gave peasants little opportunity to pursue individual economic gains. Under the collective system, Mao's policy--"grain production as the key link" (Hinton 1990:142)--restricted peasants' economic activities to little more than the collective production of grain.

Moreover, drawing upon Marxist political economic theories, most critics in China later condemned the commune system, arguing that the large social organizational scale of production represented by the commune collective system was incompatible with the low level of Chinese peasants' means of production. China's socialism was redefined as "the first stage of socialism." These critics believed that in such a stage only a small-scale peasant family farm was adaptive to the low technological and managerial levels inherent in the means of production of China's rural agriculture. Thus, planning and managing agricultural production in such large collective economic units were considered costly and inefficient. It was said to be like putting a large dose into a baby's small mouth. And, in fact, prior to the reforms of the 1980s, communes experienced severe declines in productivity, low working morale, social conflict, and economic shortages.

INVOLUTIONARY GROWTH UNDER THE COMMUNE

Communes in Sichuan suffered all the above problems prior to the rural economic reforms which began in the late 1970s and the early 1980s. For example, the

peasants in Sichuan province would have starved during the seasons of food shortage were it not for the government's welfare program. The stress on self-reliance in grain production, the stifling of trade and peasant family's sideline undertakings, cadres' mismanagement, state interference, and high tax burdens accelerated the demise of the commune system. Although peasants in this region had to work on average 250 days a year for collective production, the annual output of grain increased slowly and these small increases were outweighed by rapid population growth. It is not an exaggeration to say that the lives of the peasants during the 1970s under the commune system were miserable.

Indeed, large-scale economic deterioration was under way in Sichuan in the last years of the commune existence. Further, Sichuan was plagued by "involutionary growth," a basic problem of the rural economy in vast areas of China. Involutionary growth, according to Philip Huang (1990:13), involves the expansion of total outputs at the cost of diminished marginal returns per workday. It does not lead to transformative change in the countryside. Rather, it encourages the persistence of peasant production at subsistence level, which becomes ever more elaborated with intensified cropping. "Involutionary growth," as Huang (1990:13) points out, should be distinguished from economic development in that such growth produces few surplus values for expansion of economic production. The continuation of economic production is maintained at the level of simple reproduction only through increased labor input.

Various economic, social, and political factors contribute to "involutionary growth." Under the commune system, the factors which contributed to agrarian

involutionary growth were continued population growth and government policies that limited market activities and household commodity production. As a result, surplus peasant laborers had no alternative but to work in collective agriculture, thereby greatly reducing productivity per laborer and only somewhat increasing the total output of collective production. At the same time, the government procurement policy caused further deterioration of the rural economy by controlling the purchase of agricultural products at fixed low prices.

Thus, in the 1980s, the majority of Chinese peasants warmly welcomed the Chinese government's rural economic reforms that ended the two-decade-long experiment of the commune system. This political decision by the government ultimately was an admission of the irrevocable failure of the collectivist approach to agrarian transformation. The failure of this model of collectivism invited new ways of thinking about the agrarian transformation and provoked questions about the "new culture," i.e., a peasant moral system which Mao once wanted to foster. Within the commune system, economic and social conflicts among commune members and between commune members and cadres rose. People surprisingly found that the collectivist spirit decreased rather than increased (Nee 1985:170-185; Potter and Potter 1990:158, 339; Unger 1985:129-134).

RURAL ECONOMIC REFORM

By the end of the 1970s, change in Mao's approach to agrarian transformation had also become inevitable as intensification of cropping in the collective system could not

satisfy the food requirements of a rapidly growing population. By introducing the family responsibility system in the late 1970s and the early 1980s, the government handed decision-making power in production back to peasant families. A Pandora's box of privatization was opened and the major consequence of this policy change was tremendous structural transformation. Rural economic reform ushered in a new stage for China's peasantry.

Recent studies of China's peasantry have revealed that the reemergence of peasant family farming brought with it the revival of traditional social relationships and economic forms, the resurgence of certain cultural values and the creation of new ones. (Croll 1987a, 1987b; Nee 1985; Oi 1991; Potter and Potter 1990:158; Qiang and Xie 1990). Nee (1985), for example, found that, under the new economic system, Chinese peasants became individualistic, carefully calculating the maximization of household utility as do people elsewhere in the world in response to incentive structures. Indeed, as the new policy gradually promoted the expansion of rural markets and encouraged peasants to participate in market activities and commodity production, an increasing number of peasants sought jobs in commercial trading, wage-labor, petty commodity production, and rural industries. Further, to secure their involvement in the market, peasants have been establishing new socioeconomic networks, either by reviving kinship relationships or by developing contractual relationships.

It appears then, that by the late 1970s, PRC government policies destroyed Mao's idea of creating a moral peasantry dedicated to egalitarianism and collectivism. Rather, the new policies accepted the idea of moving agrarian society toward modernization and

acknowledged that incentives for individual material maximization were necessary among Chinese peasants--a perspective similar to the theoretic framework of the "rational peasant" (Popkin 1979). Two popular slogans, "Promoting some people to become rich first before others" and "To get rich is to be glorious," illustrate the new perspective of the post-Mao policy makers: stimulating individual maximization of economic gains.

Thus, the rural economic reform of the 1980s, by allocating collective land to individual peasant families, did not simply return peasant family farming to the level of the traditional pattern of small-peasant agriculture. By involving peasants in the market economy, the economic reform gradually facilitated the diversification of their economic activities and broke up the economic structure of subsistence level, small-scale peasant agriculture.

One prominent development, and the most important transformative change that has occurred during the current rural economic reform, has been rural industrialization. In many places, the development of rural industries was responsible for the breakdown of the former pattern of "involutionary growth." The introduction of rural industries into most rural areas can be traced back to the mid-1970s when communes were still in control of collective production in rural communities.

Propelled primarily by the problem of surplus rural labor, rural communes initially established industries to resolve peasant underemployment as well as to increase peasant incomes and strengthen, aid, and promote the commune's agricultural economy (Fei 1989:86,115). But, commune rural industries could neither create economic

diversification nor stimulate agrarian transformation because they were only a sub-system of commune organization under the control of a government which limited their production and the market. To curb income inequality among commune members, incomes from rural industries were usually put into a "pot" for collective distribution, rather than paid in cash directly to workers (Byrd and Lin 1990:7). In addition, rural industries encountered various restrictions from the government and the commune system and thus failed to achieve economic profit. In fact, operational losses in rural factories were common during the commune era (see, for example, Potter and Potter 1990 and Fei Xiaotong 1989:96).

Once the rural reform program began in about 1980, decollectivization of the commune system and the emergence of the peasant family responsibility system greatly stimulated the growth of industries in many rural areas. As a result of the government's reform policies and the lifting of the ban on peasant non-agricultural activities, privately- and corporately-owned rural industries developed rapidly and expanded well beyond the scope of commune rural industries. Further, the removal of restrictions on private firms spurred the growth of businesses. In only a few years, the number of private enterprises owned by individuals increased dramatically as indicated in a joint investigation by the World Bank and Chinese economists; between 1980 and 1986 the number of township and village-operated enterprises declined moderately, while the number of private enterprises nearly quadrupled (Byrd and Lin 1990:13).

How did the rural economic reform of the 1980s break up the structure of small-peasant agriculture? Can peasant economic diversification reverse the pattern of

involutionary growth and move the Chinese peasant economy toward development? What social and cultural changes are taking place in Chinese rural society as a result of economic diversification? Does peasants' participation in rural industries and the market economy generate socioeconomic differentiation and conflicts within peasant communities? These questions need to be answered empirically with specific case studies. The purpose of this dissertation is to provide one such study.

A NEW PATTERN OF DEVELOPMENT

The government's rural reform starting in the late 1970s indicates the abandonment of the previous pattern of development during the Mao era. It does not mean, however, that the Chinese government was clear about the new pattern of development the country will follow. The reforms in China simply began as an experimental and tentative approach to China's agricultural modernization. Unsure about a definite way to move China forward, the government often claims that China will "fumble out stones on river-bed to wade across the river," meaning that the government will find a right model of development for China by trying out any feasible approaches. In Chinese rural society, obviously, it is the peasantry who is creating a new pattern of social and economic development. The formation of this new pattern of development then gives rise to some important issues about peasant economic behavior in the market economy and peasant socioeconomic differentiation.

During the rural reform, Chinese peasants, in general, have manifested creativity in the market economy. Nonetheless, how peasants have become involved in commodity

production and in market activities is not a simple matter. Peasants respond to the market economy in different ways, resulting in economic diversification and social differentiation. How Chinese peasants, who had been living under the collective and a system of central economic planning for more than twenty years, have responded to the market economy invites theoretical discussion and empirical explanation.

Along with the change of the rural economic system under the rural reform, socioeconomic differentiation has been emerging in peasant communities, even though its development had for a long time been carefully guarded against by Mao's socialism. Mao's socialism simply believed that social differentiation would lead to polarization and then to the emergence of antagonistic classes--the employer and employed classes. Yet, the rural reform, by promoting economic diversification and privatization, has reshaped the socioeconomic relationships of village members from previously equal partnership in the commune system into various types of relationships--contractual, patron-client, employer-employee, and cooperative relationships. Those peasants who have started their enterprises or commodity businesses have been able to accumulate wealth and increase capital investment, thus becoming entrepreneurs, managers, or small merchants in rural society. They have, therefore, become socially differentiated from other peasants in villages. This socioeconomic differentiation has brought, and will continue to bring, about profound transformation in peasant culture, ideology, social relationships, and social organization.

The literature on peasant studies includes a long-term theoretical debate on the issue of peasant transition in the course of development of a market economy. One

theoretical framework based on the Chayanovian model of "peasant economy," identifies peasants as use-value agricultural producers who have virtually little interest in the market economy. Representing Chayanovian's model, Scott's (1976) "moral peasant" approach particularly illustrates peasant reciprocity in social interrelationship and the internal logic of peasant normative culture against surplus-value production. Some later proponents of this school of thought (e.g., Shanin 1973, 1983; Thorner 1987; Harrison 1977; Scott 1976) even suggest that peasants socially, economically, and culturally resist the development of the market economy, thereby creating cultural mechanisms, values, and attitudes that are antithetical to the socioeconomic differentiation that occurs in the course of the commoditization of rural communities.

The second theoretical approach (Binford 1990; Cook and Binford 1986; Popkin 1979) sees peasants as producers of exchange value. In this view, peasants have historically been and continue to be involved in the market; they do not lack individualism, economic rationale, and entrepreneurial spirit; and they have been economically differentiated over a long period of time. This school of thought regards the peasantry as an integrated part of a large political economic system which operates its production subject to the mode and the principles of that political economic system. These scholars (Cook and Binford:1986; Binford:1990; Mintz:1973) present studies on peasants' engagement in the capitalist market economy, which is explained as the primary force to influence peasant socioeconomic differentiation.

In chapter 2, I discuss the literature on the theoretical differences about the nature of peasantry, the issue of peasant involvement in the market economy, and peasant

socioeconomic differentiation. I also review the literature on Chinese peasant society and on peasant participation in capitalist commodity production and market activities in the modern world. In the chapter, I argue that we should view the peasant dialectically, neglecting neither one nor the other side of the picture.

In other chapters following chapter two, I present a case study to show how peasants in a Chinese village have become involved in the newly revived market economy and commodity production. I explain what factors are attributable to the variation of peasants' responses to the market economy. I also describe and discuss the process of the emergence of socioeconomic differentiation and its relations to various social, economic, and historical factors.

ETHNOGRAPHY OF SHENQUAN

My field study in Shenquan reveals a development pattern in a peasant community undergoing economic reform. Shenquan, located in the Chengdu plain, north of Chengdu (the capital city of the Sichuan Province, see map 3) is a rice-growing village. Chapter three describes Shenquan's ecology and agricultural production system, and the composition of the peasant community. There, I present the environmental and technological conditions of Shenquan village and its general agricultural performance in the current period. In this chapter, I also explain the population structure of the various peasant groups of the Shenquan community.

Chapter four describes the history of the area in which Shenquan is located and Shenquan's development during the pre-communist period, the commune system, and the

introduction of the new economic reform. I present villagers' accounts of stagnant agricultural development, poor management, and anti-market policies under the commune system. I demonstrate that as a result, for more than twenty years, the commune system in Shenquan was unable to transform the traditional pattern of "involutionary growth" and how the villagers had continued to be enmeshed in a subsistence economy and in the struggle to survive. I also describe the villagers' socioeconomic condition in the late period of the commune system before the beginning of the new economic reform, followed by an explanation of the process of rural economic reform in Shenquan and the nature of current village organizations. These accounts reflect that continuing pattern of "involutionary growth" in Shenquan under the commune system. I also show how during the commune system, Shenquan, although a kind of collective peasant community, nonetheless, presented various conflicting interests and inequalities among its members.

Chapter five describes the emergence and the current development of rural industry in Shenquan as developed by a corporate group of peasant families. I demonstrate how the formation and operation of the village's corporate factory has benefited this group of peasant shareholders, who invested money in the factory, and their relatives, who through kinship relationships were able to participate in the village industry. I will also demonstrate how the rapid expansion of the village industry not only made it possible for factory managers and workers to involve themselves more in rural industry than in family agriculture, hence, greatly increasing their incomes, thus, giving rise to socially differentiated groups with diversified occupations (e.g., worker, salesman,

entrepreneur, manager) in the village.

Chapter six delineates economic life among newly emergent "peasant-workers" and "peasant-entrepreneurs."⁴ It demonstrates how their involvement in rural industry and the market economy has given rise to new patterns of relations with other villagers based on monetary and contractual terms rather than on traditional reciprocal cooperation. Peasant-workers and peasant-entrepreneurs, in contrast to villagers for whom agricultural activities remain the main form of their family economy, have gradually been developing new styles of life--reducing their social interaction with villagers and even with some relatives living in the area and local market places while they increase their dependence on the urban market. For more and more peasant-workers and peasant-entrepreneurs, their involvement in the village industry ultimately, has reversed the structural relationship between farming and industry, making family farming insignificant as it becomes little more than a sideline production.

Chapter seven describes Shenquan peasant families' involvement in petty commodity production and market activities as stimulated and promoted by the village

⁴ In China, the term "peasant," nong min, is a historical term, referring to rural agricultural producers. It is used in PRC to refer to those who farm and live in rural villages, and/or are registered as rural residents. In the contemporary China, even though some of nong min mainly work on rural commodity production, commerce, or rural industrialization, as long as their families still live in villages and are registered as rural residents, they are referred to as peasants. Thus, Chinese newspapers and journals define the group of peasants who nowadays work mainly as industrial workers in rural factories, but who might also farm their allocated land, as "peasant-workers" (nong min gong ren). In the same way, those peasants who work as managers in rural factories or petty commodity enterprises are called "peasant-entrepreneurs" (nong min qi ye jia). In addition, peasant-salesman and peasant-artisan are also defined in such a way according to their residence, family connection with agricultural production, and their major occupations.

industry. By comparing and discussing different commodity and market activities, I demonstrate that with increasing cash income from village industrial work, some peasant-workers conducting petty commodity production are able to accumulate wealth which they use to further expand their families' economy beyond the subsistence level. Moreover, those who also have social and political connections, such as some cadres, have successfully turned their petty commodity production into profit-generating enterprises. Other peasants, however, engage in the market economy on a small-scale and solely as part of a pattern of intensification of family labor with elaborate commercialization that continues to focus the family economy around a subsistence level.

Chapter eight describes the emerging inequality of family income among Shenquan villagers, their different views of their social and economic conditions as well as of the newly arising phenomenon of socioeconomic differentiation in the village. The conflicting views presented by different groups of villagers reflect changing cultural values and fragmentation of peasant ideologies in the community. The cultural norms of communal collectivism and the commune legacy, while still alive among some groups of peasants, often times conflict with emerging family individualism among other groups.

Chapter nine describes the daily interactions of different groups of villagers and the interrelationships between the community and the Shennong factory. It depicts the social effects of village industrial development, petty commodity production, and involvement in other market activities. Village cooperation has been giving way to various forms of group cooperation, contractual interactions, and individual conduct. In

many aspects, villagers are identified according to their patterns of economic activities and social interaction, rather than their membership in the village community. I demonstrate that Shenquan village has been transformed from a relatively homogeneous peasant community to a heterogeneous community.

As part of this development of a heterogeneous community, chapter ten describes changing patterns of marriage, family, kinship, and patron-client relationships in Shenquan. Particularly, I describe changes in peasant-workers' and peasant-entrepreneurs' marriages and families, which developed new patterns of interaction in kinship relationships. We will see that based on these new patterns, peasant-workers and peasant-entrepreneurs have increased affinal cooperation in commodity economy within and beyond the village, resulting in regrouping the former community and reshaping social networks.

In the concluding chapter eleven, three issues are explained. First, Shenquan's pattern of development during the government's current economic reform represents a model of agrarian transformation that is evident in a large number of contemporary Chinese villages. Second, the interplay of the market economy and the peasant economy is seen not as a one way penetration of the market into rural society, but as two-way dialectic interaction involving conflicts and connections between the peasant economy and the market economy. Similar dialectic conflicts also existed and continue to exist between peasant individualism and collectivism, between contradictory socioeconomic practices and moral perspectives; the result is a situation in which some peasants have advantageous opportunities to become involved in commodity production and develop

new socioeconomic status, while some others have been unable to do so. Third, we see that socioeconomic differentiation, as I found in my field research, is inevitable in Shenquan as peasants become increasingly involved in the market economy. The process of socioeconomic differentiation, however, is being affected by demographic, cultural, and political factors, so that the trend of Chinese peasants to social regroup, geographic relocate, and culturally fragment, based on their new socioeconomic status, occupations and cultural life will continue.

Chapter 2:

THEORIES OF PEASANTRY: ITS NATURE AND DIFFERENTIATION

The nature of the peasantry and social differentiation among peasants in the course of the development of the capitalist market economy are two controversial issues which have long been debated in the social sciences. Contradictory theoretical perspectives have offered different explanations, particularly when dealing with socioeconomic transformation in developing countries. These perspectives disagree on whether or not traditional peasant communities differentiate socially when the capitalist market economy penetrates their economies. They depict different pictures of the interplay between traditional peasant culture and capitalist culture, between peasant economy and commodity economy, and between peasant social organizations and modern state institutions. Some (Scott 1976; Shanin 1973, 1983; Thaxton 1983; Thorner 1986) emphasize the power of peasant traditional culture and community organizations and focus on the way they resist market economic development, while others (Chen & Benton 1986; Cook and Binford 1986, 1990; Popkin 1979) emphasize a political economic approach for looking into peasant sociocultural transformation under the dominance of the capitalist market economy of the modern world.

Peasant social differentiation in contemporary societies should be defined as differences in social status and economic and social conditions among rural residents which are grounded in different patterns of accumulation. Henry Bernstein (1977:67) points out that differences in the accumulation and consumption of use-values are unable

to indicate socially significant differences at the level of production. "Differentiation in the materialist sense is tied to the conditions in which wealth becomes capital when it is not consumed individually but productively through investment in means of production."

Clearly, peasant social differentiation in the contemporary world is associated with the accumulation of surplus value either by extra economic forces such as landlord's exploitation or by profit-making strategies in the market economy. The study of social differentiation thus involves the study of accumulation in the course of market economic development in rural peasant communities. In the literature (Binford 1990; Mintz 1973; Roseberry 1989) on social differentiation on developing countries, this issue is associated with capitalist development.

TRADITIONAL CHINESE PEASANTRY

China's rural society and peasantry have long been a major focus of anthropological study. A famous Chinese anthropologist, Fei Xiaotong (1946), once stated that the peasantry is a key to understand Chinese society. What is the nature of Chinese peasantry? What is the pattern of Chinese peasant socioeconomic development? How do we assess Chinese peasant organizations and social relationships, inequality, and social differentiation among peasants? These questions about Chinese peasant society and culture have been important issues in the study of Chinese society and culture, giving rise to different interpretations and conceptualizations.

One school of thought in the study of Chinese culture emphasizes the peasant social system of cooperation, and places particular focus on the Chinese kinship system.

In this view, Chinese kinship is considered the center of Chinese peasant social and economic life in rural society. Scholars (Freedman 1958, 1970; Yang 1945) of this school are particularly interested in Chinese peasants' family ties and kinship relationships, which are assumed to strongly bond them together in socioeconomic activities. Maurice Freedman (1958, 1970), was perhaps the first to contribute to the study of the Chinese kinship system and to the understanding of China's rural society. As a result, scholars of China have probed into the social significance, economic functions and cultural meanings of kinship among Chinese peasants.

According to this school, Chinese kinship organization is associated with the basic characteristics of Chinese peasant socioeconomic life. Kinship plays an important role in organizing peasants to cooperate in agricultural production and protects members from being over-appropriated by the state bureaucracy. Kinship also plays a role in the interaction and relationship between peasants of different social status through patron-client relationships. Freedman (1958:125) notes that although the authority of the leaders of lineage organizations may be resisted by ordinary lineage members, elites in peasant lineage organizations often, in the long run, tend generally to benefit ordinary lineage members who were dependent on the protection of their leaders. Duara (1988) indicates the importance of peasant lineages as constituting crucial social arenas for mutual assistance of many kinds. Moreover, there is often a "noticeable ceremonial core defining the unity of the lineage" (Duara 1988:100).

Other scholars (Hsu 1963; Marsh 1961; Yang 1945) explain the nature of Chinese peasantry by demonstrating that Chinese kinship "...was characterized by a feeling of

mutual responsibility. To share one's wealth with one's kinsmen immediate and remote was highly sanctioned" (Marsh 1961:177). The lives of Chinese peasants are depicted as comfortable within the context of their kinship organizations such as lineage and clan systems, which are assumed to look like relatively closed cooperative worlds where peace, harmony, unity, and security prevail (Hsu, 1963). Peasants of a village are recognized as being connected not only through kinship, but also, and more importantly, by means of mutual obligations and privileges. Each family, as well as each individual in it, has duties to perform for the benefit of the others and at the same time has the right to benefit by their efforts. The bonds that hold these families together is informal but powerful (Yang 1945:134).

Differences in social status among peasants in villages can not be ignored when peasant society is described. How do we define the relation between landlords and peasants in Chinese rural society? When confronting the issue of economic difference between peasants, some scholars (e.g., Thaxton 1983) imply that the grounds for conflict and competition are overshadowed by the forces of social and cultural integration. They see economic and social hierarchy among peasants as non-exploitative and benign, and even as a means for strengthening the economic sinews of self-reliant communities in the village.

In his book *China Turned Rightside Up*, Ralph Thaxton (1983) writes that the profits made by the outstanding producers also brought benefits and better times to villages. The peasants' interpersonal exchanges with landlords often fostered a sense of shared responsibility, so that the tillers related to landlords as partners in agriculture. In

some villages patron-client and lineage ties overlapped, so that landlords bearing the same surname as peasants could emphasize kinship and so de-emphasize the class discrimination in unsatisfactory material exchanges.

Objectively, landlords were exploiters, their dominance of land and property enabling them to draw peasants into unequal exchanges, but peasants often saw the benefits as the product of a mutually binding obligation (Thaxton 1983:13).

The conceptualization of Chinese peasant kinship is not confined only to a concern with social and economic cooperation nor only with a basic egalitarian characteristic of Chinese peasant social structure.¹ One viewpoint regards Chinese kinship to be a moral code among peasants. According to this moral code, traditional peasant kinship was normatively imbued with qualities such as unity, egalitarianism, harmony, and generosity that are supposed to prevail among all kinsmen. Claes Hallgren (1979:14-15) argues that:

unity ideally should be achieved by leveling out the economic disparities once created. This means that an important quality of leadership for any kinship unit should be a capacity for generosity, beside the capacity of protection. Redistribution of resources is a basic prerequisite for expressing legitimate leadership,...Thus generosity, not richness, is the quality *par excellence* of a leader in the context of kinship.

Ideally, such a code of kinship is beyond the economic ambitions of individuals and is believed to permeate peasant obligations and responsibilities in the daily interaction with their kinsmen. It is also assumed that such a code is tenacious in Chinese peasant society

¹Freedman at one point explains that Chinese lineage is egalitarian in that all members had equal claims on the property owned corporately by the lineage and on the ritual and secular services which it provided (1958:69).

and was not immediately erased by revolutionary transformations of the kinship system in the twentieth century in China (Hallgren 1979:18).

Although Maurice Freedman, the most prominent contributor to Chinese peasant kinship studies, discusses peasant cooperation in lineage and the egalitarian ideal of kinship organization (1958), he also notes that Chinese peasants were differentiated by kinship rules of genealogical and age hierarchy as well as by different access to economic resources. Freedman also tells how, in traditional China, peasant socioeconomic differentiation often resulted in internal conflict in the lineage or resulted in kinship segmentation (1966:39)..

This perspective on Chinese kinship has been found in, and elaborated by, the other school of thought (Fei 1946; Stover 1974; Chen & Benton 1986; Chen 1987; Huang 1985) in the study of Chinese peasantry, which interprets the nature of Chinese peasants by focusing on the issue of social differentiation rather than patron-client reciprocal cooperation in Chinese rural society. By studying the gentry's role in Chinese rural society, Fei Xiaotong posits (1946) that the rural elite class--gentry and landlords--usually enjoy social power because they control lineage property. Fei suggests that in traditional rural China, landlord and gentry classes possessed social and political privileges and established their own kinship organization that was different from that of ordinary peasants. In traditional China, landlords and gentry were not only economically well-off since they owned and controlled most of the land resources, but they had also had connections with the social and political hierarchy of the larger political system.

Many studies (Chen and Benton 1986:5-59; Chen 1936; Chen J.1957; Fei 1953;

Stover 1974) suggest that landlord and gentry classes in traditional China were able to control peasant kinship organization because they wrote lineage genealogy, distributed lineage resources, manipulated the rental of their land, and granted loans to peasants or kinsmen; as a result they enhanced their social status and enabled themselves to obtain sociopolitical power in rural society. Jack Chen, in his study (1957:86) about the social and economic differentiation among landlords and peasants in "clan organization" (lineage), writes:

The Wang rich, grinding the very life out of the Wang poor or any others who fell into their net of rent and usury, used the appeal of clan [lineage] solidarity to prevent revolt against their power to exploit.

It was the Wang rich and landlords who controlled clan [lineage] affairs. It was they who supervised the ancestral lands which belonged in theory to the whole clan and which were cultivated in turn by the landless members of the clan, preserving them from the utter destitution that constantly threatened completely landless laborers.

These studies are much in contrast with the former perspective about Chinese peasant-landlord relations and the larger issue of social differentiation. In this latter viewpoint, kinship does not so much serve to provide mutual obligation and responsibility among peasants in a cooperative kinship organization as it serves the rich elite so they might take advantage of the poor, and protect the rich from being attacked by both outside forces and from inside conflict among kinsmen.

Peasant social differentiation in traditional China, however, was different from that in modern society. In the literature on Chinese peasant social differentiation in traditional China, we see that the factor responsible for socioeconomic differentiation primarily was social privileges based on Chinese kinship rules, such as genealogical and age hierarchy, and exploitation by landlords by virtue of their extra-economic power, i.e.,

their social and political power to extract rent from peasants. Chinese kinship rules bestowed privilege on the heir of the leading descent line in a kinship organization. A lineage ancestor's eldest son's family had power in the lineage to control both its property and its members' social or moral conduct, thus enabling them to make decisions about lineage affairs. With this power and privilege within the lineage, these lineage heads had more opportunities to enable their own families to prosper economically. Based on his field work in South China in the 1940s, a Chinese historian and economist Fu Yiling (see Liu 1983:65) found that in many towns, lineages exercised control over and manipulation of local markets and trade.² No doubt, lineage leaders would benefit economically from such practices much more than other lineage members. In this sense, to a certain degree, social differentiation as based on individual economic conduct in traditional Chinese peasant society was determined mostly by ascribed status rather than achieved status.

Of course, social differentiation in traditional China did not rely solely on generation-age or birth status. It was more likely that a combination of qualities--e.g., a combination of generation and age status, moral fortitude, ability, education, and personal wealth determined who would be lineage leaders (Liu 1959:103), thus economically and socially differentiating them from peasants. Landlords and gentry, as the local elite, certainly were more likely to obtain social control and economic benefit from lineage organizations than were peasants. In the nineteenth century and the early twentieth century, under Western imperialist and capitalist influence, China's rural peasant society

²According to Fu's Study in the 1940s, lineages protected and profited their members' buying and selling by setting up rules either allowing or disallowing certain products to be sold, or, collecting trading tax for the products brought in from the areas of other lineages.

was notable for the increased social stratification that had developed in the course of greater commercialization and the accompanying institutionalized upward and downward mobility at all social levels.³

A study in the late 1940s by William Skinner (1964-65) about rural market and social structure in the Sichuan region of China indicates that China's rural social stratification was greatly influenced by the development of a market economy and commodity production. Skinner's view of Chinese peasants differs from Freedman's perspective in that Skinner seems to define the central focus of Chinese peasant socioeconomic life as the market system. For Skinner, all dimensions of Chinese peasant life have to be accommodated to the dimensions of the rural market system, which has been hierarchically developed for the needs of different levels of the rural society. Marketing systems at each level in the hierarchy have a distinctive significance for interclass relations (ibid. 41). That is, the differentiation of peasantry, gentry, and landlord classes parallels the hierarchy of the market structure. The higher-level markets, such as intermediate market and central market towns, were associated with the socioeconomic activities and the power of the gentry, landlords, and elite organizations. Lower-level markets, in contrast, tended to be associated with peasant social and economic activities. According to Skinner, these market systems stimulated rural development. The flow of upward and downward mobility and the expansion of commodification broke down traditional peasant self-sufficiency in the subsistence economy and communities, thereby allowing the modern market economic system to

³See Cohen 1970, Rawski 1985, Naquin and Rawski 1987, and Huang 1985.

interlink with, or to penetrate into, rural peasant economic and social structures (Skinner 1964-65:211-228).

By examining Chinese peasant community in terms of its openness or closedness, Skinner (1971) also points out that in the face of different external socioeconomic conditions at different periods of time, peasant communities responded to the opportunity structure provided by the external social and economic systems with different strategies. When high rates of upward mobility prevailed, some of the upper level of a peasant community participated in market systems and competed economically to pursue individual success (Skinner 1971:277). In contrast, when external forces emanating from economic depression, social chaos, or a threatening and unstable environment confronted peasants, they adopted various strategies of closure by disengaging themselves from economic activities outside the community and resisting external cultural influences (ibid. 278-280).

The discussion about the above nature of Chinese peasantry and peasant social differentiation in traditional China thus presents two different pictures of Chinese peasant economic life and social structure. Scholars of the two schools emphasize different aspects of Chinese peasant culture: Chinese peasant socioeconomic cooperation, equality and the ideal of egalitarianism vs. social hierarchy, exploitation, and socioeconomic differentiation. Perhaps, what we need to interpret Chinese peasant society and culture is to look at these two different perspectives through a dialectic analysis. As a matter of fact, the above mentioned contradictory aspects coexist in Chinese peasant society. The elements of social hierarchy, inequality, and economic exploitation interact with peasant

reciprocity, patron-client relationship, institutionalized kinship cooperation, and egalitarian ideal value. Peasants at different status levels on the social ladder would make different demands and claims by emphasizing different kinship rules, obligations, and cultural values to benefit their own families.

THE SUBSTANTIVIST PEASANT

The perspective which sees the Chinese peasantry as egalitarian and living in a closed cooperative community with institutionalized means to resist social differentiation is associated with the substantivist theoretical framework in the discourse on peasant study in cultural anthropology. Substantivism views the peasant as a moral peasant who abides by two principles "that seem firmly embedded in both the social patterns and injunctions of peasant life: the norm of reciprocity and the right to subsistence" (Scott 1976:167). The circumstance of agricultural production and communal social relationships create constant pressure to nurture among peasants a strong egalitarian morality hinging on the principle of the survival of the least fit, and a communal insurance against the danger of individual bankruptcy or starvation (Chen & Benton 1986:1).

In this framework, the peasants claim of the two principles seems to be rooted in their substantivist economy and closed corporate community. The substantivist economy aims to produce food for peasant family consumption only through the cooperative efforts of members of the communities. In the development/underdevelopment literature, it has been fashionable to consider peasant household production in rural societies as a form of

persistent traditionalism, strongly resisting subsumption by the market economy (Cook & Binford 1990:15). This perspective is based on an approach to the study of peasants that portrays them as agriculturalists who produce all or a major portion of their own food supply and, therefore, directly reproduce all or a major portion of their own labor. In this view, there are no persistent ties between the peasant family economy and the market. This notion of the peasant evokes images of "natural economy," autarchy, self-sufficient production, and "subsistence economy."

In the view of substantivists, peasants comply with the notion of risk avoidance and have, therefore, collectively develop social-insurance mechanisms. These mechanisms are reinforced by a fundamental peasant value, the ethic of subsistence. This fundamental peasant value developed as a normative view of the world in response to the predicament most peasants share--the problem of subsistence.

A primary source of these views lies in the controversial legacy of A. V. Chayanov. For Chayanov (1986 [1925]), the peasant economy is a particular mode of production that lies outside the market system. The Chayanovian notion that is at the core of the "substantivist economy" approach is that the limiting factor on family farm production is a culturally-mediated predisposition of producers to aim exclusively for simple reproduction without material gain or capital accumulation beyond that goal.

The carriers of the Chayanovian tradition-- "substantivists" as they came to be known in the study of economic anthropology--generally believe that the peasant economy does not simply operate under the assumption of the modern market economy but rather functions under a logic of an internal structure of its own. This logic is

expressed in "demographic differentiation" which results from a changing labor/consumer ratio in the life cycle of the peasant family (Chayanov 1986 [1925]: 53-66). In a family economy, the peasants' search for optimization involves the effort to gain an equilibrium at the margins between the satisfaction of consumption needs and the drudgery of labor, not between profits and costs.

The peasants would put in greater effort only if they had reason to believe it would yield an increase in output, which could be devoted to greater family consumption, to enlarged investment in the farm, or to both. The mechanism Chayanov devised for explaining how the family acted is his labor-consumer balance. Each family, he wrote, seeks an annual output adequate for its basic needs; but this involves drudgery, and the family does not push its work beyond the point where the possible increase in output is outweighed by the irksomeness of the extra work. Each family strikes a rough balance or equilibrium, between the degree of satisfaction of family needs and the degree of drudgery of labor (Thorner 1986:xvi).

Chayanov traced the "natural history" of the family from the time of marriage of a young couple through the birth and then growth of their children to working age and the marriage of this second generation. A young couple without children enjoys the most favorable ratio until they bear non-working, consuming children. When the children come of age and enter into production, a new cycle begins (Chayanov 1986[1925]:53-66). In relating this natural history of the family to the changing size of peasant farms from generation to generation, Chayanov developed the concept of "demographic differentiation," which defines the size and relative prosperity of households by their position in the cycle of generational reproduction.

According to this "demographic differentiation," social stratification or differentiation takes place from within peasant communities is impossible. In Chayanov's theory, differentiation is defined only demographically and in terms of accumulation and

consumption of use-values, which are unable to distinguish socially significant differences at the level of production. Further, there are levelling mechanisms in peasant economy which counteract a trend toward social differentiation. Laws of subsistence motivation "have the force of denying the drive to accumulate and to compete" (Harrison 1977:328). Accordingly, peasant labor is assumed to achieve a socially-defined consumption standard. Hence, any kind of capitalist investment for enhancing labor-productivity or production for market profits are precluded for the peasant family economy.

Other substantivist scholars (e.g., Scott 1976;) relate this use-value optimization logic of the peasant family to peasant social structure by emphasizing peasant institutionalized behavior. Peasants, it is believed, are culturally oriented toward communal cooperation, reciprocity, and the norm of the right to subsistence, beliefs which often lead to resistance to market involvement for individual economic profits. Reciprocity serves as a central moral formula for interpersonal conduct, while the norm of the right to subsistence leads to a safety-first or a "subsistence first" pattern of decision-making behavior.

Two assumptions of the subsistence peasant economy argument are significantly associated with its assertions about peasant goals and behaviors. The first concerns the peasants' attitude toward the market. Peasants are described as having a "traditional distaste of buying and selling" (Scott 1977:231).

The ethos that promoted mutual assistance was partly inspired by a rejection of the market economy. Considering the circumstances and the rigor of commercial agriculture, it is little wonder that many peasants, if given the option, move substantially away from production for the market (Scott and Kerkvliet 1973:254).

The second assumption concerns peasant social organization--the village. In the substantivist economy model, peasants interact with fellow villagers in accordance with certain roles and norms. There is a "need" among peasants "to keep social relationships in equilibrium in order to maintain the steady state," and this need is "internalized in the individual as strong conscious efforts to adhere to the traditional roles" (Wolf 1955:460). Shared traditional roles, norms, and obligations not only structure villagers into a network of patron-client relations, characterized by the patron's display of responsiveness to the needs of the client and the client's display of loyalty to the patron (Carl 1973:105), but such relations also restrict and limit peasants in their individual acquisitiveness for material gains.

Later Chayanovians, such as Shanin (1973-74), Thorner (1987), and James Scott (1976), who advocate a conceptualization of the peasant as moral, ascribe to peasants a traditional cultural orientation to the world, peasant consciousness, and a village culture. This peasant cultural orientation serves to secure the social production of the peasantry, to provide a framework for the organization of cooperative activities in production, and to enable peasants to resist outside pressures to reconstruct their village culture.

Based on this theoretical framework, substantivist scholars define the peasant economy as an independent form or mode of production in the modern context--i.e., the capitalist mode of production and the commodity market economy. In today's world, peasants often have to sell part of their agricultural products to the capitalist market or work part time as wage laborers to satisfy family consumption. In the face of capitalist appropriation and the penetration of the capitalist market economy, peasants, as they have

been depicted by this framework, have to intensify their use-value production and to self-exploited in order to survive and to resist the penetration of capitalist relationships (Patnaik 1975:390). That is, peasants, by virtue of their ability to sustain labor input at marginal returns that are much below market wages, attempt to prevent the subsumption of their farming under the capitalist economy.

According to some other scholars (Roseberry 1989; Smith C 1984) peasants' resistance to the capitalist market economy or peasants' intensification of the family subsistence economy are determined not so much by the so-called internal logic or independent mode of peasant economy as by a combination of factors, including households, community, market conditions and state policies. This combination of factors and socioeconomic conditions are viewed as the economic and social structure in which peasant individual households are situated.

Philip Huang (1990), in studying Chinese peasant economic development in the Yangzi delta, south China, demonstrates that Chinese peasants in the late nineteenth century and early twentieth century, were trapped in a pattern of "involutionary growth." That is, the peasants of Yangzi delta, under intense population pressure and in the face of competition from capitalist commodity development, did not develop wage-labor-based managerial farming or large-scale commodity production. On the contrary, peasant production at subsistence levels persisted, becoming ever more elaborated with intensified cropping and even intensified handicraft production and commercial activities in the market. Within an economic structure which did not provide an outlet for peasant surplus labor, or for peasant farming and handicraft industry to be transformed into large-

scale commodity production, small-peasants in the Yangzi delta sustained their economic production and social cultural practices with little social economic differentiation occurring.

Perhaps then, Chayanov's theoretical ~~contribution~~/about the peasant economy/ is recognition of some of the distinctive attributes and characteristics of the peasant farm and its production. Substantivists are partly correct when they point out that peasants still maintain some control over the means of production, and thus, to a certain degree, control part of the process of production. Peasants are still small-scale private owners. But the fallacy the Chayanovian approach is its overemphasis on the residual power of this so-called "internal logic" of peasant economic production and neglect of the overall socioeconomic structure or social formation of peasant production. This larger socioeconomic structure significantly influences and transforms peasant economic, cultural and social behavior, but in different ways under different social, economic, and ecological circumstances. Such peasant behavior generates disintegration of familial and community-based social relations and gives rise to individual economic maximization, accumulation, and economic inequality. These behaviors and outcome can not be defined only by the rules and logic of "independent" peasant farms nor simply by the capitalist rationale. They are a result of the interaction between peasant social organization and the larger social formation, and between peasant economic production and market forces.

PEASANT SOCIAL DIFFERENTIATION AND THE MARKET ECONOMY

Throughout the world, the contemporary peasant economy has become closely

connected with the capitalist market and commodity production. The general concept of "peasant" no longer seems to fit the image of family farmers with deep roots and close ties only to family, community, and land. Many peasants are also petty commodity producers who are involved not only in subsistence agriculture but also in cash cropping or handicraft production for market sale. Thus, how are we to perceive the future of peasant economy and community in the course of commodity production and market development in rural societies? What is the development pattern of a peasant society when it encounters a capitalist system?

In contrast to the substantivist perspective, a Marxist approach sees the peasantry as disappearing into a proletarian class and capitalist class under the domination of the capitalist system. That is, under capitalism, poor peasants will become wage laborers and rich peasants will join in the capitalist class. This vision about the fate of the peasantry is simplistic as it views peasant social differentiation as ultimately leading to polarization under capitalism. It also simplifies the relation between capitalist development and peasantry, as Roseberry (1989:177) has pointed out,

Lenin saw differentiation and disappearance as inevitable, virtually automatic, thus falling into a kind of determinism that makes peasants mechanically disappear and denying to peasants any kinds of agency. The analysis is thus seen to fit within a typical Marxist dismissal of peasants as part of a univocal celebration of the proletariat.

The Marxist and Leninist scheme predicts a linear development⁴ which follows the

⁴In the Marxist and Leninist linear scheme of social evolution, all societies have been, or will be, evolved from slavery to feudal societies, then to capitalist societies, and eventually develop into communist societies. In each stage of such social evolution, a particular set of classes evolved from previous social stage. For example, the peasantry, which is considered a class of feudal society, under the capitalist economy is doomed to polarize into capitalist and proletariat classes.

capitalist logic. Such a development, however, has not taken place in peasant societies of contemporary third world countries.

In the field of "peasant studies," Mintz (1973), Cook (1984), Binford (1989), Roseberry (1989, 1983) and C. Smith (1984) have contributed empirically and theoretically to understanding peasant social differentiation under capitalist development in developing countries. One important issue in their discussion concerns the characterization of the differentiation that emerges when peasants encounter the capitalist market economy and exploitation. Criticizing substantivist theory on peasant differentiation and peasant economy, Roseberry (1989) correctly points out the fallacy of substantivists who lump traditional peasant groups together by generally defining the relationship between peasants and capitalists as an exploited/exploiter relationship. In his view, social differentiation in contemporary peasant society should not be viewed as a one-way influence from the outside, i.e., the modern, industrial, capitalist commodity production and market system. Rather it must be seen as a two-way process.

With respect to the problems of linkage, in this view, the peasant/nonpeasant relation is never isomorphic, having only an exploited/exploiter relation. Mintz (1973:93-94) has expressed this most clearly.

But it is nonetheless insufficient to characterize the peasantry as a "part society" (Krober 1948:284), and to describe it in terms of its asymmetrical relationships to external power. The fact is that peasantries nowhere form a homogeneous mass or agglomerate, but are always and everywhere typified themselves by internal differentiation along many lines.... No serious attempt to describe or define a peasantry anywhere is likely to be ideally effective without recognition that the very devices that may ensure the viability of the peasant sector as a totality also reveal its limitations in terms of the trajectories of particular groups within that sector. Thus, unless "the peasants" can be understood in terms of their internal differentiation along economic and other lines, it may appear that they consist

entirely of the prey; in fact, some are commonly among the predators.

According to this viewpoint, peasant social differentiation which emerges under capitalist development is the result of a two-way interplay between traditional, internal differentiation and the external impact of capitalist development. Socioeconomic conflict and the exploited/exploiter relationship within peasant groups interact with the exploited/exploiter relationship between peasant groups and capitalists to allow some rich peasants to accumulate capital by appropriating surplus value from others. The conceptualization of traditional peasant society as orderly, socially homogeneous, and egalitarian and modern capitalist development as disorderly, heterogeneous, and differentiated is naive and obscures the real dialectic interaction between peasant behavior and capitalist influence.

When substantivists overstate "the moral peasant economy" (Scott 1976), romanticizing the precapitalist past and ignoring the forces of disorder and exploitation that preceded capitalism and the colonial state, they select remarkably similar starting points for their historical trajectories, i.e., a relatively homogeneous, undifferentiated traditional order (in peasant society). This weakness has unfortunate consequences for their understanding of peasant consciousness. Although they are correct to point to the active force of the past in the present, their uncritical approach to the past leaves them in a poor position to understand the contradictory images, values, and feelings of peasants and an emerging proletariat (Roseberry 1989:56-57).

It is the dialectic interaction between the conflicting elements of the past and the present capitalist market forces that sets into motion the dynamics of socioeconomic

differentiation among peasants, giving different peasant families unequal access to landholding and to other essential means of production (e.g., draught animals, plows) which tend to move peasants toward becoming either wage laborers or wealthy entrepreneurs.

Social differentiation among peasants under conditions of capitalist development is a complex process, involving market conditions, peasant household production, demographic conditions, social and political forces, and even state policies. In the materialist sense, differentiation is tied to the conditions under which wealth becomes capital through investment in the means of production (Bernstein 1977:67). A mechanistic view of the process of peasant social differentiation would likely see it as beginning with the penetration of capitalist relations into peasant life, resulting in the commoditization of labor and land which enables capitalists to control the process of production and to appropriate surplus value from wage laborers.

Such a process, however, does not occur in the same way in every peasant society of the developing world. In many places, the direct separation of peasant producers and the means of production does not occur with the development of peasant commodity production and peasants' involvement in the capitalist market. Peasant households continue to produce use-values in agriculture and non-agriculture as well as commodities, the production of exchange values becomes a necessity for the peasant family economy. Indeed, Cook and Binford (1986:13) in their study of peasant commodity production in Oaxaca valley found that

Normally we expect social differentiation to be accompanied by increasing occupational specialization as direct producers are divorced from their means of

production and assigned by the social division of labor to specialized roles in industry or agriculture. But where such a process occurs, its early stages are not so clear cut....The "PEASANT-ARTISAN" households which also participate in agricultural wage labor represent the extreme of this tendency; they produce commodities for market sale, produce directly a portion of their own subsistence, and hire themselves out to others for wages.

Under such a system of peasant commodity production, as Cook and Binford (1986) demonstrate, capital accumulation among some peasant commodity producers is not associated only with market economic factors, but rather is related to peasant family demographic conditions. When peasants engage in commodity production for profit, families with more laborers or with a favorable worker/consumer ratio accumulate more capital than do those families with a negative worker/consumer ratio, thus expanding their home-work shops into profit-earning enterprises. Cook and Binford (1986:23) show the way peasant petty commodity production develops into petty capitalist production through "endofamilial accumulation" . This concept refers to a process in which the dynamics and outcome of capital accumulation are influenced by family size, composition, and life cycles, and which links factors internal to the peasant household with dynamics of social differentiation in the capitalist system.

By the same token, as endofamilial accumulation diminishes due to household demographic change, petty capitalist production within the domestic group may revert back to peasant commodity production. When families with fewer laborers than consumers encounter market competition, they may be unable to expand family commodity production and even be propelled into the poor peasant, wage laborer, or proletariat classes.

In any case, it is clear that the Chayanovian interpretation is not convincing in that

there is no tendency among peasants to decrease labor intensity and duration when more favorable worker/consumer ratios make easy attainment of the community consumption standard (Cook and Binford 1986:11). The development pattern to which peasants adapt has to be compatible with, and is restrained by, the social and economic structures of the capitalist economic system, which, to a great degree, sets peasant economy in motion. Peasant households in the contemporary world usually must depend on the purchase and sale of commodities in a market economy to survive.

It [Chayanovian "demographic differentiation"] creates the illusion that demographic and life-cyclical factors located in the households themselves, rather than socioeconomic factors located in the surrounding capitalist system, are likely to intervene as prime movers in the rural social economy. More importantly, in linking the demographic and life cycle variables to simple reproduction logic, it hinders understanding the new role that these variables might play under conditions of capitalist dominated petty commodity production (Cook and Binford 1986:24).

Processes of socioeconomic differentiation vary in different peasant communities, on the basis of differences in their particular history and culture. Generally, however, a process of variation and diversification in economic production and occupation among peasants could be a significant step toward quantitative differentiation. Gavin Smith's study (1979) suggests that this kind of variation provides a clue to the nature of the production relations which determine quantitative differentiation and eventual class formation in subsequent periods. Heterogeneity in production units influenced the nature of relationships between one unit and another (G. Smith 294). Emerging economic diversity within a peasant community often leads to changes in the nature of interdependence between village households. It also gives rise to different responses among peasant households to the capitalist market economy.

The power of the capitalist system does not in and of itself bring social differentiation to the peasantry. Other social and political forces are crucial in accelerating the process of peasant social differentiation. Bernstein (1986) and C. Smith (1990), for example, show the important role state governments play in facilitating capitalist domination and subsumption of peasant household production. Social privilege and power also have a particular role in this process. The elite members of peasant communities, who have privilege and access to social and political power, usually obtain more landholding and other material resources than do peasants under conditions of capitalist production. Governmental policies or land reform programs for privatization give the elite advantage in capital accumulation (see Smith, 1990:174-178). In many developing countries, as a matter of fact, the commoditization of labor and land, as well as the penetration of capitalist products and technologies, cannot be achieved without state intervention in the operation of market economy or in the introduction of the capitalist market system.

Anthropologists always take specific cultural systems and characteristics into consideration when they study economic and social systems and changes. Although political economic studies in anthropology are often criticized as "ignoring culture" (Roseberry 1989:195), the role of particular cultural forms in a given society are never left outside the analysis of peasant social differentiation in many peasant studies. Culture is not just "meaning" separated from activity. Culture includes activity and itself is a material force. Roseberry (1989:195) suggests that "In alluding to the historical, economic, and political presence of peasants, then, we have also suggested their cultural

presence." For example, "when Venezuelan peasants resort to forms of reciprocal labor they had earlier abandoned as an attempt to solve labor problems caused by a drain of labor to work for wages on larger coffee farms, they are solving an economic problem and are using cultural forms in new ways" (ibid).

Specific processes and patterns of peasant social differentiation are closely associated with the particular cultural forms of a given peasant society. Gavin A. Smith's (1979) study about Central Peru peasants, for example, demonstrated that the local cultural practice of some kinds of "extra-household reciprocity" give rise to socioeconomic differentiation of a limited kind, e.g., some exploitation of the labor of one household by another. These kinds of reciprocity allowed accumulation beyond the constraints of the household (292). Local cultural forms often influence the way particular relations are established between the capitalist market and local peasants, thus, influencing which group of peasants is advantaged in terms of capital accumulation.

Processes of differentiation and particular patterns of differentiation can only be understood within the context of a specific system of production. Although variation is normal in terms of different historical periods and social formations, assumptions about inevitable differentiation should not obscure the complexity of a process which takes place only in reference to specific factors.

EGALITARIANISM AND DIFFERENTIATION IN SOCIALIST CHINA

Under the Chinese socialist system, peasants have experienced dramatic changes, first, during collectivization from the late 1950s to the late 1970s and, since the early

1980s, under policies of re-privatization. The dramatic changes in policies are associated with the government's views of peasant social differentiation and the developmental pattern of the Chinese peasant economy in different periods.

Chinese socialism, which was built on Marxist theory and is deeply rooted in the conditions of the Chinese countryside, put peasant development as one of the foremost agenda items in its program of social and economic construction. Preventing socioeconomic polarization and differentiation was a central issue in Chinese rural development. Mao Zedong, as early as the mid-1950s, launched the collectivization campaign because he thought that class polarization--the emergence of a new rich peasantry--constituted a grave threat to socialist development in the countryside. Only accelerated collectivization, Mao held, could stimulate productive energies and eliminate class exploitation (Selden 1993:58).

This collectivization was a crucial "Chinese rural strategy" on the "Chinese road to socialism" or in the "Chinese model" (Selden 1993:7). The essential features of this approach include egalitarian distribution, peasant socialist morality, elimination of the market, and collective commune production (ibid). Obviously, egalitarianism was one of the Chinese government's most important goals when it promoted rural collective production and ultimately organized peasants into the commune system. For the government, as Selden points out, it seemed that "bigger, faster, more egalitarian, more collective may express aspirations and goals for the formation of socialist communities" (Selden 1993:59).

It is hard to know if the Chinese government, in the 1960s and 1970s, consciously

heeded the advice of the substantivist and "the moral peasant" schools (Parish 1985:14). With the swing of government policies in the past forty years between two conflicting poles, we have seen the expressions of both the "moral peasant" (Scott 1976) and "rational peasant" (Popkin 1979) schools. However, in terms of what the PRC government tended to create in Chinese peasantry, it is clear that during the 1960s and 1970s, The Chinese government had sympathy for the "moral peasant" school, attempting to nourish the spirit of reciprocity among Chinese peasants. Not only was the commune system organized in such fashion that peasant families in brigades or teams included close kinsmen and long-time village neighbors with social ties (Parish, 1985:15), but, also, government policies restrained rural market trade, and instead, promoted egalitarian distribution of products to guarantee each family's "right to subsistence living." In Mao's view, institutionalized collectivism could, on the one hand, transform Chinese peasants into socialist moral peasants and, on the other, preserve and channel traditional peasant moral values into new socialist practices.

China's policy makers, of course, were not making decisions based only on substantivist perspectives about peasantry. The anti-market mentality was also based on Lenin's thought about peasant development under socialism: that is, peasants who preferred the old way of farming would not produce for the market but would supply the workers' cooperatives with grain, meat, vegetables, and, in return, workers would provide them with machines, fertilizer, clothes, and everything else they needed (Lenin 1959 [1903]:70).

Mao's version of the "moral peasant," however, did diverge from Scott's. Mao's

socialism recognized that the tendency of peasantry, in the presence of market opportunity, was to gain individual material interests at the expense of others. Such a tendency thus had to be curbed to benefit the interests of the peasantry as whole, and it was institutionalized collectivism that would generally revive the moral tradition of Chinese peasantry. During the collectivization campaign in the late 1950s and the campaign of "learn from Dazai" in the mid 1960s to the late 1970s, the Communist Party launched a series of political movements in rural communes in order to enhance peasants morality and enable them to serve the revolution--to put the national interest first and the communal interest second (Madsen 1981:152-175). Certainly, traditional values of village communal or kinship reciprocity and cooperation have been utilized by local peasants in practice.

Despite the government's campaigns to develop the commune system based on patterns of egalitarianism and collectivization, many scholars (Selden 1993; Oi 1989) point out that differentiation and inequality continued to exist in Chinese peasant communities. Not only was there general economic differentiation between households as a result of demographic factors such as family size and family cycle, as Selden (1993:137-160) indicates in his study, but such differentiation generated unequal access to social and political control and thus collective resources. Oi (1989) describes how commune cadres used their power in villages to influence the collective distribution of resources, and how they assigned certain opportunities, such as highly-paid enterprise jobs, to certain peasants or to their own kinsmen. The use of such authoritative offices and political power thus became the source of differentiation between households in

commune organizations (Oi 1989:131-154).

Rural economic reform in the 1980s and the 1990s reflected another dramatic swing of government development policies. William Hinton (1990) considers this reform "the great reversal," the abandonment of the commune system, and the emergence of the family farming system. In contrast to the past, material incentives for individuals to pursue wealth and the encouragement of participation in the market economy have become the focus of rural economic reform, thus replacing the egalitarianism and anti-market policies of the commune system.

Philip Huang (1990:8) points out that an important opponent of the substantivist or the "moral peasant" school, Nobel Laureate Theodore Schultz, was in the mid-1980s an honored guest and warmly welcomed by top leaders of Chinese government. In Schultz's view, peasants are rational, i.e., entrepreneurial and responsive to market opportunities for maximizing profits just as all capitalists. Contemporary policy makers in China apparently agree with Schultz. The Communist Party now is making efforts to educate peasants by invoking "slogans" such as "getting rich is glorious" and "allowing some people to get rich first." For example, William Hinton, although perhaps negative, correctly notes the acceleration of social polarization throughout the society. He writes (1990:19):

By polarization I mean class differentiation, primarily the large-scale shift from peasant smallholder (in cooperative China this meant community shareholder) to wage laborer, and at the same time, the small-scale counter shift from peasant smallholder to capitalist (mostly petty).

Similarly, Whyte, in analyzing the Chinese government's new ideological formulas, writes (1981:323):

Fundamentally China's new leaders are telling their people and us that material, power, and status differentials are functional and necessary for the parts they play in "the four modernizations," that is, in the drive to transform China into an economically developed society. The reduction of these "reasonable" differentials in the previous decade is said to have done grievous harm to China's economy and social fabric.

Most scholars of China's economic reform agree that the government's new policies and reform have brought about transformative changes in China's rural peasant society. A breakthrough in the pattern of "involutionary growth" has taken place in the Chinese peasant economy (Huang 1990:319) and a new social structure marked by differentiation and stratification has emerged (Huang, 1990; Whyte, 1981; Hinton, 1990: Selden, 1993).

Nevertheless, we must ask, in what way, do Chinese peasants create strategies to break through the pattern of "involutionary growth" and to introduce real economic development? How do peasants respond to market opportunities? What specific process (or processes) of socioeconomic differentiation is (are) taking place in rural China? Does such a process involve "differentiation by bureaucratic hierarchy" as Philip Huang indicates it did in traditional Chinese peasant society? Or, does this process result purely from the expansion of the market economy in rural areas? What roles do traditional cultural forms and traditionally ascribed status factors, which defined social stratification in patrilineal kinship communities, play in the current socioeconomic development of Chinese peasant communities? The above questions require careful empirical studies to find adequate answers if we are to define what is "China's model" in the 1980s and 1990s. which I will attempt to do in the chapters that follow about the transformation of

the peasant community of Shenquan village.

Chapter 3:

ECOLOGY, DEMOGRAPHY, AND AGRICULTURE: SHENQUAN VILLAGE

ECOLOGICAL SETTING

Shenquan, which literally means a divine spring of water, is a peasant village located on the Chengdu Plain, west of the Sichuan Basin. On a hot late-summer day in 1990, I walked into this village with official letters from the county administration to begin my field research about peasant culture and economy in the community. Under the hot sun, the village seemed very quiet. The village land is divided up by many earth-banks into numerous small irrigated, green-colored, rice fields. Several small irrigation canals stretch out through the fields with the water running slowly under the sun. Among the fields, here and there, stand peasant houses surrounded by bamboo groves and trees. The village scene expresses the tranquility of rural life, the peace of the earth, and the steadiness of a peasant community. Yet, not long after I settled in the village, I realized that a striking agrarian transformation was taking place.

Shenquan is located in Xindu, a suburb county of Chengdu city, the capital of Sichuan province. The village occupies 1,400 mu (about 231.7 acres) of land with a well-built irrigation system. It is situated in a rice-growing region in the Sichuan Basin, one of the richest agricultural areas in China.

Ecologically, Sichuan Basin has favorable conditions for agricultural development. It is the largest plain in southwestern China and was formed by long-term deposits of earth from various rivers in Sichuan. The plain thus is covered with rich soil.

Chengdu city is situated in the middle of the Chengdu Plain, which is about 8,000 square kilometers. The Plain has subtropical climate with an average yearly temperature of about 19-20 °C (66-69 °F). Summer on the plain lasts for more than six months. Summer temperatures are high. During July and August, the temperatures are as high as 35 °C (about 92 °F) for lengthy periods of time. In the winter, there is seldom snow in the Sichuan Basin and on the average temperature usually remains above 0 °C (32 °F). Spring in the basin usually comes early in the year, but spring temperatures are unstable. The low temperatures of the autumn often comes late in November. Because the rainfall is abundant, the humidity in the Basin is relatively higher than in other subtropical regions in China.

In late summer and early autumn, rainfall can continue for tens of days. Lengthy periods of cloudy and rainy days are normal in Sichuan autumn season so that even a Chinese phrase humorously says, "Sichuan dogs bark at the Sun," which means that Sichuan dogs would not know what the Sun is since they often live under the clouds. This expression is certainly an exaggeration about Sichuan's weather, yet it does describe a distinctive feature of the Sichuan Basin's climate.

In general, the Basin's average yearly rainfall is abundant, measuring about 1,000 to 1,200 cm in a year; in some parts of the Chengdu Plain, rainfall is about 1,400 to 1,600 cm in a year. The Chengdu Plain normally receives about 40 to 60 percent of its yearly total rainfall during the Summer, with more rainfall during the autumn than the spring. Usually, the plain receives only about one to five percent of its total yearly rainfall during the winter.

Because the Chengdu plain has such warm weather, abundant rainfall, and rich soil, this region has advantageous ecological conditions suitable for food production. Throughout Chinese history, the abundant products of the Sichuan Basin have made Sichuan Province well known as "tian fu zhi guo" (Kingdom of Heaven).

Population density on the Chengdu Plain averages 700 persons per square kilometer. This figure is much higher than that of the average residential density in the country. This is one of the most densely populated regions in China.¹ Historically, the rate of natural population increase in Sichuan has been very high. In the 1960s and in the early 1970s, Sichuan's rate of population increase was nearly three percent, making it a region with one of the largest populations in the country. In recent years, since the government has enforced strict population control, the rate of increase has fallen to about seven-tenth percent (see footnote 1). The large population in the Chengdu Plain, therefore, has created and, over time, has continuously created, problems of land shortage for the peasants living on the plain.

The large population in Sichuan province has been supported by intensive, irrigated agricultural production since a long time ago. Food production in many peasant villages on this Plain has greatly benefited from a large irrigation system, which was built over two thousand years ago, before the time of Qin Shi Huang Di (the first emperor of the Qin dynasty). Li Bing, the governor of Shujun (now Sichuan Province) during the mid of the third century B.C., was given responsibility by the Royal court of the Qin

¹ For population statistics see Sichuan Sheng Qing (Sichuan Gazette), published by the Sichuan People's Publishing House in 1984, p.28.

Kingdom to lead the Sichuan people in building the first and biggest hydraulic irrigation project in ancient China--Du River Dyke (see map 2). The dyke divided the Minjiang river into two parts and reduced the speed of its current. Thus it successfully controlled flooding, enabling the building of many irrigation channels. In the dynasties that followed, irrigation channels on the Chengdu Plain were continually built and extended.

Shenquan, although about 200 miles to the southeast of the Du River Dyke, has long been served by that irrigation project. A main irrigation channel--People's Canal (Ren min Qu)--was built in the 1950s through the Chengdu plain only about five miles from the north side of the village. Several small canals connected to "Ren min Qu" run through the village land, cutting it into three parts. Throughout the year, the water keeps running, irrigating all of the village land. Because of this irrigation system, the village has not experienced any threat of draught for many years.

Yet not everything in the local ecological environment is favorable for agricultural production. Only two miles away on the south of the village, the Qingbai river runs east-west, setting the boundary of this local district (xiang).² Because of abundant and often over-abundant rainfall in the late summer and fall, Shenquan and other villages in the xiang have often been threatened by flooding of the river. The xiang government, therefore, must organize hydraulic control projects every summer to repair damage at the banks or to construct new ones along the river against encroaching flood waters. Peasants

² A xiang is a local district and the basic administrative unit of the state government in the countryside. In 1985 the xiang replaced the communes, which had been organized by the PRC government in the late 1950s to carry on similar social and economic managerial functions.

from river bank villages of the xiang must work collectively for a few months to prevent natural disaster.

Another disadvantageous ecological condition for Shenquan peasants is the quality of their land. Compared to that lying outside the immediate Shenquan area, a large portion of Shenquan village's land is sopping wet throughout the year and unsuitable for many kinds of crops and vegetables other than rice and oil-seed (a special vegetation for producing cooking oil). It is said in a local tale that about one hundred years ago most of the village land was a river bed. As a matter of fact, a large piece of the village land was swampy and not arable until the late 1950s and early 1960s when villagers completed a project of land modification. Shenquan is believed by local people to be the village with the poorest environmental conditions within the xiang.

Nevertheless, with the exception of the above mentioned two factors, the natural conditions for agricultural production in this village are fairly stable and favorable. Warm weather throughout the year and a well-built irrigation system allow peasants in this area to plant rice, wheat, and oil-seed in all seasons. Peasants are able to grow two crops in each year.

Shenquan's population of 1,200 people makes it a medium-size village in this xiang. Out of the village's total population, 589 people are female. The village is composed of 280 families, dispersed into thirty housing compounds, which the local peasants call "courtyards" (yuan zi). In contrast to peasant villages in other parts of China, houses in Sichuan villages are not concentrated together, and villages often include many small "courtyards" dispersed across the village landscape. Usually, there is no

concentrated area or special buildings to distinguish the center of a village. In Shenquan, the number of households included in a single courtyard range from a few to several dozen. Families closely related by kinship commonly live in the same courtyard.

Yet, some changes have appeared in Shenquan village since the mid-1980s. A factory, consisting of a few buildings, stands out in the village landscape. The factory is fronted by a small paved street, on which are located a two-story building containing several small stores, a barber shop, two restaurants (which are also tea houses), and the village council's and the Communist Party branch's offices. A privately owned electric grain mill and the factory's public bath house are also located near the factory. The factory area has become the center of the village. Some houses--primarily two-story buildings, commonly covered with shining colored bricks--are also scattered around the village landscape; these houses belong to newly rich peasant families, and sharply contrast with many traditional houses, built of mud bricks and with thatch-rooves of bundled wheat straw, standing between bamboo groves and trees.

Communications within Shenquan are not generally convenient. There is only one road wide enough for small tractors going from east to west through the village. Two other narrow roads, running north-south through the village, are suitable only for movement of wheelbarrows and bicycles. These roads also function as the banks of irrigation canals, as do some roads connecting courtyards which serve as the earth banks of fields. It is not easy for peasants to transport materials from places outside the village directly to their houses on such narrow roads. They often have to use baskets balanced on poles that lay on their padded shoulders to carry materials, whereas, on a few better roads

in the village, peasants can use one-wheel barrows and bicycles to carry things. During rainy days, however, even these roads soon turn into mud, making the transporting of any material difficult.

Shenquan's communications to the outside world have improved since 1988, when the main village road was built, running through a neighboring village and connecting with an asphalt highway, one mile to the west of Shenquan. This highway links local peasants to cities and county-seat towns and also serves a major public busline. The significance of the six-meter-wide road is evidenced on a daily basis: trucks, tractors with trailers, public buses, occasional cars, and numerous motorcycles and bicycles slowly and quickly move back and forth along the road, their drivers blowing horns and yelling at each other. In addition, many peasants walk on the road with baskets on their backs. Movement on the road is particularly busy during the periodic market days, when traffic jams always occur.

The highway is like a chain that links several major markets of the region. Chengdu city is thirty miles away at the south end of the highway. But, about five miles to the south of the village on this highway, there is an intermediate market town, Xinfan, which was a county seat town until 1985 when the county was merged with Xindu county, to which Shenquan now belongs. Liji, the local periodic market, which is the seat of xiang government, is located by the side of the highway only two miles to the southwest of the village. On the north of the highway, about eight miles from the village there is another important central market, the Peng county-town-seat town, where there is a railway used to transport coal, minerals, and other local vegetable products to other parts

of the province or even to other parts of the country.

SOCIAL LANDSCAPE OF THE COMMUNITY

In 1991, 280 families, made up of 1,280 people, lived in Shenquan village. These families have more than ten surnames. But, there are only five large surname groups in the village, and each kin group tends to be congregated in the same "courtyard" (see map 4). Each courtyard is separated from others by fields and peasants usually plant trees and bamboo in every "courtyard." "Courtyards" are connected to each other through very narrow roads, which are usually also the banks of irrigation canals or fields. There are thirty courtyards of various sizes in Shenquan village, the largest containing more than thirty families and the smallest courtyard including only two families. Some courtyards are small, much like a housing compound.

Shenquan's five large surname groups occupy relatively large courtyards. Most but not all, families of a surname group are members of the same lineage group. Although most families of a same surname group are related in one way or another through the male line, some are not closely related. In their opinion, they could be considered to be members of the same jia men, the clan³, which generally is defined that their ancestors might be related since five generations ago, although this cannot be confirmed. They usually, determine such clan relationship on the basis of each other's given names which

³The term "jia men" can be understood as clan because members of the same "jia men" share the same surname yet do not necessarily relate to each other on the basis of being able to trace back to a common ancestor. Peasants call their lineage "zu," or "ben jia." For local peasants, lineage members are defined by their patri-kin relationships with the common ancestor of their lineages.

each clan orders in a particular way according to a hierarchy of generations. By examining each clan member's given name in the clan name order, the members of the same clan will know their own generational rank . When some peasants of a surname group were asked about their relations with other families in the group, they were unable to trace directly back to their common ancestry; but whether remotely or closely related, village families of the same surname always consider themselves to be patri-kinsmen.

One of the largest kinship groups in the village is the Ma surname and is made up of 29 families. Most of the Ma families are closely related and live near each other in the northwestern and western parts of the village. In recent years, since the beginning of the government's economic reform in the late 1970s, most of the Ma families have become rich. When I was in the village, many members of the Ma group were building new houses in their courtyards and, as a group, were beginning to become economically and socially prominent in the village.

Another large surname group in Shenquan is the Xiang. Its members live in one large courtyard located in the northeastern part of the village. The Xiang group has 37 families, almost all of which belong to the same lineage, that is, they can clearly trace back their relationships to a common ancestor five generations ago. This is one of the oldest resident groups in Shenquan. Together with Xiang families in five or six villages in the area around Shenquan, Shenquan's Xiang families have been composed of one lineage group in the past. In the past in this region, it was very common that, because members of one lineage disbursed in to several villages, a lineage organization usually contains several related patri-kin groups from different villages. It rarely did all families of a

lineage live in one village. The peasant families of the Shenquan village Xiang group say that they are not an important group in the overall xiang lineage since they do not get to keep the lineage genealogy book. But they often maintain close relationships with each other in the village and with other families of the Xiang group in the area.

The Yang families form another large surname group in the village. Its 33 member families reside either in the central part of the village or are scattered in a few large and small courtyards. Many families of this group say that they are not closely related. Some of them can clearly trace their relationship in the same lineage but some others of the group can not. Some of the Yang families do not even know which generation they are supposed to belong in their jia men's generational order, and thus can not be sure what descent relationship they have with the other Yang families in the village. This confusion perhaps resulted from the Yang lineage's obscured record of their generational name ordering system. The Yang families in this area were not a big lineage group in the past. Many of them have no idea of how their lineage generational names are ordered. Nevertheless, they at least like to consider all others in the Yang's surname group as clan jia men relatives, from one big family sometime in the past.

The other two large surname groups in the village are the Liao group and the Yin group. Together they occupy the largest "courtyard" in the southeast part of the village as well a few small "courtyards" in the northwest of the village. The Liao group contains more than 30 families and the Yin group has about twenty families. The Liao group is also one of the oldest resident groups in Shenquan and its families are closely related to each other in terms of lineage descent relationship. In this area, the Liao is actually a

large surname group and the members of the Liao lineage are scattered in many villages of the area. In Shenquan, the families of the Liao group are more congregated than are those of Shenquan's other surname groups. The Liao families also constantly interact with other Liao families in other villages.

The Yin group was once the largest group in the village but its numbers have been surpassed by some other groups in the village. Its 28 member families are closely related and they consider that they all belong to the same lineage group.

Besides the five large surname groups, families of other surnames in Shenquan are scattered in different courtyards. But, the families of very close relatives such as brothers' families, or fathers' and sons' families reside together in the same courtyard. Yet, usually, the older the residents are, the greater the congregation of their relatives since as early lineage residents they were able to occupy more residential areas and then expanded as they grew in numbers.

In 1991 there were twenty families living in Shenquan who were not Shenquan residents until the 1950s. before then these families had lived in "urban" areas, i.e., the nearby market towns of Xinfan, Xindu, and Peng until the 1950s when, as part of the government campaign to reduce China's urban population, they were "sentdown" to live as peasants in the countryside. Previously, they had worked in the market towns as small merchants, workers, or rickshaw pullers. They now live in the northeastern part of Shenquan, scattered in several "courtyards." Their houses and lots usually are very small and they have few relatives in this area. They seem to live in a "remote" area of the village landscape.

With the development of the village industry in the village's central area, some courtyards in the central area now are being combined into a large concentrated residential area. Particularly the large Ma and the Yang groups seem to live closer to each other in terms of social space as their "courtyards" are gradually becoming increasingly connected by the village's factory compound and, also, the newly-built main road. As a result of the changing spatial arrangements of their residence, these families of the large Ma and Yang groups have gotten advantages and added convenience from their increased social and economic interaction and cooperation.

INTENSIVE AGRICULTURE

Shenquan village agriculture has probably been based on rice production since the local people settled here in the early eighteenth century. Agricultural production takes place mainly during two seasons: the first, when rice is grown, is the major agricultural season and is called the "big spring"; the second, when wheat, oil-seed, and beans are grown, is called the "small spring." The "small spring" starts in the late fall, following the rice harvest, when peasants dry the rice fields to plant wheat and oil-seeds. The "big spring" starts in early May, immediately following the harvest of "small spring" crops, when peasants turn dry fields into rice paddies. Actually, the harvest of "small spring" crops and the preparation for the planting of "big spring" crops overlap in time and space, thus making this period the busiest of the agricultural year. After harvesting rice in September, the fields are again dried and prepared for the planting of wheat, oil-seed, and other cash crops such as beans, potatoes, or garlic. The village agricultural system is thus

very intensive and at least two, or even three, crops are grown in one field during a year.

Irrigated agriculture demands very intensive and precise work to construct and maintain canals, ditches, and rice paddies. All rice paddies have to be carefully designed and arranged. Irrigation agriculture requires the division of fields with earth banks so that each field is level to retain the water, but also to allow the water to run down to all parts of a field and then to flow to the next one. Thus, most of the fields have to be built as small squares or in rectangular shapes. The land of the village looks like a patchwork with these differently shaped small fields.

Land is very scarce in Shenquan. On the average, one person has only 1.2 mu (0.2 acre) of land. Under such land pressure, peasants try to use every piece of arable land to grow crops, and often to use both edges of the field banks to plant vegetables.⁴

Agricultural technology in Shenquan and the general area is very simple. Almost no machinery is utilized in planting and harvesting. Since the fields are relatively small in size, it is not convenient to plow them with tractors. It is also not practical to use other types of large machines, such as combines to harvest wheat, rice, or oil-seed, because muddy fields and numerous earth banks make movement of such technology very difficult. With the exception of oxen which are used when fields are plowed, peasants manually transplant rice shoots, plant oil-seed, potatoes, beans, and wheat, harvest crops, and transport fertilizers and crops. Agriculture in Sichuan's rural areas is much more labor intensive than it is in northern China's villages where agricultural fields are much larger

⁴Land scarcity is one reason peasants are unable to build large and elaborate road networks in the village and why some large banks of the fields also function as roads.

and population density is lower.

The relative absence of machinery in agriculture is not solely the result of the small rice paddies, however. The area's large population provides plenty of surplus labor in agricultural farming. Peasants thus are unwilling to adopt costly machinery at the expense of unemployment or, more likely, underemployment.

The basic pattern of the above described agricultural system has been the same for both commune period and the current reform period. There have been no dramatic changes in the general technological condition of agricultural production since the end of collective farming except the increasing use of fertilizer, pesticide, and herbicide.

AGRICULTURAL PRODUCTION IN THE ERA OF REFORM

The Shenquan intensive irrigated agricultural production has continued in the reform period beginning in the early 1980s. Peasants still do most production work manually, especially during planting and harvesting, which include the most important agricultural work of a year.

In the "big spring" season, peasants grow rice. The first step is to nurture rice sprouts by planting rice seeds on a particular flat container inside a house, or in a plastic shelter, in which a certain warm temperature and high humidity can be maintained. About a half month later, rice sprouts are then ready to be taken out to "nail" one by one in a small piece of field called a "mother field." This work needs careful handling of the rice sprouts. Then, after a month of growing and sprouting, rice shoots become bigger seedlings ready for transplanting into rice paddies. In this process of intensive rice

planting, precise timing is important. To achieve a good yield, every phase of production must be done on time. If the rice sprouts are not nurtured on time, or not "nailed" in the "mother field" on time, it would then be too late to transplant the rice seedlings; or, at best, if rice seedlings are transplanted into the fields a few days late, it would mean the loss of as much as 10% to 40% of the normal grain harvest.

Because such intensive work is required during the period of transplanting rice, most peasant families need outside help to transplant rice on time even though they have only small pieces of land; the critical time for transplanting rice shoots lasts only for a few days. Usually, then, peasant families exchange labor with their relatives or friends in other villages, which have a few days difference in their planting schedules rice due to different local temperature in different locations of the region.⁵ Some peasant families also exchange labor with their relatives or neighbors within the village as some families may have more available laborers or may plant different kinds of rice which then require different planting time schedules.

The harvesting of wheat and rice also needs cooperation. Wheat harvesting in particular also demands precise timing. It has to be done within a few days to avoid any loss from over-ripening and potential damage by thunderstorm and hail. The peasants also thresh wheat in the fields immediately after cutting it down. Unlike villages in northern China, Shenquan has no threshing courts. Peasants use a threshing container, called tong zi (bucket)--a big, square bucket made of wood--to thresh wheat in the fields.

⁵In this region, a slight difference in temperature in different villages, even they are just a few miles apart, can bring about a difference in schedules for agricultural production arrangement.

Wheat harvesting is crucial and always urgent and intensive, because in the local area the harvesting of wheat must be followed immediately by the transplanting of rice. As soon as the wheat is harvested, peasants must plow and level the fields and erect little earth banks to turn the wheat fields into rice paddies ready for irrigation and for transplanting rice within about fifteen to twenty days. "While people in urban areas now like to say 'time is money,'" one of my informants told me, "time is grain for us in this period." In this sense, during the period of the harvesting of wheat and the transplanting of rice cooperation in agricultural production is the key to family farming and peasants know that they must have some sort of guarantee for getting such cooperation during such critical periods.

The return to family farming in the 1980s has not changed the situation in which the local agricultural system heavily relies on human and animal energy. Plowing fields is still the work of water buffalo of which there were only fifteen in the village in 1991. Those who raise water buffaloes charge a fee to plow the fields of other villagers. It is a local custom to have a kind of unwritten agreement between peasant customers and particular plowmen for a long-term relationship similar to that of patron-client. Both parties involved depend on each other for service and employment which need to be guaranteed. Without such guarantees, plowmen always have to look for plowing jobs and would be without any assurance of their full employment during the season. At the same time, some peasants might not be able to find plowmen at the time they are urgently needed. In the village, each plowman has a set number of permanent clients. Thus, the competition between plowmen is minimized. Although the shifting to other plowmen by

peasant clients rarely happened in the late 1980s and the early 1990s, tension often arises between peasant clients and their plowmen over annual increases in the price of plowing.

Since the 1980s, some technologies used in the local agricultural system have been improved as part of the country's general technological progress. For example, local peasants mainly use chemical fertilizers, together with animal manure and human excrement. In addition, peasants now also have more animal manure available as fertilizer since peasant families raised more hogs in the 1980s than they did in the 1970s. Peasants also use herbicide in the rice fields rather than physically weed as they formally did during the rice growing season in the collective period. These new technologies therefore, save much time and energy in production. Peasants often talk of today's farming as "lazy man's farming,"

It has never been so easy and so simple to grow rice as it is now. Nobody needs to physically weed the rice fields any more. Once you transplant the rice seedlings, the peasants need only to irrigate and fertilize the fields. In the past we had to weed the rice fields all the time. Look now, people have lots of time to play.

Although the peasants now talk of "lazy man's farming," the efficiency of agricultural productivity has increased dramatically since the reemergence of family farming. With the introduction of the responsibility system, the crops yields generally increased by about 20-40 percent. Many peasant families had surplus grain in storage in 1991 and about 40 percent of the village's peasant families even had enough surplus grain for another year's consumption. Peasants themselves are often amazed how the change to family management of farming makes such a difference in the achievements in family economy. "We seemed so exhausted very often in the commune collective farming," they noted in their reminiscences of when they worked under the commune system, "but still

we just could not produce enough food."

Nevertheless, peasants still often express pessimistic feelings: "You can not have a good life with farming." They calculate how much they have to invest in production and how much is left for them after they have paid 20 percent of their grain products for government tax and procurement as well as the additional tax for local collective funds for the xiang and village governments. The conclusion repeated by many peasants is: "Our labor does not count for anything, farming is not worth it." This expression illustrates the situation in which there is very little marginal labor return in local agricultural production, and peasants are very aware of this fact. As the government annually increased the price of fertilizers, herbicide and other productive materials, all of which peasants can buy only from governmental agents, farming was barely able to produce enough food for village families and for agricultural reproduction. Those villagers who still rely heavily on farming envy those who have found temporary work in industries, often referring to themselves as people without "occupations."

I was surprised that the villagers had so much leisure time when not in the agricultural busy season. My 1970s memory of commune life in Shannxi in northern China is of the hard work from sunrise to sunset. In the 1990s, however, some peasants in this village of Shenquan, often play cards together in their courtyards or drink tea in tea houses for hours, day after day. Once my informant Huang Erban asked me how I felt my stay in the village compared to living in the city. "There is so much time pressure in the city life," he commented; "some of the villagers went to cities looking for employment but they were really not accustomed to the discipline and the pressure of the required

timing in urban work. We peasants like to be free and go to work whenever we like."

Nevertheless, more and more of those peasants, who are still primarily engaged in agriculture, feel as if they are unemployed during most of the year. Farming their small piece of family land only requires two months of their labor in a year. The villagers, particularly young men, want to find some other jobs during the leisure seasons. Also, population pressure has intensified as the increased efficiency of agricultural productivity frees more labor from family farming. As a matter of fact, one can sense a population surplus anywhere in this area: at the market, on the highway, inside tea houses, and the like. Particularly during periodic market days, these places are crowded with male and female peasants of all ages. Tea houses have greatly increased in number not only on the market streets but also in every village and on the side of each major country road. Unemployed and underemployed peasants entertain themselves by playing cards and chatting with friends while drinking so as "to pass the time away."

Rural agricultural production in Shenquan has experienced both expansion and contraction since the introduction of the family responsibility system. Particularly in the late 1980s, crop yields stabilized while the cost of the production increased due to price hikes in both productive and consumer goods. New farming technologies adopted by the peasants require greater production costs than before. The factors that discourage peasants' agricultural production also come from increases in government land tax and procurement as well as from the local tax collected by the xian government for administration, education, and irrigation projects. It was quite common in my interviews with villagers and in the conversations between villagers themselves to hear them

"bellyache" about such taxes. "How can we afford so many kinds of tax hikes all the time?" asked frustrated villagers. In addition, population pressure is another critical factor hindering the development of peasant family agriculture.

Thus, for many peasant families, the past problem of involutionary growth has not changed in agricultural production. Many villagers are unemployed for most of a year; as a result they must look for new ways to intensify their own labor in family agricultural production or in commodity production.

Chapter 4:

HISTORY AND VILLAGE ORGANIZATION

BEFORE 1949

Sichuan has a long history of civilization. As early as four thousand years ago, rice agriculture was already developed. In this part of Chengdu Plain, since the people in Sichuan built the famous Du River Dyke more than two thousand years ago, peasants began intensive rice cultivation. Since then, it became one of the richest regions of the country, well-known as the "kingdom of Heaven."

Historically, Sichuan province often was considered a remote region of the country because the large mountains in eastern Sichuan made communication with other parts of China difficult. Still, economically, Sichuan, particularly Chengdu Plain, has experienced prosperous economic development for millenia. The numerous rivers, warm weather, and abundant rainfall in the Sichuan Basin have contributed great advantages for Sichuan people through agricultural production, transportation, and in building up market networks to develop their economy. During about the last two hundred years, from the late eighteenth to early twentieth centuries, peasants in this part of Chengdu Plain intensively cultivated not only wet rice, but also cash crops including: cotton, tobacco, and some other types of vegetables and Chinese herb medicines.

Local periodic markets in this region were also well established in the first part of this century. In the Shenquan village area, a local standard periodic market--Qing bai jiang (which was later divided into Qing bai jiang and Liji markets), and two

intermediary markets--Xin fan and Peng had already developed before 1949. All of these markets operated periodically with one or two non-market days at interval, or in other words, there were 3 or 5 market open days in a "xun" (10 days). Those markets, plus two other important markets, Qing liu, 8 miles to the east of Shenquan, and Gao Ling, 7 miles to the west, became important foci for local peasants economic activities in the period even before 1949.

During the early part of the twentieth century before the PRC years, local household handicraft industries were well developed and peasants participated in the above noted local markets to sell their hand-made clothing, shoes, and other types of household tools as well as tobacco and vegetable products grown in their fields. Since population density in this part of the Chengdu Plain was higher than in other areas of the province, the number of market towns and "chang" (usually the standard periodic market) was higher than other areas, about one market town/"chang" in every 6-8 miles (Wang, 1993:212). This area's intensive agriculture and market system reflects the region's extensive commercial development by the mid-twenty century, before the establishment of the Communist regime.

During this period, small-scale peasant household farming was the overwhelming pattern in the local agricultural production system. A household of ten members, normally, would have about 30 mu of land which was either owned by peasant households themselves or rented from landlords. The drudgery of labor in agricultural production was much greater than it is today, since field were irrigated with traditional waterwheels, and cultivation and labor processes such as weeding fields, all required a

great deal took of time and very hard work.

In Shenquan, before the new socialist government's land reform in the early 1950s, about 70 to 80 percent of peasants either partly or fully rented land from landlords living in Xinfan market town, which was the seat of Xinfan county at that time. Only a very few rich and middle peasants households then lived in Shenquan village; most of them were members of the Yin surname group, who had come after the mid-eighteenth century as the earliest residents of Shenquan village. The rest of Shenquan villagers, who were either small-scale landowners or tenants, were all poor peasants who barely survived year to year through subsistence agriculture. These tenants, as peasants can still remember nowadays, cultivated land as sharecroppers and had to pay rent of about 40 to 60 percent of their production to absentee landlords residing in the market town.

If we define "natural economy" in terms of Rosa Luxemburg's (1968 [1913]:368) postulate that "economic organization is essentially in response to the internal demand; and therefore there is no demand, or very little, for foreign goods, and also, as a rule, no surplus production," we can then say that Shenquan peasants were participating in the natural economy during that period. Their agricultural activities, or household handicraft production was not for the market but basically for family consumption. In general, the peasant economy in this region was one of self-reliance and subsistence. Nevertheless, in this region, the structure of this natural economy had been greatly affected by the penetration of foreign capitalist goods and urban industrial products after the 1930s. Traditional household weaving of clothing, for example, had shrunk as more and more peasants bought imported clothing on the local markets (Wang, 1993:160-161). There

was a trend of increasing peasants' reliance on the market for their households' consumption.

The intensification of agricultural production in the area had already been developing to an extreme degree during the early part of the twentieth century as rapid population growth reduced the amount of land per capita to on average of only 2.3 mu (Wang, 1993:113). As early as the late nineteenth century during the Qing dynasty, the local gazettes already recorded that Xin fan county was "fully populated and the land was fully cultivated (ren man tu man)" (Wang, 1993:119). According to Wang Di's calculation, four mu per capita were needed to satisfy subsistence of a peasant family in this period (Wang, 1993:113). The conclusion to be drawn, then, is that population pressure had driven the peasant economy into a form of underdevelopment.

As a matter of fact, local rural economic development in the early part of the twenty century was similar to what Huang (1990) defines as "involutionary growth." Peasants intensified not only their household agricultural and cash cropping production but also their participation in the market trade and as non-agricultural wage laborers. Shenquan peasants at the time also intensified their cash cropping by increasing the amounts of tobacco, marketable vegetables, and fruits such as zi gua, no longer grown in the 1990s. Some peasant households sent surplus laborers out to look for jobs to earn money just to eat. The limited increase of marginal returns at the expense of a great amount of labor input was their only chance for survival in the peasant household subsistence economy.

Population pressure in Sichuan, however, was a problem only during the late Qing

dynasty. In the late Ming and early Qing dynasties, Sichuan's population decreased due to various wars in the province. During the late Ming dynasty, many peasant uprisings took place. In the early seventeenth century a particularly large-scale peasant rebellion swept the Chengdu Plain, and the wars to resist the Qing military invasion tremendously reduced the population in the Chengdu Plain to as little as "only several tens of households for one county" (Wang, 1993:53). As a result, many people were killed, fled, or simply died from famine during those wars and peasant rebellions. Only during the early Qing dynasty did the government encourage people from other provinces to immigrate into the Sichuan Basin, allowing the plain to be repopulated and the great amount of fallow land left by the peasant wars to be cultivated once again.

Like other people in Sichuan province, Shenquan villagers claim that their ancestors came from today's Hubei, Hunan, and Guangdong provinces of south China a few hundred years ago. A very well-known local legend "Hu Guang tian Sichuan"--migration from Hu (Hubei) Guang(Guangdong) to Sichuan--identifies their ancestral roots in south China and their ancestors' mission to develop Sichuan's economy. None of the villagers, however, remembers the exact year their ancestors settled in this village.

In contrast to their ancestors, whose village residences were congregated in a concentrated pattern as is usually found in Hubei and Guangdong, the peasants who migrated to this region live in dispersed village residences. It is also quite common in this region for members of a lineage to live scattered throughout a few or even many villages of a large area rather than to reside in the same village. In Shenquan, except for a few families who were forced to migrate from county towns to this village in the early 1950s,

all families, whether or not they are from large surname groups, have lineage members in other villages. None of the surname groups in Shenquan include all of their lineage group members. Before the Communist Revolution, when lineage organizations existed and were active, Shenquan peasants had to go to other villages, which housed lineage centers or shrines, to participate in lineage rituals.

It might be safe to say that before the 1950s, institutionalized lineage socioeconomic cooperation was not strongly established in Shenquan village and in the local area. Very few lineages had common lineage land or other common property as a economic source for lineage rituals and activities, for example, to establish lineage schools, sponsor ancestor worship, and provide social welfare support for lineage members. Social interaction of local peasants in daily life were centered on the local periodic markets and temples for local gods rather than on lineage shrines.

Socioeconomic differences among lineage members were not apparent and, if there was any, it was based more on economic and other social factors rather than on kinship status or relationship, or based on age and generation. Prior to the 1950s in Shenquan, some slight economic inequality existed in that a few members of the Yin surname group lived a relatively better life than villagers of other surname groups in Shenquan. And one member of the Yin group was selected as the village leader--"bao zhang."¹ Actually, during the Republic period none of the other surname groups in Shenquan had rich and powerful members. Perhaps, among the surname groups of

¹ In the Republic period before 1949, the basic local administrative unit was called "Bao" which was equivalent to village, and the leader of "Bao" was referred to as "Bao Zhang."

Shenquan village, only the Liao enjoyed a reputation as members of a very large lineage group in the region. In the late nineteenth century during the Qing dynasty, one rich member of the Liao lineage had participated in the governmental "Ke Jue"² civil service examination and achieved an official-scholar status. The whole lineage benefited in its development as a result of his achievement of such a status and from the official position he later received from the Qing government. But just before the 1950s, the Liao group in Shenquan were not much different in wealth and prestige than the other peasant groups.

The real difference existed between ordinary villagers and their absentee landlords who owned large amounts of land that were scattered throughout the villages in local area. In this region, during the Republic period, since the area had many market towns, about 40-50 percent of landlords lived in market towns. Those landlords owned the major part of the area's agricultural land and, according to some statistics, about 70% of Sichuan province's peasants owned a little land and also became tenants as they rented land from landlords. In the Shenquan region more than half of the peasants were tenants who owned no land at all. In general, this percentage of tenants in the total Sichuan peasant population was 20% higher than the average percentage of tenants at the national level (Wang, 1993:137).

Before 1950, secret societies in Sichuan played a significant role in social, economic and political interactions between peasants, landlords, and local government. During the first part of the twentieth century, there were various civil wars between

² It was an imperial examination which had been in use by many dynasties in China. One of the important purposes of the examination for imperial government was to select civil officials.

warlords in Sichuan. The local people saw different warlords coming in and being driven out in turn, all trying to expropriate the local wealth. In such a chaotic situation and in the face of economic pillage by warlords, local secret societies developed to take charge of local social and economic affairs.

This type of secret societies was well-known in Sichuan as "Ge Lao Hui" or "Pao Ge," which in the name of protection often charged local merchants or other selected households with various fees. They often acted more like bandits, seizing weapons from warlords' armies and kidnaping wealthy family members for huge amounts of ransom. The leaders of Secret societies' also sometimes acted as buffers between local communities and warlords in terms of handling local economic and social affairs. In effect, many warlords had to make peace with them or use them by allowing them to work as self-governing bodies in local areas, and collecting taxes for the warlords.

In this way, a secret society often acted as a patron, assuming responsibility for the welfare of its clients in rural villages. It functioned in various ways in the interactions between peasants and their landlords, between local communities and the area's governing warlords. Some leaders of Ge Lao Hui had the most prestige among local people. This secret society was an important and powerful part of the region's social structure.³ Its particular features perhaps contributed to the weakness of lineage organization since, to a great degree, the Pao Ge intervened in local tax collection, social affairs, and the interplay of different social groups. Also, because many landlords were

³ There are numerous articles about Sichuan Po Ge association and its history. These articles can be found in Chinese journal Sichuan Wen Shi Zi Liao (Archives of Sichuan History) vols. 34 and 84.

afraid of being kidnapped by the Pao Ge, they moved out of the village to live in market towns for the safety of their families and property.

Prior to 1949, pao ge was very active in the local Liji market place. some Shenquan peasants often depended on pao ge as the arbitrator to resolve disputes and to make their clients pay their debts on time. Most peasants of the village relied on pao ge to provide social security. Peasants often had to pay pao ge for protection and service. In economic life, prior to 1949, the continuation of the involution of family agricultural economy allowed shenquan's poor peasants to barely make ends meet for their family life. The rent to their landlords and the payments to pao ge then made their family subsistence life very difficult.

THE SOCIALIST AGRICULTURAL TRANSFORMATION AND COLLECTIVIZATION

The establishment of the Chinese socialist state in 1949 brought the first land reform to Chinese peasants in the countryside. In Sichuan, the beginning of the 1950s was marked by the land reform and the suppression of bandits and Po Ge secret society. Shenquan's village head, along with the landlords and other local Po Ge members were prosecuted by the new government . In 1951, the village's land was distributed to peasant households and the poor peasants were organized to form the Shenquan Poor Peasant Association to take charge of the village's social and economic affairs.

Ma Liang, who is owner of a village restaurant/tea-house vividly recalled this time, when he was a young peasant. He told me that after the Liberation Army seized the

bandits, Po Ge members and absentee landlords, the peasants were organized to have "struggle meetings" at Liji market. Almost every day, he said, the local peasants went to Liji market to attend the meeting to criticize landlords, bandits, and pao ge members, shouting slogans such as "Down with landlords! Down with bandits! Down with 'Po Ge'!" After the meeting, the Liberation Army would prosecute them. The leader of each village's Poor Peasant Committee was responsible for reporting to the new government as to who was a bandit or Po Ge so they could be sent for prosecution by the Liberation Army. One month after such meetings, he recalled, about 150 persons of Liji area were prosecuted. The Leader of Shenquan's Poor Peasant Association at that time was Huang Yuan, who was urged by the government cadres to name some peasants as bandits and Po Ge members for prosecution. The cadres believed that bandits and secret societies existed in each village and that they must be prosecuted in order to mobilize a mass movement for the land reform. But Huang Yuan denied that any villager was such a person. Villagers are still very thankful that he saved some villagers who, at that time, might otherwise have been falsely prosecuted on the charge of banditry.

The severe punishments administered to the bandits, secret societies, and landlord class helped the new government establish its authority and social and political control, and the land reform could then be carried on in the region without much resistance. The land reform work team in the village took the absentee landlords' land for distribution to each peasant family which had a claim. The land reform gave each poor peasant a share of land, but middle and upper middle peasant who were allowed to keep their own land were still better off than poor peasants after the land reform.

In the following years, even though the economic condition of peasants generally improved greatly, the government discovered that there were still some poor peasants who could not make ends meet due to poverty, inability to withstand natural famine, or family tragedy (loss of a family laborer, illness, etc.). As a result, some peasants became richer by purchasing additional land from other peasants while other peasants became poorer after selling their land or taking high-interest loans to obtain food and medicine. In response to these so-called capitalist practices and a potential polarization, the government started a new campaign to develop Agricultural Producers Co-operatives in the countryside.

Like peasants elsewhere in China, between 1954 and 1957 Shenquan villagers were gradually organized into producers mutual co-operatives. Shenquan villagers, as some recalled, showed little reluctance to join the Productive Co-operatives because of the encouragement by the Chinese Communist Party's policy to do so as a means to achieve "common wealth." The slogan "Getting rich together," which was very popular in this period, sounded just and promising to peasants.

During 1957, Shenquan's Producers Co-operatives, which were then elementary cooperatives were upgraded and further mobilized into three "Advanced Collectives." This was partly in response to government pressure as the Communist Party started a new political movement in order to realize complete socialist transformation as fast as possible (Selden 1993:91-103). Shenquan peasants were also excited by the party's depiction of the glorious future that the rural collectives would bring. Many villagers, therefore, became active participants in this movement of socialist agricultural transformation.

The most important change came in 1958 when Mao Zedong put forward a new proposal for the Chinese people to "Go all out, aim high, and achieve greater, faster, better and more economical results in the building of socialism" (Zong 1989:87). The government launched the Great Leap Forward campaign with the most radical move for socioeconomic and political reorganization to turn the agricultural cooperatives into "people's commune." Shenquan villagers, thus, together with the peasants of nine other villages, were organized into the liji Commune.

In China's socialist schema, the commune system was seen as a crucial stage in the transformation of private individual peasant family farming into socialism. Under the commune system, all land belonged to the commune, although the right to use any particular piece of land belonged to the production team. In actuality, the production team controlled and managed the land. All other means of production, such as water buffaloes, wheelbarrows, and machines, if any, became the holdings of the collective.

Shenquan village under the commune system became the eighth brigade of the Liji commune. In 1959, the former three peasant cooperative organizations were reorganized into five production teams, each of which was economically independent, organizing about forty families in collective production and distribution. Usually a brigade provided the leadership in economic planning and general financial management to production teams. The village brigade collected funds from each of its production teams to set up medical services, build roads and irrigation projects, establish the brigade offices, and even run brigade enterprises (e.g., sideline production). Under the commune system, each peasant laborer earned work points in his/her own production team. The

distribution of grain products to each peasant family in the team was done twice annually after the harvests in the summer and fall; the amount distributed was according to the number of work-points a family earned. But the distribution of cash income, if there was any, was done only once annually, in the fall.

Most villagers remember this period with bitterness and as one of hunger and social conflict. When talking about their lives under the commune system, villagers often repeated four things that were their strongest memories of the commune period: 1. establishment of dining halls, 2. iron-making in the Great Leap Forward campaign, 3. restrictions on peasant market activities, 4. political struggle meetings in the 1960s to 1970s, and land modification project in the 1960s.

1. Dining Halls

The first one, from 1958 to 1961, was their dramatic experience in the period of Great Leap Forward which resulted from Mao's call for faster socialist transformation. For Mao, the idea of establishing the commune system was to transform the private relations of production into the greater collective relations of production, then followed by the further transformation of all private enterprises by incorporating all peasant individual family farming into state-run enterprises. This was Marxist socialism's basic theoretical consideration to end exploitation and inequality by eliminating private enterprises and ownership. Thus, the commune system was depicted at that time as "the golden bridge" to communism. Through the successful establishment of the commune system in the countryside, Mao preferred getting across the "Golden Bridge" as fast as possible. Thus as soon as the commune system mushroomed in the countryside, Party

branches and government at various levels forced peasants to give up individual family kitchens for public dinning halls in each brigade or production team, which was to be a further step toward developing "common wealth." Also, free markets were abolished, commodity production by individuals was denied, and private plots were appropriated by the collective. With the establishment of public dining halls, where one could have free meals, grain was no longer distributed to peasant households but to the dining halls directly.

Shenquan brigade, formerly Shenquan village, set up three public dinning halls for the villagers in 1959. At first, there were no scheduled dinning times. Whenever the villagers came back from work or were hungering then just went to the public dining halls and were served food. But only in little more than a year, food became scarce, and a strict schedule of dining time, food rations, and so forth were instituted. The villagers talked about how desperate they were on a daily basis trying to get some food. They told me how they just grabbed non-husked rice seeds when they were planting rice in fields and put them into their mouths, chewing the raw rice hurriedly. They had to grab the rice secretly avoiding other villagers's detection because rice seeds were the brigade's property. In less than two years, 37 people in this village died of hunger. The peasants still felt very sad when they remembered the night when one villager was dying: for a whole night he was ceaselessly begging, "give me a bowl of rice gruel, please,... give me a bowl of rice gruel.... If we had given him just one bowl of rice gruel that night, we would have saved him," one villager remarked to me after telling me the story.

The man-made tragedy of the Great Leap Forward can be seen in agricultural

production and population statistics. In the period from 1959 to 1961, the agricultural gross product in Sichuan province decreased 12.9% yearly on average and the grain yield of Sichuan province decreased 19.9% yearly on average. According to a government census in the period from 1958 to 1961, the population in Sichuan province was continuously decreasing every year. The death rate for Sichuan province from one percent on average in a normal year reached to nearly 5.4 percent in 1960.⁴

2. Iron-making

The second topic the villagers discussed about the commune system was the campaign of making iron and steel. During the Great Leap Forward, the government mobilized thousands upon thousands of peasants to leave agricultural production to make steel and iron with locally built so-called "backyard furnaces." The government also arranged many Shenquan peasants to do the same work in other places. They were sent to the mountain areas to cut trees to make charcoal for steel production or were sent to the county town to work in newly built small steel factories. They were urged to work day and night in shifts. Yet, it turned out that they produced tons of only useless iron instead. Many forests were destroyed as woods were cut to make fuel for the "backyard furnaces." Many villagers could not come back during planting and harvesting seasons and had to leave ripened crops to rot in the fields because the village production teams did not have enough laborers to harvest.

This campaign of making iron and steel in the countryside, however, had had an

⁴ See Dang Dai Zhong Guo De Sichuan (Sichuan in Modern China). Beijing: Chinese Social Science Publishing House, 1990:103.

important influence on some villagers and village cadres' social and political life. Ma Wen, the current village cadre and leader of the Shenquan village factory that was built in 1985, was sent to a county steel factory in 1959. Ma Wen had just returned to the village from a high school: he was unable to finish his high school education due to the lack of necessary financial support. In the steel factory, his hard work and knowledge soon made him an outstanding worker so that he was promoted to be a manager of the factory. He was very interested in factory organization and production, but because of the Great Leap Forward which ended in 1960, the factory lasted only a short period, as did his managerial position. His experience in factory work, however, encouraged him in later years to develop the village's industry. He became a Party member in 1960 and later, in the late 1970s, became a leader of Shenquan's industrial firm (this is to be discussed in Chapter 5).

3. Restriction on Market Activities

The third topic about life in the commune system villagers often mentioned was the commune's stringent political and economic control over peasant production and family economic activities during the 1960s and 1970s, especially during the Cultural Revolution. All peasant laborers were restricted from engaging in any production other than that of the collective. Even sideline production in the vegetable field retained by a peasant family was restricted.⁵

⁵It had been a commune policy to distribute a small piece of land to each peasant family for growing crops or vegetables for the peasants own use. In Shenquan, each peasant was provided with only 0.05 mu. Peasants produced vegetables for family consumption or for feeding hogs on this land.

During the 1970s, the communes carried out Mao Zedong's policy declaring "grain production as the key task." All other non-grain production was very limited in scale or had to be given up entirely. Peasants, both men and women, were urged to work as much as possible for commune production instead of for their own family economy. The villagers recalled their hard working days during this period, particularly when they compared their way of farming under the new system starting in the 1980s,

We worked almost every day from sunrise to sunset when we were in the commune production team; but somehow we produced far from enough grain. We even had to rely on the government social welfare for food every year during the 1970s. Now we might just work one fourth, or even less, of the time we did before. And look at our yields now.

The inefficiency of commune production still puzzles the villagers. But they recognize that today one day's production in the field amounts to at least the equivalent of three days' production during commune days.

In the era of the commune system, production teams had to follow the governmental plan and grow the agricultural crops assigned to them. The government primarily planned and regulated the production of three major crops--rice, wheat, and oil-seed--stipulating the type and amounts of each crop grown, and banning their marketing, other than for government procurement.⁶

⁶The government procurement was a system of "unified sell and unified buy". It was an elaborated system to classify and control the selling/buying of products. For instance, the first class of agricultural products such as grain, cotton, and cooking oil must be turned in to the government at valorized prices and were forbidden to be marketed. The government also required peasants to sell a fixed quota of other kinds of products such as

In the later period of the commune system, Shenquan was the poorest brigade of the Liji commune. Some peasants still recall that during the spring season in the early 1980s several Shenquan peasant families ran out of food and had to go to cities and county towns to beg on the streets or inside restaurants. "Licking plates" was the word the peasants used to refer to what those people were doing. In the spring of each year, the village organization was responsible for allocating a limited amount of grain redistributed by the government's social welfare program. This village activity was a very serious matter and often involved lots of discussion, calculation, and even quarreling among the members of the village's commune organization since every peasant family wanted to obtain grain from the governmental social welfare program, but there simply was not enough grain supplied by the government, and the frustration and strife over the food allocation often caused conflict between villagers and cadres.

Because of the above mentioned government policies for commune production, resistance to commune collective production had already been building up among the peasants by the late Mao era. By the eve of the rural reform in the late 1970s and early 1980s, therefore, great tension and conflict existed in the village between the leaders themselves and between cadres and the village peasants.

4. Class Struggle Campaign

Through the 1960s and 1970s, the government proliferated political campaigns by mobilizing people to participate in class struggle meetings in order to resolve the

hogs, eggs, vegetables, etc. to the government at a fixed low price. Those products were not allowed to go to the market until the fulfillment of the government set procurement quotas.

problems of a declining rural economy and increasing social conflict in the commune system. The chief Shenquan village leader, the secretary of the Shenquan Party branch, was then an old man, Liang Shide. Frustrated by the commune's poor performance of grain production, and in fear that the village's commune teams would produce less and less food, Liang followed the Party's political agenda; he heartily carried out one political campaign after another and held many political struggle meetings "criticizing bourgeoisie thought and conduct" in order to enhance the villagers' collective spirit. Nevertheless, all failures in the village's economic production were attributed to the loosening of political control. Thus, during political struggle meetings, secretary Liang frequently criticized those who were absent from commune's productive activities because they went out to search for food or to sell their own family products on the black market. The Shenquan Party branch at the time often organized political meetings to criticize some peasants for selling their own vegetables at the market; this was regarded as petty capitalist behavior that generated exploitation and bourgeoisie thought. Even after many years, quite a few peasants were still angry about how they had been treated in those political meetings at which they had to stand in front of all the villagers, bending their heads and showing the vegetables they had wanted to sell in the market, while some party cadres accused them of being bourgeois, and of having selfish thoughts, and hunger for profits.

5. Land Modification

Yet, Shenquan villagers also talked about one thing, a land modification project, which was done during the commune era for the good of the village agricultural development. As a result of the commune system a large piece of swampy land located in

the middle of the village's territory was modified. The land had been full of muddy soil and grass, wet and barren. In the past, it was believed to have been part of a river bed which had run through the village. During the early 1960s, with the commune's cooperation, the Shenquan villagers worked three years to transform this swamp of 250 mu (1 mu = 0.17 acre) into irrigated rice fields. Although those fields are still characterized as xia shi tian (wet underneath field), meaning the land is too wet and sometimes too muddy, because of underground water near the surface, still, that land is now good enough to grow oil-seed and rice and accounts for about one-fifth of the village's arable fields. During the commune period, through the collective's efforts, the villagers also extended its irrigation networks.

The Shenquan villagers' memories of the commune system demonstrate their negative attitude toward the government's past agrarian policies concerning the commune system. Their talks about their lives during the commune system also indicates failures of the commune economic production to provide peasants with a better life. A study by Bramall (1989) of peasant living conditions in Sichuan demonstrates that, compared to the period before the commune system, this most populous province of China suffered a significant deterioration in per capita food consumption between the supposedly disastrous years of the Republic and the 1970s. According to Bramall, on average, per capita consumption of food per day was about 20 percent lower in Sichuan during the 1970s than during the 1930s (1989:20). Taking cash crops for comparison, he also shows that the share of cash crops in the total provincial output in the 1930s was about 26 percent (although this figure included opium as cash crop); by the late 1970s the cash

crop share was a mere three percent (Bramall 1989:33).

Per capita output in Sichuan during the commune system can be described only as modest. Food crop output was increased largely at the expense of cash crops and even then, per capita consumption levels could not be maintained at the level before the commune system, and this is despite the increasing output of rural industries in the late 1970s. This situation again illustrates the pattern of "involutionary growth" that persisted into the late 1970s. Peasants themselves, under the commune system, however, had few opportunities to intensify their labor in commodity production given that side-line activities, handicraft production, and rural industries were controlled by commune collective organizations.

INCOME INEQUALITY IN THE COMMUNE

During the latter part of the commune period, although Shenquan peasants had limited opportunity to engage in diverse economic activities since all peasant families in the village had to engage in agriculture as members of productive teams, still, members of some village families came to spend increasingly more time working outside of agricultural production. That is, during the late 1970s, Shenquan productive teams, as in other communes in the region, often organized some peasants to conduct so-called "side-line production": producing Chinese herb medicine, raising honeybees, and conducting other handicraft production. These "side-line" production activities then generated some cash income for Shenquan village to run a health-care clinic and to pay for administrative costs and welfare. The division of labor among Shenquan commune members began to be

evidenced in two different forms of production: agriculture and side-line work. The village brigade organization often paid an extra cash bonus, in addition to work-points, to peasants who worked in side-line production to encourage them to produce more. Such jobs in sideline production generated 200 to 300 yuan RMB more cash income than other agricultural jobs. This income difference was a considerable amount for villagers since, at that time, on average, a peasant laborer only earned a little more than 300 RMB in a year. In Shenquan, almost 95 percent of such jobs were assigned to the family members of village cadres. In a few years, these families showed some observable differences in their families' economic prosperity as compared to that of other villagers.

Income differentials then first appeared between common villagers and some cadre families during the late 1970s. This is also so because some cadres' connections with the commune leaders and commune institution enabled them to send their family members to work in commune enterprises. For example, Liang, the former Shenquan brigade secretary and also Yang Wu, the brigade accountant, sent their sons to work in the commune's diesel fuel station and power station, where wages were paid directly to workers. In the late period of the commune system, this income inequality was growing in Shenquan village, bringing about villagers' discontent toward the collective management and organization of production.

ECONOMIC REFORM AND FAMILY RESPONSIBILITY SYSTEM

The government's rural reform started in some areas of the country as early as the late 1970s with the introduction of the family responsibility system. The major theme

and purpose of the reform was to revive peasant family farming by giving decision-making power back to individual peasant families. In about 1982, the reform policy was put into actual practice in Shenquan.

With the adoption of the family responsibility system, 1.2 mu per person of land was allocated to each family to farm. In principle, however, the land is not individually-owned property but rather remains the property of the state, and, in practice, is controlled by the village collective organizations which take charge of allocating land to village members. To guarantee that each peasant family could be proportionally allocated rich and poor land, the village cadres classified all the village land into three grades. Thus, the village lands were reallocated to individual families on equal basis.

In case of family population changes, land has to be reallocated. For instance, the birth of a baby or the entry of a bride into the family entitles a peasant family to additional land for the new family members. But acquisition of new land is not always possible because it only becomes available when some other peasant families in the team release a part of their land due to a daughter marrying out or the death of a family member. In practice, dropping a field from a family's landholding has to be done after the fall harvest. The acquisition of land for new members of a family is thus problematic. Some peasants would drop poor and remote fields or delay the release of the fields which they are not supposed to hold. With the abandonment of the commune system, the power of the village collectives to implement rules for land reallocation also began to fade, and peasants increasingly perceived of themselves as having their own private control over land.

Under the current rural reform, all peasant families sign a contract to use their allocated land for fifteen years. Peasant families now decide how to manage production and distribute products. They also choose what they want to grow on their land. Nevertheless, the government continues to provide guidance about which type and what quantity of certain major crops the peasants should plant so as to guarantee the amount of particular grain destined for the state. Peasant families are also responsible for paying the land tax to the government, as well as paying local taxes, such as the collective fund for xian government and the village council, and taxes for education, irrigation, road construction, etc..

Nevertheless, the peasants under the current system are like free birds out of their cages. They feel much more relaxed: "We don't have to follow the village team leaders' call early every morning to go to work in the fields. We decide when and what time we want to work in the field and come back whenever we like." The villagers often told me that they hated the disciplined work time in the commune production teams: "Those work days were too long, and no one was going to do the work diligently with serious conscience." Nowadays, when it is not the busy agriculture season, peasants usually work in their fields only during the morning and in the afternoon do house chores, engage in side-line production, or go to tea houses, or to a neighbor's home to chat and play cards.

Under the current economic reforms, peasants can make their own decision about planting and marketing. The peasants' new autonomy since the end of the commune system has made for a great change in local agricultural production. Generally, peasants are growing more cash crops such as oil-seed, and in recent years during the late 1980s

and early 1990s, the government doubled the price of oil-seed. Hence, in "small Spring" production, 80 percent of the peasants' crops is oil-seed and only 20 percent is wheat, which is mainly produced to fulfill the government's tax and procurement quotas. Because growing wheat is much less profitable than growing oil-seed, some peasants grow only oil-seed for market during "small spring" and buy wheat from the market to meet the government's tax and procurement quotas. Although buying instead of growing wheat was generally not allowed by governmental policies, yet for the last few years of the late 1980s and in 1990 some peasants said that they had continued to do this anyway to gain more profit from the market. Similarly, a few peasants with the technology for growing other cash crops, such as herbs,⁷ had managed to do so, also paying their various taxes in the same way.

VILLAGE ORGANIZATIONS AND CADRES IN THE ERA OF REFORM

By early 1985, the commune system in this area was abandoned. The xiang government replaced the commune as the local administrative body, and the Liji commune then became the Liji xiang government. Yet the old three-tiered commune organization--commune, brigade, production team--remained as a new three-tiered system, now as xiang (district), village, and team. In spite of the same three-tiered formation since the reform, the functions of those rural organizations have been greatly modified as the power of the state government's political control over peasant economic

⁷There are a few particular kinds of herbs that are the special products of this region. These herbs are purchased by government purchasing companies to make Chinese medicine.

production has been dramatically reduced.

In 1991, the 280 peasant families of the village were still organized into five teams under the leadership of the village council and the village Party branch. The villagers still often referred to those organizations with old terms used for the commune system such as "the brigade" for the village council, "the commune" for xiang government. Indeed, the village council resembled the former brigade in terms of social and political supervision, mobilization, administration and civil management. The village council consisted of six people: the chairperson, the head of the village women's organization, the village accountant, the leader of the village militia, and the secretary and the vice-secretary of the Communist Party branch.

During the time of my field work, the most important authority in Shenquan village was not the village council but the Party branch. This continued the commune political structure in which the Communist Party organizations had ultimate authority. The Party branch consisted of five people: secretary, vice-secretary, and other three members, who had their posts in the village council. The personnel of the village council and the Party branch overlapped. The secretary of the Party branch was usually elected by Party members of the village, then approved and appointed by the Xiang Party Committee. Literally, the village Party branch was responsible for political control over all kinds of social and economic affairs of the village community. This political control included: educating villagers about state policies, promoting the Party's propaganda of socialist revolution, and ensuring that Shenquan villagers carry out state policies in their social conduct and economic production.

Village council was responsible for village administration. In the early 1990s, this administration authority included carrying on population control in the village, taking charge of state tax collection and procurement, managing village road and irrigation construction, as well as resolving villagers' dispute, and so forth. In 1991, the members of the Shenquan village council were elected for a two-year tour of duty by Shenquan villagers. But the election also had to be approved by the xiang government. As matter of fact, the choices of the candidates for the office positions had been determined by the local xiang government prior to the election.

Literally, the governmental reform policy stresses the separate functions of village council and the Party branch, assigning the village council administrative responsibility, while the village Party branch would take charge of only the implementation of state policies. The secretary of the village Party branch is not allowed to hold the post of head of the village council. Yet, in Shenquan, until 1991, there was no clear functional division between the village council and the village Party branch. Rather, the two formed the village government and their members made the final decisions in any economic, social and political affairs, e.g., informing peasants about new state policies, constructing the village school, urging peasants to pay state taxes and punishing those who violated the state birth control policy. In determining some important issues concerning the whole village or involving the majority of the villagers, the village council and the Party branch also discussed the matter with the five team leaders. Production teams under the village council were independent accounting units, although in the 1990s there were no collective assets, or incomes to account for. But the teams were still in

charge of the reallocation of land to their members and the mobilization of labor for public projects, such as the repairing of the irrigation system and the building of roads.

Since the abandonment of the commune system and the introduction of the family responsibility system in 1982, the Shenquan village government owned fewer collective assets than previously. Collective property, such as a medical service station, two grain mills, and a small industrial firm, were sold to individual peasant families in the early 1980s. In 1991, the village government still managed the village elementary school, a few offices, and a broadcasting station, via which it broadcasted announcements and called meetings transmitted through wired speakers in every village house.

The village cadres in 1991 were paid salaries by the xiang government in accordance with their rank and received a stipend from the village council for the days they attended xiang meetings or higher level government meetings. The source of cadres' salaries was from the "Xiang Collective Fund,"⁸ which was collected through the local xiang tax on peasant families. Thus, in contrast to the cadres of the former commune system who earned work-points, plus some subsidies from their own brigades, being a cadre in the 1990s is more like having a salaried occupation with a guaranteed income. But, because the rural reform of the 1980s bestowed decision-making on peasant families for individual family farming, the village cadres' power in the village economic, social and political affairs has lessened.

⁸The "Xiang Collective Fund" is used to finance local social welfare and public construction, e.g., schools and construction of markets, irrigation, and roads. This fund is made up of money collected from each peasant family and is managed by the xiang government.

Most of current Shenquan's cadres have occupied their positions since their election in the early 1980s at the beginning of rural economic reform. This was because they were re-elected with the approvement of the xiang government and with the support of many villagers. Generally, these cadres do not have much education. I introduce two main leaders here to demonstrate village cadres' routine.

Liao Zhong, a very talkative and shrewd man in his 40s, was the village Party branch leader in 1991. He had served in the People's Liberation Army for a few years before he came back to the village in the late 1970s soon after the end of the Cultural Revolution. Usually, Liao spent about half a day in his Party office, located on the new village "street", organizing various meetings with village cadres or team leaders to discuss how to implement party policies and how to fulfill assignments given by the xiang government and the xiang Party Committee concerning production tasks, procurement, implementation of population control, etc.. He also often attended the meetings at the xiang government and the xiang Party committee to report village progress in carrying out the government's policies.

Liao Zhong was familiar with the political language--slogans and phrases--of governmental propaganda, with which he was able to carry on the village administration. Talking about Cadre's work, Liao Zhong complained that today's village cadres had only three things to do: urging peasants to turn in their tax and grain for the government procurement, attending governmental meetings, and managing population control. Obviously, he felt that on the one hand, his job was simpler in these days than during the commune period, and, on the other hand, his power was reduced. Nevertheless, he also

had authority in working with the village council to handle the village's fund, to arrange for villagers as short-term wage laborers working in road construction and irrigation projects sponsored by the xiang government, and in making decisions on Shenquan's construction projects (e.g., offices, school, road). As the main leader of Shenquan village, he had powerful connections with the local xiang institutions such as banks, state purchasing stations, and the xiang government's enterprises. With these connections, he could get access to some resources and bank loans, influence the bank's decisions for granting loans to Shenquan villagers, and obtain the xiang government's social welfare fund.

Yang Kefu, another major village leader, was the head of the village council in 1991. In his 50s, Yang appeared taller than the local peasants. He had an elementary school education, unusual for local peasants of his age, since most of the others were illiterate. He had been a village cadre since the commune system in the 1970s, first as a production team accountant and then, since 1985, as the head of the village council. "It is a difficult job now to be a village cadre," he said with both regret and pride. "The villagers should have selected some one with more education, other than me, to be the village leader; but no one else seems satisfactory." His election and re-election were well supported by Shenquan's Yang and Ma groups. His long-term village cadre career also made him an influential village leader with close ties to other Shenquan cadres. As head of the Shenquan village council, Yang Kefu met Liao Zhong almost every day to discuss some issues in the village administration or to inform each other about new regulations, new policies, or decisions from governments at higher levels. Yang Kefu often had to

visit each peasant family to record if every village family turned in state tax on time and what each family planted in its fields. Like Liao Zhong, although he also had no direct control over villagers' economic production in the reform period, basically, he had authority in determining any village development programs and in influencing villagers' connection with the outside world.

During the period of my field work in 1991, both Liao Zhong's and Yang Kefu's families were economically better-off than other Shenquan village families since they received income from multiple sources, i.e., agriculture, petty commodity production and rural industry (described in the following chapters). Under the commune system in the 1970s, Liao Zhong and Yang Kefu, through their connections with government institutions and their authority in the village, were able to arrange for their family members to work in Shenquan brigade and Liji commune enterprises. Thus, in the economic reform of the 1980s, with the accumulation of their cash income from these enterprises, both of them were also able to successfully invest in the village industry as shareholders in the village factory (which I will discuss in the next chapter). Their families, therefore, received relatively large amounts of cash income from non-agricultural productions and both of their families had new houses with big courtyards. Yang Kefu's new five-room brick house and a cement-paved courtyard with walls. The courtyard was used for cleaning and drying crops. In his courtyard, he built a small four-meter high water-tower with a pump for his family to have running water inside the house. In this village his house looked traditional, yet, it also seemed grandiose and fashionable because of the large yard and high walls. It seemed clear that these two main

cadres were happy about their own well-off lives that have been brought about by the government's rural reform.

Besides Liao Zhong and Yang Kefu, other main village cadres, such as the vice secretary of the Party branch, Ma Wen, the leader of the village women association, Jiang Niang, have all achieved relative economic success during the current rural reform. Their social and political status in the village organization particularly have facilitated their families in gaining economic prosperity through participation in the village industry and other types of commodity production to be described in the following chapters.

My conversations with Shenquan villagers and cadres during my field work in 1991 revealed that they all believed that the current economic reform period was the best one in Shenquan village history in terms of their improved living conditions. Their past experiences, particularly during the commune system, led them to heartedly support the government's rural economic reform and to happily enjoy the freedom to develop their families' economy. It was obvious, however, that the village cadres' economic capabilities to get rich were different from ordinary villagers. By using their cadre authority and status, many village cadres made arrangements for their families to acquire more cash income than other villagers in the 1970s and the 1980s, thus, they were able to engage in commodity production and rural industry in the economic reform. The new era of the economic reform presents a new pattern of the development of economic diversity and social differentiation, and these issues will be discussed in the following chapters.

Chapter 5:

YI JUN TU QI: THE VILLAGE INDUSTRY

CHINA'S RURAL INDUSTRY

"Yi Jun Tu Qi," means: something new and different, unexpectedly and suddenly coming into force. It is a Chinese phrase that has often been used during the recent years of rural reform, in the late 1980s and the early 1990s, by government officials to refer to the development of rural industries, that is, village and township enterprises. The use of such a phrase to describe rural industrial development also indicates that the development of rural industries, which had not been the intention of the government's economic planning, has surprisingly affected the Chinese economy.

The rapid development of rural industry was not expected by the government because it had been a controversial issue in the government's policy concerning rural industry. Some government officials wanted to limit rural industrial development, even as rural industries developed outside of the state-planned economic program. Many government officials at various levels were afraid that these enterprises would compete with state-run industries for natural resources, energy, and markets and, thus, thwart state-run industrial production. These officials also feared that rural industries would attract too many peasants into rural industries and so hurt agricultural development (Liu 1990, Shi 1990).¹ During the period of the commune system, rural industry remained small-scale

¹These government officials' thoughts were also debated in People's Daily 10/17/1990 and Henan Daily 12/10/1990.

and served only the local market, and was defined as "small industry" in order to distinguish it from state-run industries. The term "small industry" (xiao gong ye) also reflected the government policy to limit its development.

Therefore, the "small industries" of the commune system that developed in the 1970s in Sichuan were mainly small brick-making factories, cooking-oil press mills, carpentry factories, herb medicine processing, and other types of handicraft enterprises. All used simple technologies and traditional skills and drew on workers from the peasant sector of local commune teams and brigades. Workers in commune industries, however, usually earned better pay than peasants who worked in commune agriculture. In some brigades, therefore, peasants would take turns working in industries, so that workers in these enterprises were frequently replaced by other members of the same brigades, thus giving many an equal chance. In other communes or brigades, cadres assigned their family members or relatives to work in brigade or commune industries thus giving them higher pay than other peasants. Because of the above mentioned arrangements concerning rural commune and brigade enterprises, many commune industries had poor management, either because of the lack of trained skillful workers or because of the irresponsible conduct of managers in these enterprises.

In the course of economic reform and the transformation of the rural commune system in the decade of the 1980s, various levels of government debated as to whether government policy should promote its rapid development, or curb its expansion.² Some

²Various articles about the debate of the government policy on the rural industry appeared in Chinese journals such as Nong Cun Jing ji (Rural Economics), No.1, 1990; Nan Tong She Hui Ke Xue (Nan Tong Social Science), No.3, 1990; Xian Dai

government officials continued to view village and township industries as backward and as harmful in many ways to state industries. Other officials attributed the decrease of grain production in many areas in the mid-1980s to the rapid development of rural industry which drew laborers off the land. In some places, the soon after village and township enterprises became successful and expanded into a large scale of production, local government took them over, making them state enterprises. Even in the late 1980s, while various levels of government were still hesitating on a firm policy for rural industrial development, rural industries had already developed beyond the scale of the state's economic plan and were playing an important role in the national economy beyond the imagination of government officials. After the rural reform in 1980 granted the peasant decision making power and privatized rural commodity production, Chinese peasants created a new rural industry section of the national economy outside of the government's centralized planning.

SHENNONG FACTORY

The rural reform of the 1980s ushered in a new stage for the economic development of Shenquan village. For the villagers, this new stage is marked by the emergence and the development in 1985 of a village factory, Shennong Health-Care Product Factory, the factory named after Prince Millet, Shennong, who, according to Chinese legend, was a lieutenant of the great ruler Shun in Ancient China; he was

Qi Ye Jia (Modern Entrepreneurship), No.7, 1990; Zhe Jiang Xue Kan (Zhe Jiang Studies), No.3, 1990; Nong Cun Yan Jiu (Rural Studies), No.3, 1990; Jian Ji Ti Zhi Gai Ge (Economic system reform), No.4, 1990; and People's Daily, Oct. 17, 1990.

believed to have started agriculture and to have discovered Chinese herb medicine by testing hundreds of herbs. The factory buildings are an outstanding village landmark, standing in the center of the village. The factory is well-known in this region for its success in expanding production and for marketing its products all over the country.

The factory produces special kinds of pillows, vests, combs, waist-braces and abdominal vitality pads, all stuffed with Chinese herbal medicines that are claimed to strengthen health and vigor or to cure particular recurrent ailments. According to Chinese medical knowledge, when people wear products such as health-care vests, abdominal vitality pads, or sleep on health-care pillows, particular kinds of smells or gases are discharged from the herbal medicines and enter the human body, thus healing diseases or assisting the normal functioning of body organs. The village's factory products have been tested and approved by appropriate state government authorities.

ORIGIN OF THE VILLAGE INDUSTRY

The development of the factory is associated with one man, Ma Wen. Most villagers think highly of him. I learned his name even before I came to the village to do my research since one of my colleagues in Sichuan University informed me about this factory and of Ma Wen himself. Ma Wen, as the vice-secretary of the village Party branch, officially received me and gave me permission to do my research in his village. Perhaps because he has learned much about the outside world from his frequent contact with people in cities, government, or various departments, he acts and looks more like a school teacher than a peasant. Tall and always well dressed, he speaks in a constant

rhythm as if he was teaching. The villagers all addressed him as "Teacher Ma." While first I thought that perhaps he had been a teacher in the village school, I was later told that it is a local custom for peasants to address someone they respect or who is superior in social position as "teacher". I also learned that anyone coming from a government department or from some city institute always receives the title "teacher" from the villagers, no matter what that person's occupation. Ma Wen is the only one in Shenquan who the villagers address, or refer to, as "teacher." Only occasionally do they also call him "Ma chang zhang" (factory leader Ma), an "honorific" based on his position, and similar to one they always used for other local cadres.

During the commune system, Ma Wen was a brigade barefoot doctor. He had only a middle school education and did not finish high school because his family was too poor in the late 1950s to support his education. Nevertheless, in the late 1950s, he had achieved the highest education in this village. During the Great Leap Forward, he had his first experience in industry when the xiang³ government assigned him in 1959 to work in a small newly built iron factory located in the county town, Xindu. After the Great Leap Forward, when all of those hurriedly built factories went bankrupt, Ma Wen came back to the village to work as the financial accountant of the village brigade.

During the cultural revolution of the 1960s and 1970s, when Mao Zedong promoted a nationwide program to provide health care for peasants in rural areas, each commune brigade had to have one so-called barefoot doctor trained by local hospitals. In

³Before the establishment of the commune system, local district government was called "xiang" as it is now.

1970, Ma Wen was selected to become the barefoot doctor in Shenquan village. In the 1970s, the economy of the commune collectives, including that of the Shenquan Brigade, were deteriorating. The collectives had severe problems of peasant underemployment, cash shortage, and a lack of investment in agricultural production. It was at that time that Ma Wen suggested to the brigade leaders that they start a small enterprise to produce a Chinese herb medicine, "huang lian," (rhizome) for the treatment of dysentery, diarrhea, and enteritis. This enterprise, the Huang Lian Herb Medicine Factory, was thus established in 1978 with a small loan from the state bank; the factory belonged to the Shenquan village Brigade.

This small collective enterprise operated for three years with only about a dozen workers involved in simple commodity production since the production of huang lian herb medicine does not require sophisticated equipment, although it does require precise skills. The huang lian herb medicine is made out of a type of local vegetation. In the beginning, Ma Wen and his workers had to do much experimentation to find an efficient way to produce the medicine, and so gradually had been able to develop this village brigade industry.

Even though The Huang Lian Herb Medicine Factory made some money for the brigade in its first two years, it soon plunged into financial trouble. The factory faced obstacles from both inside and outside the village. The total of twelve factory workers were either spouses or relatives of the village cadres; they sought factory work to earn more income than that paid for working in collective agricultural production. They did not work for the benefit of the brigade and were unwilling to do adequate, efficient work

and thus made managing the enterprise difficult. Production was also often threatened by the unstable market which was completely controlled by the state purchasing agent. During the early 1980s, the price of "huang lian" plunged, causing a great financial loss for the village enterprise.

Before it went bankrupt in 1983, the Huang Lian enterprise had brought two things to the village: electricity in every peasant household, and an office building for the village leaders and the Party branch. Nevertheless, this first attempt to establish a village collective industry ended in failure and a large debt.

This early village industry was not accompanied by the diversification of villagers' economic activities simply because workers of the enterprise continued to participate in collective redistribution together with other peasant members of their teams. The workers, however, did earn more cash than other peasant members of the same production teams because they received cash bonuses. This money gave them an advantage in terms of later being in a position to participate in rural industry, during the more recent years of the reform period .

Soon after the rural reform began, a wave of privatization spread through the countryside. With the official abandonment of the commune system in 1984 in this region, former collective organizations sold, or contracted out, many previously collective-owned machines, facilities, and enterprises to individual families. In 1984, Shenquan brigade also sold collective-owned facilities (clinic, grain mills, etc.) to individuals for private operation. The family responsibility system was extended beyond agricultural production to other commodity production. Privatization then appeared not

only in family farming but in market trading and rural industrial enterprises as the government gave peasant families freedom to engage in market economic activities. Surplus laborers of peasant families were soon looking for non-agricultural opportunities.

SHENNONG FACTORY'S SHAREHOLDERS

In 1985, Ma Wen again thought about starting a new factory. But this time, with the lifting of the government's constraints as a result of the reform policies, he wanted to establish a new type of factory--not a collective but a corporation of a group of families. He was inspired by new experiments in shareholding cooperation in Canton, which he learned from newspapers. In 1985, he first talked to his two brothers and the village cadres, Liao Zhong and Yang Kefu, about starting a factory with investments from peasant families who, as shareholders, would pool their money. This time, Ma Wen had a new idea of producing health-care products using Chinese herbal medicine; this was a new industry just beginning to boom in some other parts of the country.

The news of the starting of a new factory spread throughout the village. Whoever wanted to participate in the factory and to be a shareholder had to invest a minimum of 2,000 RMB (at the time \$1=3 RMB, and a Shenquan peasant annual income averaged 430 RMB per capita) in the industry. Investing such a large amount of money was impossible for most villagers at that time. Some peasants were leery about investing in the new factory because the failure of the collective factory was still fresh in their minds. "It might be like throwing that 2,000 RMB into a water pond without even seeing any splash, and the money is gone," these village peasants therefore worried. For them,

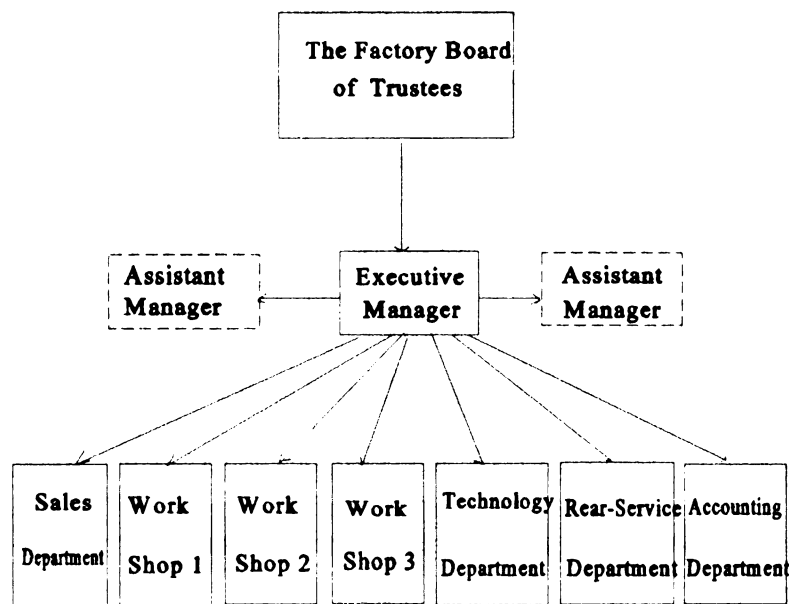
producing something they did not even understand certainly was considered to be very risky. When I asked those who had originally invested in the Shennong factory why they had done so, they simply told me that they personally believed in Ma Wen. Finally, twenty peasant families pooled their money and started the new factory, Shennong Health-care Product Factory.

The initial shareholders of the new factory can be categorized into three groups. The first includes village cadres, who found it advantageous to become shareholders. This group includes five families. A few of these village cadres, with personal connections in the Xiang government and other state organizations, were able to obtain loans from the local state bank. The former village brigade accountant, Yang Wu, for example, even bought five shares in the new factory by using a loan of 10,000 yuan RMB from the state bank, thereby becoming the largest shareholder of the factory. Although at the beginning shareholders had discussed that whoever held the largest amount of shares would be the executive manager of the factory, yet, somehow, Ma Wen's leadership in the factory was inevitable because he has better knowledge of management and more connections with the outside.

Bank loans were not the only funds which enabled village cadres to invest in the industry. Having worked in the brigade or commune enterprises in the earlier years, Cadre family members had accumulated enough cash to enable them to purchase shares in the new factory. As a result, a number of cadres such as the current village council leader Yang Kefu and the Party secretary Liao Zhong as well as Ma Wen himself each holds two or three shares in the factory. They, therefore, are members of the factory's board of

trustees. The factory board has a total of eighteen members. The following chart depicts the factory's organizational structure.

Chart 1: Shennong Factory Organizational Structure



The second group of initial shareholders consists of relatives of cadres, who were persuaded by the cadres to invest in the plant. This group includes nine families. Ma Wen's two brothers all invested in the factory and in 1985 had important positions as managers of the factory. A few shareholders of this group of cadres' relatives are not even residents of this village but reside in other villages in the local area.

The third group includes six Shenquan peasant families who either believed in the idea of the factory or trusted the leaders and, therefore, believed the new enterprise would be profitable. These people had extended social networks which enabled them to borrow the necessary investment capital from their kinsmen or affines.

The initial shareholders, half of whom were former village cadres, today comprise the factory's board of trustees, which elects the managers of the factory and decides important matters concerning production, marketing, expansion, and distribution. A few of the initial shareholders are still village cadres. Many of the initial shareholders now hold managerial positions in the factory. Charts 2, 3, and 4 indicate the relationships among factory board members, cadre status, and factory managerial status. Over the six-year period (1985-1991), the Board members of the factory numbered 18 people, of whom ten people also have been factory managers, occupying the total number of the factory's managerial positions. Among these 18 factory Board members, five were village cadres in this period. Among these ten factory managers, five had been former village cadres before this period, and one has been a current village cadre. Major villager cadres were involved in Shennong factory. Of the total of eight village cadres, the two chief leaders--the Party secretary and the head of the village council--are shareholders and members of the factory board. The chief executive manager of the factory, Ma Wen, is the vice-secretary of the village Party branch. The majority of the total of ten factory managers are members of the factory board, and three of them were formerly village cadres.

Some former cadres, who invested in the factory at its beginning, initially did not

work in the factory. Only after the factory made large profits did they take up employment there. One of my informants, Xiang Sheng, a manager of the factory, told me how she took a managerial position. She had been a brigade leader in the late 1970s and early 1980s. In 1985, she borrowed money from her own relatives and from her husband's kinsmen and invested in the factory. Yet, she herself was not involved in any factory work but instead, continued to work as a village cadre. When, in 1988, she found out that by working in the factory she could earn much more than what she earned from both a cadre's salary and her agricultural income, she gave up her position as a village leader and insisted on taking a position in the factory. She explained her situation: "I told the Xiang government that my family has had so many financial difficulties, I just do not want to be a leader of the village. You must understand me. Now I have to get into the factory." Despite the fact that the Xiang government did not approve of her resignation, Xiang officials had to accept her decision and appoint a new village cadre to replace her.

Chart 2: Number & Percent of Factory Managers on The Factory Board

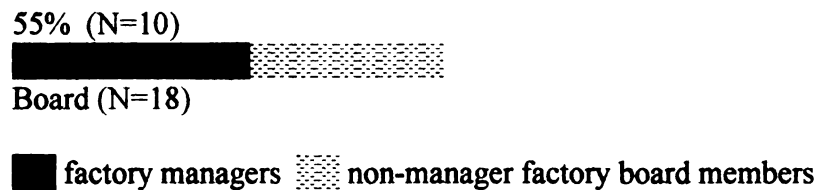


Chart 3: Number & Percent of Village Cadres on The Factory Board

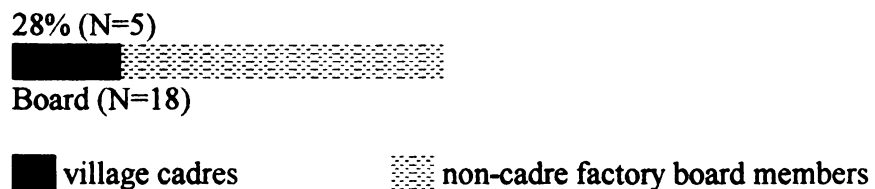
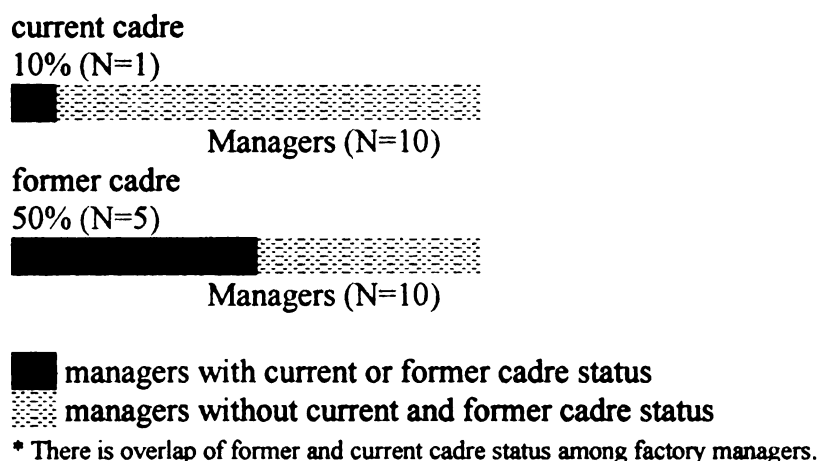


Chart 4: Number & Percent of Current and Former Village Cadre Status Among Factory Managers



As a shareholder, a person has a particular advantage and privilege in the village industry as apposed to non-shareholder peasants. The factory is organized on the basis of the interests of shareholders. When the factory was established, the rule was to recruit workers only from the investors' families. Each share entitled one member of that shareholding family to be employed in the factory. In fact, shareholders considered this the most important benefit of investing, a benefit greater than earning dividends.

Thus, during the first two years of the factory operation, the number of shareholders increased considerably as the success of the company became apparent and many peasants bought shares. This second group of investors included about 70 peasant families. In 1987, the factory ceased selling shares because the leaders feared that having too many shareholders would mean that they would have to bring in more workers from among the shareholders' family members and relatives than the productive capacity of the

factory could absorb.

It did not take too long for me to find out that the second group of investors included only the kinsmen of the initial shareholders. In interviews with other villagers, many of whom were unable to invest in the factory, I was told without any hesitation: "Those shareholders are all uncles and cousins to each other, how could we get into the factory if we are neither cadres nor their relatives?...."

These later shareholders had economic advantage, because the initial shareholders, who profited from their investment in the factory, had the necessary financial means to lend money to their relatives to buy shares. Through kinship linkage, shareholder status then extended beyond village membership as many people of other villages also bought village factory shares. One-fifth of the later shareholders are from other villages. Through kinship, initial shareholders thus established their own networks within the factory.

WORKERS AND MANAGERS

By 1991, the factory was well expanded in the village, producing many kinds of health-care products. The executive manager of the factory claimed to have about three hundred workers—an indication of its achievement in employing rural surplus labor. Yet, only half of the workers came from Shenquan village. The rest of the workers are shareholders' relatives from other villages and towns in the area.

Working in the factory is a particular privilege enjoyed only by factory shareholders, and their relatives. For the villagers, working in the factory means luck,

wealth, and respect. Those working in the factory often proudly speak to others about their work. Those villagers not working in the factory, however, often speak about the factory workers with much envy and discontent about the factory's manner of recruitment, which is based on the rule of shareholder priority. Thus, the formal and permanent workers all are members of the shareholders' families. In 1991, 74 percent of the factory's work force, out of the total of 223 employees were from the above mentioned family background. As the factory developed and needed to be expanded, the factory recruited temporary workers, also based on shareholder priority. In 1991, these temporary workers counted for 18 percent of the factory's work force, a total of 56 employees. In recent years, as the factory has constructed new workshops and roads and, thus, needing more temporary laborers, it also hired some Shenquan villagers on a short-term basis as temporary construction workers; the latter, which in 1991 included about 50 people, have no kinship relationships with shareholders.

Another group of several villagers, who also are not members of shareholding families, work in the factory because the factory has used their allocated land to build workshops. If the factory takes 1.2 mu of a peasant family's land, one member of that family can work permanently in the factory. In 1991, this group of workers accounted for 6 percent of the factory employees, a total of 18 workers from 7 families.

In addition, given the growth of its sales, the factory also set up a putting-out system, assigning some jobs to peasants who work in their household. Those jobs are mainly held by women who work on unfinished products on sewing machines in their own houses. In 1991, there were 20-30 families involved in the putting-out system.

Again, the recruitment of temporary workers in the putting-out system also favors shareholders' relatives.

It is also important to note that the majority of the factory workers are women, who use sewing machines to make the special pillows, jackets, braces, bags, and so forth. This is because most of the factory jobs have to be done with sewing machines which, generally, only village women have the skills to operate. By 1991, the factory had 193 women employees working in its work shops and offices. Male workers usually process herbs in the factory's processing work shop, load and unload production raw materials and finished products, or, work as salesmen in cities.

It is obvious that, given such a factory recruitment policy, many of the related factory's managers and workers have kinship networks in the factory. The factory's workers, therefore, address each other with kinship terms such as "ge ge" (older brother), "er ba, da ba, jiujiu" (uncle) "niang niang" (aunt), and "da jie, er jie" (older sister). The use of appropriate kinship terms by everyone in the factory to address each other reinforces their intimate social relations, even though there is no real kinship relationship between some of the workers who, nevertheless, address each other with kinship terms. When I went to the factory looking for someone working there, other workers would inform me how to address that person: "you might call him 'Xiang yaoba' (younger father Xiang), or "you just call her 'Huang jie' (elder sister Huang)", and so forth. It has become a custom and polite to begin any social interaction with someone by addressing each other with kinship terms. The workers are very careful about using kin terms of address and never directly use each other's names, which is also true in everyday village life.

Apparently, kinship and fictive kinship relationships have played a significant role in organizing the Shennong factory. They have functioned to form close ties between managers and workers and, thus, enabled managers to command workers in the factory's operation. The kinship and fictive kinship relationships also functioned for workers to get some benefits from their closely related factory managers, e.g., some workers can rent the factory's trucks and vans for occasional family ceremonies; they and their family members can have ride to Chengdu and other market towns in the factory's vehicles, and so forth.

Those who own more than one share in the factory, particularly some factory and village leaders, are able to have more family members and relatives work in the factory. These shareholders thus have their own groups of relatives working within the factory. As factory production increased dramatically during the late 1980s and the marketing of its products expanded to all major cities of China, the family networks in the factory became increasingly important for shareholders, particularly for those main leaders of the factory.

Because factory products are marketed in urban areas, the factory board of trustees introduced a responsibility system⁴ in which shareholders were allowed to set up their own retail firms. With their shares serving as a deposit, these firms purchase the factory products at wholesale prices and then sell them at retail prices in cities. As a matter of fact, all those shareholders who set up their own retail firms are also managers of the factory. These retail firms have taken advantage of newly-initiated urban reforms,

⁴ This responsibility system is for retail firms to contract with the factory in terms of selling the factory's products, fulfilling certain sales quotas each year, and paying the factory for their purchases on time.

and they have contracted with some state-run department stores to rent counters in the stores to sell their merchandise. The more products they sell, the greater their profits and the larger the commissions of their salespeople. These retail firms arrange to have their own family members, relatives, and friends act as sales agents or salespersons in various cities. These retail firms are very profitable enterprises.

During the time of my field work in the village in 1991, there were mainly three large sales networks headed by three factory managers: Ma Qin, who was Ma Wen's brother and the marketing manager; Yang Wu, financial manager; and Xiang Ban, associate executive manager. The three managers' retail firms established their own retail markets in major Chinese cities, such as Shanghai, Beijing, Canton, Chengdu. The markets in those large cities are much better than in some medium and small cities.

Each of the three retail firms has its own personal network, again, mainly based on kinship. For instance, Xiang Yaoban arranged for his son to be in charge of their marketing station in Chengdu, Ma Qin sent his wife's brother to Beijing to assume responsibility of retail sales for their firm, and Yang Wu let his two sons go to Shanghai. Each of these retail firms has its own established marketing places, recognizing each other's marketing territories. If one of the firms established its own retail station in a large city, the other firms then do not go there to "intrude" in that market.

These factory managers then, by establishing their own sales networks, have the autonomy to arrange employment for their relatives and friends as salespersons, all of whom then have come together to form networks centered around and depending on those managers. In the factory, these networks gradually became distinctive groups, and small

conflicts did sometimes arise between them over access to factory resources, such as the use of the factory vehicles for transporting merchandises, for riding to urban centers, etc.. An additional occasional source of conflict is when these managers arrange for workers in their own groups to have some clean, light work, and higher paying jobs, to the exclusion of others.

PATTERNS OF INCOME DISTRIBUTION

Since 1990 as noted above, the factory has greatly expanded its business by developing and producing new kinds of health-care products and setting up branch departments in the village. In 1990, the factory grossed 12 million yuan, with profits of nearly 2 million yuan. By the end of my field study in the summer of 1991, the leaders of the factory were considering expanding the operation into a company composed of several manufacturing units in the village.

The success of village industrial development has altered the economic activities of those who have been involved in the factory. They now devote most of their time and energy to their factory jobs. As a matter of fact, they have changed their previous economic occupations. To distinguish their new types of economic activities and economic status, it is appropriate to use new occupational terms to categorize them. Those for whom village factory work has become their main economic activities and source of livelihood, to use Huang's (1990:289) terms, have become "peasant-workers." (in Chinese, people usually call them "nong min gong ren.") and those who have their own businesses that are connected with the factory have become what Chinese call

"peasant-entrepreneurs" (nong min qi ye jia)(Yuan, 1989:100-104). Those who conduct the factory's sale in cities have become "peasant-salesmen" (nong min xiao shou yuan).⁵ About half of the villagers, however, for whom agriculture remains a major part of the family economy, are still the traditional type of peasants and referred to as "peasant" (nong min). Clearly, the development of the village industry has given rise to new socioeconomic groups in the village.

The success of factory production in years since its beginning in 1985 has brought a dramatic increase in family income for peasant-workers, peasant-salesmen, and peasant-entrepreneurs. In recent years, an ordinary Shennong factory worker often earned as much as three times that of a peasant. Yet there are different patterns of payment and income distribution set up for different people in the factory.

The factory developed new patterns of payment that were different from those being practiced in the commune system. The factory's new payment patterns have some interesting characteristics that distinguish different statuses of the factory workers.

The patterns of payment for different posts--managers and administrative clerks, permanent workers and temporary workers--vary within the enterprise. The payment to workers permanently employed in the factory shops is based on piece-rates, but calculated by work-points, the value of which is determined by the factory's profitability in a given year. Those workers taking on piece-rate jobs mostly are women operating sewing

⁵In China, although the definition of such terms as peasant-workers, peasant-salesmen, and peasant-entrepreneurs has not been well discussed, it is commonly based on the fact that: 1. they still have agricultural land, or access to agricultural land, and partly conduct agriculture for their family economy; 2. they are allowed to reside only in rural areas; and 3. they still must be registered as peasants.

machines in the workshops. Payment is made annually to the head of the worker's family, except for a monthly bonus, which goes directly to the worker. In 1991, an average worker's salary was usually about 2,500 yuan a year.

The factory managers and clerks in the various offices are also paid annually, with the amount of salary varying year-to-year, again depending on the factory's profitability. Their annual payments are calculated by monthly salaries. Managers usually earn as much as double an average worker's salary. The income of salespeople working in cities depends on sales and the profit margin. They can earn several times the income of the average local worker. Peasant-entrepreneurs who have established retail firms in cities have quickly become wealthy since the factory products have sold very well in recent years. The villagers and factory workers refer to them as "da lao ban" (big bosses).

Temporary wage workers are paid monthly in cash, the amount being fixed in their contracts. Their rate of pay is based on the average laborer's wage in the local community, usually about one-third of a permanent worker's pay.

These different types of payment used by the factory reflect diversified economic structures on which the values of labor are based. In other words, wages and salaries for permanent workers, managers, and salespersons are based on the urban market value of the labor, while the wages for short-term, temporary employees, who are excluded from formal factory recruitment, is based upon the lower, local value of the labor. These differences correlate with socioeconomic status in the village. This differential payment has created an unequal distribution of the factory's profits among the permanent employees and staff on the one hand, and temporary workers on the other. As a result,

discontent often arises as temporary workers complain about their low wages compared to those of the "insiders." And because the many temporary workers are Shenquan villagers (generally, those are not kin-related to factory shareholders), the differential payment structure has undermined the homogeneity of the village's socioeconomic structure.

"TO BE RICH IS GLORIOUS"

"To be rich is glorious." Encouraged by the party's popular slogan of the 1980s, the factory leaders in 1991 were not ashamed of their increasing wealth. "Our party's policy at present allows some people to get rich before the others. The government calls for cadres and party members to set examples for the masses to get rich and to show others how to get rich." Ma Wen was proud of his achievement when he said this to me: "Therefore, we reward the villagers who contribute their outstanding effort to the factory. We built up a four-story building containing nice flats, which we allocated to them as a reward." The building he mentioned contains 16 large, urban-style flats, each of which is equipped with a bathroom, kitchen gas stove, running water, and a cable TV antenna connection. The factory built a water tower for the building and provides liquid containers of gas every month for the families living in the building. To my surprise, the building is also walled with a gate guarded 24 hours a day by three old men who work in shifts.

This immediately catches the attention and evokes the curiosity of any outsider who enters the village. I talked to the old men guarding the building and its yard. All three are relatives of the vice-executive manager, Xiang Ban. They were assigned this job as a favor by the factory leaders because working as "gate guards" is easier than doing

heavy labor jobs in factory workshops. Nonetheless, they all recognized that this guarded building and its courtyard reflect an emerging big inequality between those who live in this apartment building, most of whom were factory leaders, and ordinary villagers. I later visited some of the residents in that building. They are factory managers, village cadres, and at the same time, factory shareholders. The only exception was a man who had voluntarily come to work in the factory after he obtained his master's degree in economics and later married the Party secretary Liao Zhong's sister-in-law.

The allocation of flats to these managers, cadres, and factory board members is based on the numbers of shares they hold in the factory. Thus, managers who hold more than two shares, such as Yang Wu, Xiang Yaoban, and Ma Wen, each are allocated two flats. The Party secretary, Liao Zhong and the head of the village council, Yang Kefu were also rewarded their flats by the factory. After a few months, when I could wander around the village and enter the factory freely without anybody paying much attention to me, on a few occasions I went by chance to the top of the building to view the country scene. The contrast between this building and the low, shabby houses of some of the villagers is so shocking that I could not help but wonder what other villagers thought when viewing this difference? Later, as I asked villagers such questions, I began to see discord growing among Shenquan villagers as a result of the emerging inequality and social differentiation. (I will discuss this in later chapters.)

The development of the village industry has had tremendous impact on the villagers' lives: it has altered their social and economic behavior and generated new patterns of interactions among them. It is also the basis of a new pattern of agrarian

transformation in this village.

Chapter 6:

PEASANT-WORKERS AND PEASANT-ENTREPRENEURS

SHENQUAN'S NEW ECONOMIC CENTER

"Peasants have a hard life in China." "Peasants work from sunrise till sunset in the fields." This is how Chinese literature has long described peasants, and the description truly reflected Shenquan peasant life during the commune period, when villagers worked together in fields every day from early morning to late evening. In those days of the commune, most villagers did similar types of jobs; earned similar amount of workpoints; and, spent similar amounts of required time in the fields.

Their relatively homogeneous economic activities and sharing of collective production resulted in a pattern of interaction between villagers that was based, not on economic dependence of individuals, but rather, on a family's dependence on collective economic production to survive. Shenquan Villagers' individual cooperation between friends, neighbors and relatives was reduced to minor occasional household activities, for example, borrowing tools, getting help in moving heavy household items, or building houses. Such occasional direct cooperation between villagers was usually based on friendship or kinship, and, customarily, villagers who received help would show their thanks by offering helpers a good meal in return.

Villagers, in general, did have intimate interactions under the commune system because they had to work together every day and see and talk with each other very often. Such interaction did not mean, however, that harmony existed among villagers. Conflict

frequently erupted between villagers under the commune system as a result of different work attitudes and contributions to collective production. For example, some peasants were dissatisfied when they saw others doing less work but earning more workpoints than they did. Such a difference was often caused either by cadres' poor management or favoritism toward relatives or friends.

Nevertheless, most villagers worked the same amount of time every day in production teams. Villagers recalled that during the commune period they were busy throughout the year. Even during the winter season, when there was not much agricultural work to do in the fields, the commune often mobilized peasants to repair irrigation and road systems and to conduct land modification projects. Collective work under the commune system, however, was not efficient because many villagers spent time in fields only to earn workpoints rather than to contribute to collective production.

By the 1990s, the villagers' work schedules had changed, particularly those of villagers who were involved in the village industry. Living in the village, I expected to see peasants going to fields in the early morning when the sky was still gray. Yet, I saw something different. Every day I did see a few villagers working in their fields before the sun rose. But the busiest time was around eight o'clock in the morning when peasant-workers leave their households and, from all directions, move toward the factory on foot, bicycle, and even motorcycle. It seemed that village life started each day when factory workers came to the factory to work. The sounds of villagers talking, yelling, laughing, with the ringing of bicycle bells and the roaring of motorcycles suddenly burst out to the sky.

The Shennong factory and its surrounding buildings by 1991 had become the central place of peasant-workers' and entrepreneurs' activities. Between 1986 to 1991, the Shennong factory built a few buildings as workshops and offices in a compound surrounded by walls. Just outside this compound, the factory and the village council together built a two-story building. This building which faces the factory compound, is located on the other side of a newly-built and paved street, only about 50 meters long. The building contains the offices for the village council and the Party branch, the broadcast station, and the factory's meeting room. But more importantly, for peasant-workers as well as other Shenquan villagers, the building contains various shops including a barber shop, a grocery store, a meat store, and two restaurant/tea houses. It also houses the village medical center, which is no longer run as a collective social welfare unit but now belongs to a villager as a private business. The people who run these shops rent them from the factory. In the backyard of the building, there is a factory bath house for the workers.

Sitting in front of the building, one can observe various workers' activities that take place during each day. In the early morning just before factory work starts, some young peasant workers come to a village restaurant for breakfast. They say they simply do not want to get up early to cook their own breakfast. Many factory workers, especially young and married couples who work together in the factory, enjoy eating outside their homes. The factory originally installed a canteen for its workers from other villagers who can not return home during lunch time. Now, some Shenquan young woman workers often buy their lunch at the factory canteen, or occasionally have their lunch at village

restaurants. They do so primarily because they do not want to lose time by going home for lunch; for women doing piece-rate work, time is money.

During any day, a few factory trucks and mini-vans move in and out of the factory, transporting production materials, finished products, or carrying someone on a short business trip. A group of workers who load and unload materials on or off trucks intermittently come out of the factory to take a break in the teahouses. In the late afternoon, village women who are workers in the putting-out system can be seen carrying their finished products on their backs to turn them in to the factory.

The building and the small street become especially active and noisy during lunch time and at 5:30 p.m. when the workers get off work and come out of the factory, they then fill the street, the teahouses, meat store, the barber shop, and other little shops, buying some goods before going home. Peasants, either from Shenquan or from other neighboring villages, often sell their vegetables in the front of this building and a few peddlers transport fruits from other markets to sell them here. During my one-year stay in the village, I witnessed a trend of increasing numbers of peddlers coming to this little street every day, particularly on Saturday. It is obvious that the factory is bringing to this newly-formed village center a small market, which is growing along with the factory.

RESTAURANTS/TEAHOUSES

The two restaurants, which also serve as teahouses, are adjacent to each other and located at the ground level of that two-story building on the village street. They are popular among peasant-workers and villagers who go there to drink tea, to chat, or to

play chess or cards. On occasion a group of peasant-workers also will he jiu (drink wine) in the restaurants.

Asking someone to he jiu is not as simple as just having lunch or dinner together with an order of wine. To he jiu together is to show special friendship to the people invited. This special friendship is a relationship of reciprocity that is established and maintained by he jiu. The one being asked to drink cannot say no but must drink as much as he can to show his respect to the other. Sometimes, during he jiu, people play a game "hua quan" (guessing the numbers of fingers) with their hands, and whoever loses each time must drink a little cup of wine. In any case, wine during he jiu is a symbol of friendship which one offers to another and which cannot be refused. He jiu is a way to make friends, or to entertain colleagues and other business partners.

With increasing cash incomes, more peasant-workers now have meals in the restaurants. They eat more meat in their diet. Indeed, most peasant-workers said that they had meat almost every day or at least four days a week. When their relatives come to the village to visit, they entertain them in the restaurants or order take-out meals for them to eat.

The two teahouses are also like a stage on which workers, villagers, village cadres, factory leaders, and some people from outside of the village constantly perform miscellaneous social plays one after the another. The two teahouses have also been my favorite places to talk with the villagers and to drink tea, listen to, and observe them. The two owners of the teahouses soon became my friends and informants. I noticed within a short time, however, that the two of them seldom talked to each other. But, did talk about

each other. Basically, they complained about each other's relations with leaders of the village factory, circulating negative gossip about factory affairs in one of the restaurants and an opposing view in the other. I later found out that the discontent between them was not only because of their business competition but also because of their factory leaders' favoritism for one restaurant/teahouse against the other.

The restaurant/teahouse favored by factory leaders was owned by Ma Liang, a kin relative of the main factory leader Ma Wen. The factory leaders registered his restaurant as a factory facility, a dining hall, making it unnecessary to pay tax to the state. Ma paid only four hundred yuan RMB rental fee to the factory every year. The difference in two restaurant/teahouses' relations with the village factory then resulted in these two gathering places being for different groups of Shenquan villagers.

The peasant-workers and peasant-managers preferred Ma Liang's restaurant/teahouse. His restaurant/teahouse could host thirty people at most. Sometimes, the factory would arrange for some visitors from enterprises or government offices outside the village to dine in his restaurant.¹ Ma Liang seemed proud of his special relationship with the factory leaders, often saying that his restaurant basically serves the factory workers.

Perhaps because of his special relationship with the factory leaders, Ma Liang was very friendly to those working in the factory. Some of the factory managers and clerks often came to his restaurant to have a small banquet. When those villagers working for

¹ When the factory became successful in recent years, the county government recognized the factory as a model of rural industry in the county and organized cadres from other regions to visit the factory to "learn from their experiences."

the factory's marketing business in urban centers come back to the village, they also like to drink tea with their colleagues, relatives, or friends in Ma Liang's teahouse, telling stories about their urban life and anecdotes about the cities. Usually they dress in western suits and ties, following the fashion of urban young people. They show off their clothes, electric lighters, and imported American cigarettes, which they have bought in city stores. Their conversations often attracted a crowd of peasants. These sales-persons not only brought new urban products to the villagers, but they also brought new ideas and knowledge about the outside world.

The other restaurant/teahouse was owned by Feng Tian, a sixty-year old man. He moved into this village from the Xindu county town in the early 1960s when the government, by decree, moved some urbanites to the countryside in order to reduce urban population. He thus had no relatives in this village or region. Nevertheless, because he had worked as a chef in the county town before moving to the village, the factory leaders chose him to work in the factory's canteen when the factory was established. But they soon replaced him with Ma Wen's cousin's wife, who had been sent by the factory to an urban restaurant for training as a cook. Feng Tian thus lost his job in the factory and started his own restaurant by renting a room in the factory building. In the years that followed, his relationship with the factory leaders deteriorated and he often complained about their treatment of him.

In contrast to Ma Liang, he must pay sales tax to the state plus electricity costs. Probably, because of his openly critical attitude toward the factory, villagers who had no kinship relationships with shareholders and thus no opportunities to participate in the

village industry preferred to go to his place for tea. There they gossiped about the factory managers, workers, or affairs within the factory, criticizing the factory without confronting the factory workers, managers, or shareholders' relatives. In addition to these villagers, temporary factory workers also frequently came to Feng Tian's teahouse, joining in the gossip about the factory. The latter group, giving their low pay, hard work, and jealousy of the factory's formal workers, often complained about the factory.

The two restaurant/teahouses became the places for Shenquan peasant-workers', peasant-entrepreneurs' and other villagers' socialization, which took place in a pattern of regrouping Shenquan villagers on the basis of their differentiated social status and economic activities. In Ma Liang's restaurant, peasant-workers and peasant-entrepreneurs formed their social networks, introduced new cultural values and practices, and expressed their interests in the village industry. The social interactions taking place in the two restaurant/teahouses then also reflected conflicting views and growing tension between Shenquan factory workers, managers, and peasant villagers.

LABOR, CONTRACT, AND COOPERATION

In general, of peasant workers are busier than other peasants because they work in both rural industry and agriculture. During the busy agricultural seasons, they must work in the fields after they have done eight hours of factory work. For families in which both husband and wife work in the factory, their time pressure is particularly great during the busy farming seasons. To get the necessary factory and farming work done requires new kinds of arrangements to meet the demand for their labor.

Under such circumstances, one way to accomplish the family's farming is to rely more on other members of their household (hu)² or relatives (qin qi), who work mainly in agriculture. But, among the peasant-workers, this traditional way of getting help from relatives is practiced in a new way, based on monetary terms rather than traditional cooperation.

The economic and household life in Huang Erban's family, for example, provides a vivid account of such a new arrangement. Huang Erban is one of my village informants whose household I visited very often, thus, enabling me to make friends with all his family members, including his four sons and daughter. All of his sons except the youngest were already married and were divided from their parents' family. His daughter also got married shortly after I began the village field research. But the sons and their families still lived within the courtyard of Huang's housing compound, and under one roof. Villagers considered his household fortunate, particularly as compared with other village elders, because his first and second sons both became factory shareholders with the help of their wives' families. In 1991, the two sons and their wives worked in the factory.

At the time I arrived in the village, Huang Erban's first son, Huang Xiu, had just had his second son. This second baby was considered an exception to the government's rule of population control that allows only one child per couple. The new second child

²The term household here means very closely related families live under one roof in a housing compound. Its meaning is different from the meaning of family. In this village, the household usually includes parents, their unmarried children, and their son(s)'s families. Although the group shares a residence, the families are distinctive, economically autonomous units.

was allowed because their first child is retarded; therefore, according to the government's policy on population control, families which have either a retarded or handicapped child are allowed to have the second child. But to take care of a new born baby and a retarded child, who was nine years old at the time, and also to do factory work and family farming is very difficult. The family, therefore, needed some additional help with child care and agricultural production. At first they thought of asking someone else in the village to care for the baby during the daytime when both parents were working in the factory; they were willing to pay a baby-sitter 25 yuan RMB a month. But this idea soon brought villagers' ridicule: "Why don't they ask their own mother to take care of the child and pay her money instead of giving the job to someone else?" Eventually, the couple did ask Huang Xiu's mother to take care of the baby and paid her 25 yuan RMB a month. The villagers still gossiped about the couple's decision and joked to Huang Xiu's mother: "You are so lucky to earn the money by taking care of your own grandson."

In the village, almost nobody blamed Huang Xiu's mother, who was over 60 years old, for taking money from her son for caring for her own grandson. Some village elders said: "Her sons all earn a lot of cash now, so it is all right to have them give some to the old woman." In fact, the villagers perceived of such a monetary transaction for labor to be normal. In their view, it was logical that labor-exchanges between agricultural peasants and peasant-workers or peasant-entrepreneurs, even those who were relatives within the same household, were conducted as a sale in the market. Such an accepting attitude toward workers and/or entrepreneurs who earned money in such a way was widespread among peasants of the village.

According to local custom, when an old couple in a household, like Huang Erban and his wife, were no longer able to work in the fields (although Huang Erban occasionally still did work in the fields), their sons are supposed to support them. Such support takes one of two forms: the married sons farm for the parents; or the sons give their parents a certain amount of money and let the parents do their own farming. After discussion, the members of the Huang household reached an agreement: the two sons who worked in the factory gave their parents a set sum of money every year; the third son, who worked as a temporary wage worker in Liji market and also engaged in petty commodity production, provided the parents with a smaller amount of money and occasionally worked in his parents' fields; the youngest son, who was unmarried, still lived with his parents and did all the farming for his parents.

This arrangement is indicative of the economic nature of interactions, either inter-family or even intra-family, among Shenquan villagers. Peasants seem willing to adopt monetary, contractual relationships in dealing with peasant-workers and peasant-entrepreneurs because they considered workers and entrepreneurs to be people with cash income as distinct from themselves who were agriculturalists with little cash income.

Monetary transactions have increasingly been appearing in the villagers' economic life, particularly among those who work in the factory. During my field work from 1990 to 1991, the village was experiencing a peak period in the construction of new homes among peasant-entrepreneur and peasant-worker families. Their old thatch-roofed houses, most of which were built before the commune system, were replaced by two-story houses made of brick, concrete, and steel materials. Such new houses were usually

constructed on a contractual basis by a team of peasants rather than through the traditional system of labor exchange between relatives, neighbors, and friends.

The large amount of labor required to build a house--about eight to ten men who must work for two months--apparently made labor exchange less practical than traditionally. Some people complained that the new wave of housing construction made some villagers the wage laborers or employees, xiao gong (little worker), of peasant-entrepreneurs' and peasant-workers' families. Some villagers even likened these xiao gong to the laborers of the landlords of the past. For a long time after the abolition of the landlord class, the hiring of others as laborers was considered a political wrong doing, a reflection of the old pattern of exploitation. "What a life!," one such wage laborer said to me. "Now we have become no more than their xiao gong, and they are our lao ban. Where is the equality?"

Such contractual relationships were, however, considered normal and as the standard way to do business with each other. When Huang Erban's second son was building his new home during my stay in the village, I was surprised to find out that the second son's brother-in-law, who had married his sister one month earlier, headed a team of peasants which was contracted to build his house. Moreover, his brother, the youngest son of the household, joined the construction team as a xiao gong, thereby becoming an employee of his elder brother. I asked other villagers what they thought about such an arrangement and I was told that, in the 1990s, hiring members of your own family or household was not strange. Indeed, Huang Erban's second son said that he would rather hire his brother-in-law than some stranger because he trusted him and thus did not have

to supervise him as often as he would have had to oversee a non-relative. His family also treated the team better by providing them with particularly good meals. This arrangement was apparently a change from old social reciprocity into a new form of labor arrangement in which monetary-based, contractual hiring functioned as the substantial basis and kinship relationships played a supporting role to provide a social environment for cooperation. In Huang Erban second son's case, by this arrangement, the construction team would do an efficient and quality job since the team leader was obliged to do so by both the contract and the kinship relationship between him and the Huang family.

It thus appears that the village's peasant-entrepreneurs and peasant-workers have explicitly fashioned economic interactions, traditionally based on social reciprocity, into monetary and contractual ones. Interviews with workers who were recruited on the basis of their kinship relationship with shareholders, revealed the complexity of such relationships. For example, factory shareholders were, according to the factory's recruitment policy, entitled to have a certain number of employment quotas based on the number of their shares. Those who offered jobs to their relatives would seem to be acting as patrons would to clients because the factory workers' employment was dependent on their largesse.

Yet, the favor they gave to their relatives was not based on an equal relationship. Rather, these patron-client obligations in the 1990s were fashioned into monetary transactions that took three forms. In the first instance, the patron was paid for the "favor" he tendered his client. For example, a peasant-worker, the niece of manager Yang Wu (mentioned earlier), paid the uncle 30 percent of her wages every year because Yang

Wu had given her the opportunity to benefit from his share in giving out factory jobs. The second type of arrangement that existed between shareholders ("patrons") and their relatives who are peasant-workers ("clients") involved payment in kind. For example, a peasant-worker worked on some portion of the shareholding relative's land and gave him the products from the land.

The third way a peasant-workers repaid a patron's favor was to pay their patrons' government agricultural taxes and procurement for their patrons. In such cases, the shareholders' families usually gave some portion of their land to their peasant-worker relatives to farm. Such an arrangement was considered equitable because, on the one hand, peasant-workers had more land to farm and thus were able to pay the tax and the procurement for the patrons' families; on the other hand, the patron families were able to reduce their time spent farming, which they found increasingly burdensome.

THE CHANGE IN FARMING

Many factory managers, sales-persons, and workers considered farming to be a costly venture and an economic sacrifice, and they wanted to farm only as much as was required to produce food for consumption. To produce grain to pay the government's agricultural tax and procurement was, in their view, an encumbrance for two reasons. Agricultural labor produced much less return in terms of economic value than did factory work, and the yearly increase in the cost for agricultural productive materials during the late 1980s and early 1990s made farming less profitable. Thus in 1990-1991, these factory leaders Ma Wen, Xiang Yaoba, and several young sales-persons who worked in

cities most of the time no longer farmed, having given their land to other villagers to farm. Increasing numbers of factory workers gave part of their land to relatives or friends in the village, leaving only that portion of farm land sufficient to feed their families. As in the case of patron-clients, villagers who took over the land, paid the state tax and the procurement on that land.

As the demand for factory products has increased, a conflict between farming and industrial production often has arisen during the busy agricultural seasons when the factory was in urgent need of labor to fulfil its product orders. When the factory first began operations, it allowed peasant-workers to take time off from factory work for a couple of weeks to farm during the agricultural planting and harvesting seasons. Two years later, the factory leaders found this arrangement increasingly difficult to follow because the slowdown in production which accompanied the worker exodus caused the factory to lose large profits. The factory then encouraged workers to farm only after their factory work and permitted workers to take much less time off during the busy agricultural seasons.

As a result, some workers relied heavily on labor exchanges with their relatives to plant and harvest their fields. Others, however, prefer not to maintain such an arrangement for the following reason. In the traditional pattern of labor exchange with relatives or neighbors, the host family had to provide meals for the helpers. In 1990-1991, when peasant-workers had farm helpers, the host family was expected to buy and provide the helpers with liquor or beer (which is more expensive than wine), good cigarettes, and pork and smoked duck or goose, which were the favored foods to

entertain one's relatives and friends. Workers said that the amount they paid for the food and cigarettes averaged about 4 yuan RMB for a person, almost the same amount they paid to wage laborers for working during the busy season. Therefore, if peasant-workers exchanged labor with their relatives rather than working at their factory job, they incurred a double burden: they lost their wages, and they spent money to support a cooperative labor exchange.

Based on their financial calculations, then, more and more peasant-workers and managers usually hired wage laborers who came to Shenquan from mountain areas to plant and harvest during the season. These mountain peasants were able to come down to this area to seek wage labor jobs because they had a different time schedule for planting and harvesting crops, mainly corn and potato. "They are very hard workers and you don't have to buy such expensive meat for them," Huang Xiu told me when he hired mountain laborers to transplant his rice. "They are very easy to deal with. Just pay them money, they cook themselves, and you don't have so much hassle as you do when you call your relatives for help."

Under the economic reform in the 1990s, the hiring of wage labor by private individual families or enterprises was allowed by state policy, even though many people considered it a form of exploitation. Those who hired wage laborers were, thus, reluctant to talk about it publicly, fearing the possible contempt of others. Nonetheless, many peasant-entrepreneurs and peasant-villagers hired wage laborers to do their farming. Indeed, there were several families in the village who even hired wage laborers on an annual basis to work on their land and in the family's petty commodity production. These

families were mainly those of factory managers engaged in both village factory and family commodity production (I will discuss in the following chapter). They justified doing so by telling me how popular such hiring practices generally were in other places as well. At times, I had the feeling that they apparently told me this, not so much to make me understand their behavior but, to persuade themselves that what they were doing was right and moral.

Among the factory workers, managers, and entrepreneurs, the dramatic changes in adopting contractual and monetary exchanges in social economic life to replace traditional reciprocity have induced new ideas diverging from or even in opposition to Maoist collectivism and, also to traditional moral values. But they also, however, also felt uncertainty about how to justify their new labor arrangement based on monetary terms because Maoist collectivism and the traditional value of reciprocity have been so entrenched among some village peasants, who often demand egalitarianism and communal collectivism and still judge these practices by factory workers' and managers' according to Maoist socialism. The traditional pattern of cooperation between relatives and villagers, as well as the long-term institutionalized collectivism under Mao's regime in the past, together, have a very strong residual influence in China's peasants' cultural value system. The process of changing ideology seems always to be slower in responding and adjusting to the new socioeconomic transformation. In Shenquan, as factory workers, managers, and entrepreneurs increasingly have engaged in the market economy and industrial production which then have brought new patterns of social and economic interactions, inevitably, they have encountered conflict with egalitarian socialism of

Maoist political thought, and also with traditional village culture.

Chapter 7:

DIVERSIFICATION IN THE MARKET ECONOMY

The Chinese frequently say, "One stone stirs up a thousand ripples." This phrase refers to the phenomenon of a chain reaction generated by one initial action. In Shenquan, the factory is like that stone, stirring up ripples in the village's economic life.

In 1990-91, the increase in cash income among peasant-entrepreneurs' and peasant-workers' families was a common topic of the conversation among villagers. Other villagers who had nothing to do with the Shennong factory and were comparatively poor then wanted to look for other opportunities to get a better life. The sharp contrast in income between different groups of villagers presented pressure to catch up with Shenquan workers' higher living standard, and introduced a new pattern of life for them to learn, thus, stimulating villagers to diversify their activities and to pursue any opportunities to earn cash income. In my conversation with villagers, I often heard them talking about ways of "finding money," an expression commonly used to indicate the villagers' desire to engage in market activities or commodity production in order to make money. Many peasants asked my advice about how to "find money" in the market.

As a matter of fact, villagers, whether they were peasant-workers, peasant-entrepreneurs, or agriculturalists, all have participated, in one way or another, in the market economy. Nevertheless, different social and economic factors (e.g., cadre status, social networks, family demographic condition, or rural industrial development), have brought about a variety of peasant approaches to participation in the market economy. In

this chapter, I will discuss various forms and patterns of Shenquan villagers' petty commodity production and how different socioeconomic factors influenced their participation in the market economy.

PETTY COMMODITY PRODUCTION

In the late 1980s and early 1990s, a variety of forms of petty commodity production increased among Shenquan villagers. Although villagers' participation in petty commodity production varied on the basis of their socioeconomic condition, involvement in the Shennong factory seems to have been a major variable influencing the way they conducted petty commodity production. In the following, I will describe how this involvement in the factory gives some factory workers and managers an economic advantage to develop their petty commodity production.

One of the major kinds of petty commodity production in Shenquan is the production of a Chinese herb medicine called huang lian (rhizome). This medicine is used to cure diarrhea. There are two types of huang lian produced which involve different kinds of investment, technologies, labor input, and markets. The first is a crude huang lian powder, which is an unrefined product extracted from the roots of a particular herb vegetation. The other is a refined huang lian powder, which is later processed further to make medicine pills.

Huang lian production requires special technology and skill, which only some peasants of this village have acquired as a result of their previous engagement in the village brigade's huang lian producing enterprise. Others have been able to obtain these

assets through relatives or friends. The techniques are relatively sophisticated for local peasants. Selecting raw materials, calculating the amount and percentage of chemical gradients necessary for processing, and soaking raw materials, are complicated and require skill as well as training.

The processing of this Chinese medicine also involves migration. The raw material used is a special kind of plant, Chinese pistachio (villagers call it san ke zhen), which grows only in the mountain areas of counties about a hundred miles from the village. Shenquan petty commodity producers must go to the mountain areas, purchase the plant roots and then transport the roots back home for processing. Some producers set up temporary firms and build facilities in the mountain areas, returning home with the finished product of crude powder ready for sale in the market. In doing so, they reduce the cost of transporting the plant roots. But, such an arrangement means that they must stay in mountain areas away from home for several months, renting rooms in which to live and to produce.

The production of huang lian requires a relatively large capital investment. Usually, then, a few peasant families pool their money and cooperate in production. The large capital investment is attributed to the characteristics of the production process. To start producing crude huang lian powder, a cement pool in which the roots of pistachio can be soaked must be built. The pool is at least ten meters long and two to three meters wide, it accommodates 2,500 kilograms of soaking roots, which produce 13-20 kilograms of crude powder. The yield of crude huang lian powder is about five to eight percent of the total weight of soaking roots used in processing. The initial investment includes the

construction of a facility and the purchase of the plant roots. A cement pool costs about 2,000 yuan RMB while 2,500 kilograms of the plant roots cost about 1,750 yuan RMB, including transportation costs. In addition, a motor pump and some other tools need to be purchased.

The time needed to produce 13-20 kilograms of crude powder is about one month, and it involves several processing steps. The first step is to clean the roots and dry them in the sun, turning the roots over many times to eliminate mildew. Next, the roots are soaked in a cement pool containing a proportion of nitrate to extract huang lian which comes off the roots and sinks to the bottom of the pool. In the third step, the water is pumped from the pool and the huang lian is allowed to solidify. Finally solidified huang lian is removed from the pool, dried, and made into a crude powder. Thus, if a peasant cooperative group wants to produce 50-80 kilograms of crude powder, which is extracted from 10,000 kilograms of roots over a four-month period, at least 15,000 yuan RMB is required to build cement pools and to purchase roots and other materials such as a motor pump, pipes, and nitrate. Obviously, the larger the amount of capital input, the greater the yield and the more efficient is production.

Hang lian production also needs cooperation because of the amount of labor the production process requires. It often requires the labor of more than two people because roots must be purchased in mountain areas and transported home. Generally, most peasant families do not have enough surplus labor to complete all the jobs involved in such petty commodity production.

The market conditions for crude and refined huang lian powder are different. The

market for crude powder is very unstable. Because it is not refined enough to make medicine pills, medicine trade companies, which are all run by the state, will not purchase the crude powder. Only petty commodity producers who make refined huang lian powder purchase it. The production of refined "huang lian" powder requires a large amount of capital investment; even in the initial stage of production process, a large amount of crude powder, which might cost more than ten thousand yuan RMB, is needed in order to have an adequate amount to process properly in refining containers. Producers of refined huang lian are thus usually entrepreneurs, often referred to by the local peasants as "big bosses." Due to the large capital investment required, there were a limited number of refined huang lian producers in Shenquan region. Thus the market for crude powder, in some ways, might be manipulated by those "big bosses." From 1989 to 1991, the price of one kilogram of crude powder fluctuated from 80 to 160 yuan RMB, making the ratio of the demand and supply of "huang lian" change dramatically each year, signaling a very unstable and insecure situation for crude huang lian producers.

There is only one market for the refined huang lian powder, the state-run Chinese medicine trade company, which provides huang lian powder to state-run medicine factories. The demand for refined huang lian powder, thus, is controlled by the government, although the price may be changed each year in accordance with the state plan.

The herb medicine production process links the producers together in a chain of markets. Buyers of unrefined products occupy the top links of the chain. they often grant loans to the crude huang lian producers located in the lower links thereby guaranteeing

enough crude powder for their production. The above arrangement of the herb medicine production enables many producers to become specialized and full-time petty commodity producers. It is also possible for producers to cooperate with each other and form production firms. I will discuss these types of huang lian producers in the following.

TYPES OF HUANG LIAN PRODUCERS

There are both crude huang lian and refined huang lian producers. Different huang lian producers are involved in different production processes and in three different kinds of petty commodity production, having a different impact on the transformation of peasant family economy.

Wage-laborers to Sideline Producers

The first type of huang Lian producers were engaged in production only as a sideline. In other words, their huang lian production was limited in scale and supplementary to agriculture, which remained the main economy of their families. They usually began as short-term wage laborers, working for other petty commodity producers or engaging in small scale petty commodity production in cooperation with their relatives.

Liao jixue, a 34 year old peasant, started huang lian production in 1986. He was then only a wage laborer for other petty commodity production entrepreneurs. He earned four to five yuan a day cleaning, loading and soaking roots in pools. for the past five years, he had worked about four to five months in huang lian production. When the agriculture busy season approached, he returned home to plant and harvest crops. But,

because his family was small (three members including himself) and did not have much land, farming in the busiest agricultural seasons occupied only about one month and a half of his time. As in many peasant families, therefore, his family had organized a division of labor in which his wife took care of the children, the family's animal husbandry, and the crops, while he would often leave the village to look for employment opportunities.

Liao was unable to start huang lian production by himself because he had neither enough money for investment nor the know-how of huang lian production. He worked for three years for others as a wage laborer from 1986 to 1989, gradually learned the skills, and in 1990, having saved some money, he started his firm in cooperation with his "brother"¹ and a neighbor, Xiang Quan. The three participants together invested about 10,000 yuan in the enterprise. Each contributing one-third. Compared to other village huang lian producers, however, their cooperative unit is small in terms of capital invested. Unfortunately, their huang lian production was unsuccessful in 1990 because they made a mistake during the soaking of the vegetation roots by putting in an improper amount of chemicals (i.e., nitrate). If the proportion of nitrate used in soaking is not correct, lesser amount of huang lian powder will be extracted from the roots, causing a loss of money. They lost about one-fifth of their total investment.

The marketing of Chinese medicine was also deteriorating in 1990. As the number of huang lian producers dramatically increased, the price of crude huang lian

¹This person is Liao's patrilineal parallel cousin, in Chinese kinship terminology, patrilineal parallel cousin is still called "brother."

powder plunged from 140 yuan for a kilogram in 1989 to 80-100 yuan in 1990. When Liao sadly talked about his loss, he blamed the "big bosses" who lowered the market price for crude powder. "I worked so hard, but a person can not better one's life with one's labor," he said. "Now there is a saying: 'finding money with money;' that is what those 'big bosses' are doing." Although his tone implied a feeling of powerless, he wanted to try again in 1991, hoping to make up his loss.

Peasant Entrepreneurial Producers

The second type of huang lian producers might be categorized as peasant entrepreneurs. They had relatively large managerial family petty commodity enterprises. In contrast to sideline producers, they were virtually full-time petty commodity producers who managed their enterprises. That is, they were involved in only a few of the production processes, primarily organizing and supervising the work of laborers whom they hired.

Liang Zhide, 56 years old, and his son, Liang Kaiwen, age 22, were peasant-entrepreneur huang lian producers. In 1991, they had been producing huang lian for five years and Liang was probably one of the longest-established huang lian producers in the village. Liang's family includes five members: his wife, three children (the oldest son age 22, a second son age 14, a daughter 16) and himself. During the commune system in the late 1970s, Liang's brother was the Party secretary of the village brigade and Liang Zhide was also a brigade cadre, working in the village enterprise to produce huang lian medicine. After the commune system was abandoned in 1985 and, therefore, the village collective enterprise was closed, Liang, with the technical skills he had learned before,

started his huang lian production family enterprise. Most importantly, he had an amount of money, which he had earned over several years in the village enterprise, to partially cover the initial investment. In addition, because he had connections in the local branch of the state bank (his brother had been the most important village leader and had influential connections with the local government institutions), he was able to obtain loans to invest in production. In the first few years of production, his net income was about 70,000 yuan RMB. By 1990, he had established five production workshops in the Xiaojin mountain areas where he bought the plant roots. In 1989, he had worked together with his son about ten months out of a year in their enterprise producing huang lian.

The five huang lian production workshops the Liang family established in Xiaojin mountain region were dispersed in different areas based on the availability of the type of vegetation roots for huang lian production. Thus, instead of transporting purchased vegetation roots from different areas to one workshop, the roots were processed in those dispersed workshops of the local areas to reduce the cost of the long-distance transportation of plant roots from various places. Consequently, the more expansion they achieved in their huang lian production, the more workshops they established, the greater distance their workshops were dispersed, and the larger the region they had to work in order to purchase enough plant roots to produce huang lian. For each workshop, there was a set of facilities--a cement pool, a motor pump, and so forth. Dispersed workshops certainly could reduce the cost of transportation, yet the expansion of such production would be more difficult in terms of management, operation and transportation. Usually they hired two to four people as long term employees to work in their workshops. During

the busiest times of production, they also hired additional laborers.

The Liangs themselves, had not conducted agricultural work in their field since 1987. The four mu of their family land is managed entirely by Liang Zhide's wife. Most of the important agricultural jobs such as planting rice, oil-seeds, and wheat and harvesting the crops were done by Liang's wife's relatives from within the village or nearby villages. The family sponsored feasts for them with nice food and cigarettes in exchange for their labor. Each year the Liang family needs about forty days of exchange labor to accomplish the crucial agricultural work. The work provided by relatives accounts for nearly half of the agricultural labor necessary to produce food for the Liang family's consumption and grain to pay government taxes and meet procurement quotas. Liang Zhide's wife considered family farming a burden. To reduce this burden, the Liang's family, therefore, subcontracted 2.5 mu--more than one-third of their allocated land--to some other villager, retaining only the minimum amount of land necessary to meet the family's consumption needs. The family which subcontracted the Liang's land assumed responsibility for paying the government taxes and grain procurement quota for the Liang family.

After successfully conducting this business for several years, Liang's family had accumulated about 80,000 yuan RMB and had established four workshops with facilities in the Xiaojin mountain area. In 1990, the family planned to build a new multi-story house. However, as large scale as Liang's petty commodity production is, the threat of an unpredictable market still hangs over the enterprise. It experienced the plunge in market price in 1990. In addition, the family made mistakes processing the roots, which were

different from what they used before in terms of the content of rhizome because the roots used in production had grown in high mountain areas. Nonetheless, although the Liangs incurred a great loss, they wanted to continue huang lian production, hoping to make up their loss in a few years. They did not want to return to agriculture. It seems that, once having embarked on a distant voyage and found themselves in the middle of a torrential river, they could not stop but had to make their frail canoe pass around reefs to reach their destination.

Corporate Groups of Producers

The last category of huang lian producers is made up of a type of entrepreneur who achieved some degree of social and economic power. All had been involved in the village industry and engaged in diverse forms of production and in commerce. In Shenquan, this type of entrepreneur is represented by a corporate group of three families--Liao Zhong, Ye Congwen, and Yin Hua.

All three families own Shennong factory shares and some of their members worked in the factory. For instance, Yin Hua is a shareholder and a factory worker; Ye Congwen is a factory manager in charge of an anti-chemical-erosion team; and Liao Zhong, the secretary of the village branch of the Party, is a shareholder and a factory board member. His wife was also a manager of a workshop connected with the village factory.

In past years, the three families derived stable and fairly large incomes from the industry. Together, in 1988, they invested about 100,000 yuan RMB in huang lian production, 30,000 yuan RMB of which was loaned to them by a local state bank. They

were able to obtain such a large loan because Liao Zhong used his political influence as a leader of the village and his political connections in the xiang government. They produced both crude huang lian and refined huang lian, establishing a workshop for the production of refined powder at Ye Congwen's household, and several workshops for the production of crude huang lian powder in the mountain areas of Xiaojin county.

None of the three investors was engaged in the manual part of production processes. Rather, they hired long-term wage laborers, usually six or eight in a year, whom they organized and supervised. In contrast to sideline producers, their enterprise was distinctly organized to maximize profits in the market.

Their large capital investment allowed them to make profits by producing refined huang lian powder. Prior to 1990, each family of this cooperative group earned about 10,000 to 20,000 yuan RMB profit from huang lian production. In 1990, as a result of the unfortunate market situation, they lost a large amount of investment in their crude powder production but were able to make up some portion of this loss with their refined powder production. In comparison to other huang lian producers in the village, they occupied a more secure position in the industry.

There were four cooperative groups in Shenquan village producing both refined and crude huang lian. All of them, like Liao Zhong's cooperative group, were made up of village cadres, factory managers, and so-called "big bosses" who held managerial positions in, and ran trade firms connected to, the village factory. For example, factory leader Ma Wen's two brothers each has established corporate enterprises in huang lian production. One fact was very clear, village cadres and "big bosses" were more

advantaged than others. They could obtain capital for investment, either by getting loans from the state bank, as Liao Zhong did, or by turning a large profit (which was earned by marketing factory's products in the urban centers) into a capital investment.

Indeed, former and current cadres had good opportunities to be successful in petty commodity production because it was easy for them to obtain loans for investment. Those working in the factory also were able to invest their accumulated cash income in production. Different social, political and economic positions among peasants distinctly affected the achievement of their goals and the scale and type of their petty commodity production. Villagers clearly understood their enterprises as "finding [making] money with money"--analogous to a rolling snowball.

TRADITIONAL SIDELINES IN THE NEW MARKET ECONOMY

In addition to huang lian production, some villagers engaged in market activities that reflected traditional peasant commodity economic activities such as handicraft production. One popular kind of handicraft production was the plaiting of hats and teacup mats by women using a kind of thread processed from palm leaves.

In Shenquan, quite a few women engaged in plaiting crafts at home. Plaiting needs special skills which women usually learn from their relatives or friends in the village or neighborhood. Because plaiting hats or teacup mats does not need any tools or a large capital investment, once a woman has learned the skills she can very easily start her own handicraft production. Yet a great difference still exists among such handicraft producers. Some skilled women could make as many as three times more craft items than

could others.

The plaiting of handicraft items relies on rural markets and involves a chain of trade in local areas. The commodity links together peasant suppliers of palm leaves, vendors, peasant-artisans of different regions, and different levels of rural markets.

The materials used for plaiting are processed from palm leaves grown in mountain areas about 15 miles north of the village. Usually, peasants of mountain areas sell their palm leaves in their local markets to peasant peddlers who then sell them at markets in different places. After buying palm leaves at the mountain markets, peasant peddlers first process the leaves: soaking, drying, and slicing them into narrow threads. They then sell these threads at markets in the plain areas to peasants who engage in plaiting. The finished products: hats, teacup mats, or other types of plaited crafts, then are sent on to a higher level market, which is either an intermediate or a central market where big merchants or cooperative companies purchase these products in bulk. Because such hats or teacup mats are highly valued, these merchants or companies will sell the products in cities or even export them.

The economic factors such as labor, capital, and market involved in plaiting production are distinctive. The women plaiters of Shenquan usually go to the local periodic market--Liji Chang to buy palm-leave threads. With one pound of threads, which cost 1.5 to 2 yuan in the local market, a plaiter can make four to five hats or 100 teacup mats. Depending on quality and design, one hat is sold in the market for four to six yuan while one teacup mat sells for 0.15 to 0.20 yuan. In Shenquan, some skilled women plaiters can make a hat in 1.5 days; slower plaiters have to spend three or more

days to make a hat. I found that an average woman plaiter in Shenquan could earn only about two yuan a day plaiting hats. The income derived from making teacup mats is not much different. A plaiter can make about 20 teacup mats a day, because the skill of making teacup mats is slightly simpler than making hats.

Because the income from plaiting is generally low, many peasant plaiters do not take this work seriously. Woman plaiters only plaited hats or teacup mats during the off-season of agricultural production. They plaited because they have no alternative work to do, although their daily house chores occupied them even during the slack agricultural season. Cooking meals, feeding pigs, chicken and geese, and taking care of small children often interrupted their plaiting work. Village women are able to plait for approximately seven months during a year. Yet, in terms of real working time, about a half of the women plaiters did plaiting less than 100 days annually.

In this local region, the intermediate market of Xinfan town, about five miles away from Shenquan to the south, is well known for its hat market. Several individual merchants, who rose from the peasant class and lower classes in urban areas during the course of economic reform, in addition, a State Handicraft Company, set up special shops in this market to buy plaited handicrafts from local peasant-artisans. The products go to urban markets through both state and private commercial networks. This periodic market is open on every other day. Shenquan women plaiters usually travel once a week or once every two weeks on bicycles to this market to sell their products.

A few men in Shenquan plaited bamboo baskets, containers, and tools. They sold the products at the Peng county town market. Some of them also worked as temporary

wage artisans plaiting baskets for peasant households in local area villages. Like plaiting hats and teacup mats, the plaiting of bamboo baskets was also involved in local market networks. Unlike hat or teacup mat plaiters, however, basket plaiters had to go to remote markets to purchase bamboo materials as well as to sell their products. In this region, a special market for bamboo products and materials is located in Peng county town, about seven miles north of the village.

Peasant plaiters were involved in a very short-term cycle of production and marketing. They produced piece by piece at home and sold piece by piece at local markets. This situation made their petty commodity production inefficient. The expenses for frequent travel to markets to sell their products often reduced the earnings from production.

Some lucky ones, such as a peasant named Jing, through personal "guanxi,"² contracted with a factory to supply bamboo baskets for packing products. Jing, therefore, was able to get long-term orders and a higher than average market price for his products. A conversation with Jing indicated the process of the plaiter's participation in such petty commodity production. I started the conversation by asking him how he liked the job, and he replied by minimizing its significance.

Jing: This is just for making money to buy me some cigarettes.³ I had no "job." I had no kinship relationship to get me into the village factory. So I found an old friend in a factory in Peng County and he helped me to get this job to plait baskets for his factory to pack up factory products.

²guanxi refers to any social relationship of one's social network.

³Local peasants commonly use the phrase "the money for my cigarettes" to indicate that the amount of money is insignificant.

- Yang: Do you get these bamboo materials from your land?
- Jing: No. You know there is no bamboo grown in local areas. I mean, the local plain bamboo are no good for plaiting crafts. I have to go more than 35 li [about 10 miles] to the mountain areas to the north to purchase bamboo. Those bamboo are grown through cold winters in mountains and, therefore, are very strong for making baskets. I bought them from there, paid tax, and then I had to transport the bamboo on my wheelbarrow back to the village. It is very hard work.
- Yang: Have you gotten a long term contract with the factory?
- Jing: Oh, Yea, kind of. They need about two hundred baskets a month. I got the contract with my friend's help. Everything depends on guanxi in this society. If I didn't have this guanxi, the factory would not buy baskets from me, even if I can make very good baskets.

When I asked him about earnings from the plaiting of baskets, he told me: "I have my nephew assist me at home. Each time I bring back about 700 to 900 hundred jin⁴ of bamboo home. Each basket is made with six jin of bamboo. For a full day's work, we are able to complete about six or seven baskets and earn 6-10 yuan RMB all together. I just earn some Gongfu (labor work) money. It is our responsibility to transport the baskets to the factory."

The sideline production such as the plaiting of hats and baskets is limited in scale without wage labor employment. In Shenquan, no one took plaiting as an occupation because the earnings from it could not sufficiently support a peasant family's consumption. Shenquan peasants involved in the plaiting of hats and baskets basically intended to make some money to supplement family consumption and agricultural production.

⁴Two jin equal one kilogram.

PEASANTS IN THE RURAL MARKET

Peasants in Sichuan province have had a long tradition of participation in rural markets. William Skinner (1964, 1965) describes well-organized periodic rural markets and the pattern of peasant participation in rural markets in Sichuan prior to the rural collectivization campaign in the early 1950s. He found that at least one member of a peasant family attended a rural market on the days it was open (Skinner 1964:19).

Liji chang, the local periodic market, is about two miles away from the village. The local word chang means a marketing place. A big chang could be a small town. Usually, a chang also incorporates the local district administration, such as the xiang or township government. Additionally, a chang includes stores, middle schools, local clinics, banks, and other governmental offices. According to the local record, Liji chang has been a local trading center for about fifty years. Until the Great Leap Forward in 1958, Liji chang operated on a three-per-xun (a xun = 10 days) scheduling system, that is, the market was open three days per ten-day period, and every day within a month that included the numbers two, five, or eight was a market day. The scheduling system of market days met the peasants' need for transaction and for social interplay fairly well.

After the establishment of the commune system, the government instituted new policies to restrict peasant involvement in the market economy, reducing local periodic markets from three days to only one day for every ten days. Moreover, even during the market day, local markets were allowed to be open only in the evening. In the view of government policy makers, the market economy would encourage peasants to be

individualistic and to engage in money seeking activities which were detrimental to the establishment of the collective commune system. The market economy was associated with dishonesty, cheating, exploitation, and selfishness, and was thought to be the essence of capitalism. The restriction on peasant participation in the rural market also reflected the government's attempt to mobilize peasants to work full time for their commune's production.

In 1990, many villagers still refrained from talking about their market activities--a fear created by past experiences under the commune system. For example, during a conversation I had with Xiang Kun, a peasant and a carpenter, he asked: "How could you be so sure that the today's policy will be all right in the future? I really don't know if we will be allowed to make money in the market and never be criticized. I sometimes still have terrible dreams about being criticized in the commune public meetings for 'doing capitalist behaviors'."

It is true that villagers retain doubts about the continuation of economic reform policies. Nevertheless, market activities, have dramatically increased among villagers. As a result of the government's rural reform, the local market structure has been reorganized and enlarged, creating new patterns of transaction networks.

Since the reform in the early 1980s, the markets around Shenquan area have formed a commercial network in which each market plays a special role in satisfying certain needs of the local peasants. For instances, to the north of the village, Peng county market town has set up a large trade center where peasants can buy and sell large amounts of vegetables, fruits, potatoes, and poultry such as chicks, ducklings, goslings.

Peng county town also has a trade center where tools made of bamboo and wood are sold. To the south of the village, Xinfan market offers a variety of metal tools, kitchenware, textiles, shoes, and handicraft products (such as plaited hats and teacup mats). There is also a newly-established small market, Wanjia, which Shenquan villagers often attend; it is the east of the village about three miles away. Though Wanjia is comparatively small, is located within a village, and is connected to Shenquan by only a narrow road, it is the only local market where Shenquan villagers can buy piglets and water buffaloes.

Market specialization reflects variations in commodity production and in natural resources and has created a differential price range for products. Several Shenquan villagers have taken advantage of such price differences by becoming itinerant peddlers, buying cheap in one market and selling at higher prices, in another. Their commercial route starts in Shenquan, goes northward to Peng county market, where they buy cheap chicks, ducklings, or potatoes, turns southward to Xinfan market, where they sell these goods at higher prices, and finally winds back home, with 10-30 yuan of profit for each journey. The itinerary takes peddlers about 30 miles and they usually complete the journey within one day, using bicycles, equipped with two large bamboo baskets on the sides as carriers for transportation.

Peddling is no doubt very difficult and exhausting work. But Shenquan peddlers were able to make a good amount of money (ranging from 2,000 to 6,000 yuan RMB) each year by engaging in trade eight to ten months a year. They are the only villagers who have not engaged in the village industry, but they still have been able to build new

houses, making them very proud of their commercial involvement.

The daily life of Shenquan villagers in 1990 was linked with local markets more closely than it had been since the rural economic reform in the early 1980s. Nevertheless, although local markets were the site for the purchase and sale of a variety of products and services during the time of my field work, the grain market was very limited, primarily for two reasons. First, because the government provided rationed grain food at a subsidized low price to urban dwellers, peasants only traded grain in the rural market. Second, most villagers had little interest in selling grain, because the grain price was too low to make any profit.

MIGRATING WAGE LABORERS

Since 1988, more than about 20 young male Shenquan villagers have joined in a nationwide, stream of labor, migrating from rural villages to cities looking for employment. The new economic boom of construction in China's cities in the 1980s attracted many surplus rural laborers into cities. But the migration of rural peasants is not the same phenomenon as that which occurred in many other developing countries. China has rigidly controlled population movement by measures as varied as rationed food provisions, an urban housing allocation system, and a household registration system. Migrant peasants can work only temporarily in cities and are not allowed to reside permanently in cities. In China, generally, these migrant peasant wage laborers are referred to as migrant peasant-workers (liu dong nong min gong ren).

Shenquan migrants oscillated between their villages and working places. Usually,

they returned to the village during the agricultural busy seasons to plant and harvest crops. However, in 1990 and 1991, Shenquan migrant peasant-workers went as far as Canton to participate in the construction of a nuclear power station. They thus did not return to the village for family farming because it took too much time to make the round trip, and the trip cost too much. Indeed, some unmarried migrant peasant-workers returned home only once every two or three years. Married migrant peasant-workers, in contrast, usually returned once a year for a family reunion during the Spring Festival, a Chinese holiday season.

Peasant-workers considered earnings from urban employment to be very attractive because they usually were three or four times the average income earned from farming. Indeed, the villagers believed that wages from city jobs have greatly improved family economic conditions by bringing new urban consumer goods back to their homes.

A peasant has to receive an official certificate from the local xiang government to go to cities for employment. Migrant workers also have to be affiliated with an existing urban construction team. The story of one Shenquan migrant peasant-worker, Huang Yun, exemplifies the general experiences of migrant workers. Huang Yun is Huang Erban's (see chapter six about the Huang family) third son. He first went to the city in 1986 when he was just 17. Initially, he was introduced by his uncle to a worker in a construction company and became the worker's apprentice. He reported that peasants commonly establish a master-apprentice relationship in a construction work organization in order to be able to work in cities. The company for which Huang Yuan worked then went to Beijing to participate in large construction projects, such as building hotels and

office buildings. For three years he returned to the village during some busy agricultural seasons to help his family in farming. Then, in the spring of 1989, he wed a local girl, in a marriage basically arranged by his parents with his approval of the bride who was introduced to him earlier by his relative. A year later, he returned to the village permanently because his wife, who had remained in Shenquan to farm, had a baby, he thus had to take charge of family farming while his wife nursed and cared for the baby at home.

Huang Yun was able to accumulate money working in cities. In 1990, in cooperation with one of his friends in Shenquan village, he started a petty commodity enterprise making sorghum wine, which enjoyed a good market among local peasants. Together they invested 5,000 yuan to set up a small distillery facility, a stove, and so forth in his courtyard. Huang Yun's example is not an exception. Many returned migrant peasant-workers have developed, one way or another, enterprises producing petty commodities in their households, thereby stimulating economic diversification in the village.

Returned migratory workers also became skilled construction workers, who were much in demand by local peasants who wanted to build their new houses. Other returned peasant-workers have been employed by a construction team which has been building workshops for the village factory.

In 1990-1991, Shenquan migrant peasant-workers numbered 23 from 22 families, and they were from eight percent of the total families in the village. Family demographic factors, such as the birth of a child or the care of an elder continually pulled some

migrant peasant-workers out of urban employment and pushed them into family farming. Perhaps because they were aware of the instability of such employment, none of Shenquan migrant peasant-workers have completely given up their family land. Some young migrant peasant-workers temporarily loaned a part of their land to their fathers or close relatives to reduce their wives' agricultural work load. My interviews with migrant peasant-workers revealed that none of them really expected to become permanent employees in cities. Nowadays, the phenomenon of migrating to urban centers for employment and returning from the urban employment have all become frequent occurrences in village's economic life.

PEASANTS OF THE LAND

In Shenquan, about seventy families, less than one-third of the total of village families, still rely on agricultural production to live. In my interviews with 115 Shenquan families, only 32 (28%) derived four-fifth (80%) of their income from agricultural production. The only cash income in these families comes from their family's traditional animal husbandry: the raising of hogs, chicken, and ducks.

Why have these peasants never thought to migrate for urban employment, engage in petty commodity production, or seek wage labor opportunities in the local areas? I repeatedly asked this question in my interviews. Most villagers responded to my question by saying that they did not have "sources," that is, guanxi, personal connections. A person needs to have a social relationship to acquire opportunities to participate in petty commodity production or urban wage labor employment. For example, when a peasant

migrates for urban employment, he requires help from a social relationship to be able affiliate with working organizations, to establish a master-apprentice relationship, and to get official approval.

Some peasants believed that without proper guanxi, they would be cheated by others when they went into the society outside. Many others said that they really could develop some kinds of petty commodity production if they had had enough initial capital to invest. It is also true that most of the peasants who relied on agricultural production for a living had very few relatives or guanxi with people to whom they could turn for help.

I also found that some Shenquan peasants did not engage in employment as wage laborers outside the village due to demographic factors. In Shenquan, peasants over age 45 rarely went to cities to look for employment. These peasant families either had two or three children, usually attending school; such large families have had plenty of household chores to do and a relatively large amount of land to farm. Often, these families have to take care of one or two older parents, who might live separately from them. A peasant laborer in such families had more work to do than peasant laborer in small families.

Agricultural peasant families felt very frustrated about their family economies in comparison to those of newly rich villagers. Agricultural incomes had stagnated primarily due on the one hand, to dramatic increases in government taxes, grain procurement quotas, and in the price of productive materials, and on the other hand, to the stabilizing of the low price of grain in the market. Shenquan peasants have had to pay one fifth of their grain yield to the state for taxes and grain procurement. Moreover, the government

pays only one third of the market price for the grain it procures. The market price for grain is not profitable to peasants because grain demand in the market is limited due to the government subsidized grain supply to urban residents. The small commercial potential for grain, thus has not stimulated peasant farming beyond the level of production for family consumption. Yet, for peasants, cultivating the fields provided them with the most stable family economy. "We only can earn some honest money and secure our food from the fields," is how they put it. Saying this, however, was not just meant to convey to me their decision to farm. They also said this to assuage their own feelings of sadness for "being unemployed." For peasants, only those cash earning jobs are real employment. In their speeches, a peasant farmer is a person without a "job." Actually, many of peasants "picked up" the land which peasant-workers' or peasant-entrepreneurs' families "threw out." By farming more than their own allocated land, they could make use of their surplus labor while increasing their families' income, regardless of how marginal their return on labor.

Peasant families also engaged in traditional sidelines, primarily, the raising of hogs. During the commune system, the raising of hogs became difficult because hogs competed with humans for food, which was already in short supply. Thus, a peasant family could raise only one hog a year. After the rural economic reform in 1980, with increasing grain yields, Shenquan villagers expanded the raising of hogs. A farming family of four members could raise three or four pigs each year, and the sale of these pigs seemed to bring a considerable income to a peasant family. Nevertheless, not every peasant family raised pigs. In Shenquan, the characteristics of those raising pigs varied

by families: i.e., based on their different economic structures. In the following, I will explain these differences.

Shenquan families which depend on farming for a living raised pigs basically following the traditional pattern: they fed pigs the left-over and the vegetation they collect from the fields. Occasionally they might purchase corn or pig feed, but most could not afford to buy much pig feed. Thus, it took a long time to fatten pigs for market. In terms of labor input and costs (buying piglets and feed), peasants made little profit from raising pigs, although they did get fertilizer from them. Those peasants doing so usually said that they simply did not calculate their own labor. They likened the raising of pigs just to putting small money into a saving pot and finally collecting a big amount of cash.

The raising of pigs in the few peasant-worker families which did this was different. They invested in pigs as a form of petty commodity production, feeding the pigs with purchased pig feed, thus enabling their pigs to grow twice as fast as pigs raised by peasant families. In doing so, they could raise and sell four pigs every four or five months, thus giving them total sales of 10-12 pigs in a year. The raising of pigs by these families was a sideline which generated a profit for the family economy.

DEMOGRAPHIC DIFFERENTIALS IN THE MARKET ECONOMY

Shenquan villagers all feel compelled to seek out opportunities to engage in commodity production or commercial activities. They have no intention of shunning the market. Their different positions in market or commodity production, indicate not so

much a difference in their attitudes toward commodity production or to the market as the difference in social, political and demographic conditions within which they are located.

In addition to political position, social networks, or kinship relationships, demographic factors such as family size and cycle have had an important and different impact on villagers' involvement in the commodity economy. In Shenquan, large peasant families which include many laborers are more likely than small families to deploy some members into commodity production, either as independent producers or as wage laborers. This does not mean, however, that a large family necessarily has more possibility than a small families to engage in the commodity and market economy, as one Chinese study suggests (Zhao, 1987). Some small-sized nuclear families (of two or three members) which do not have children under seven years of age, also have arranged for one family member to participate in petty commodity production or in wage labor. In contrast, some families which have new-born babies have to withdraw family members from petty commodity production or wage employment. When the family enters this stage, both parents have to stay home to both take care of their baby and the family farming. Therefore, the cycle of family development and the family's particular stage provide various demographic conditions either to promote or to hinder peasants' involvement in the commodity production and the market economy.

THE MARKET ECONOMY AND PEASANT DIVERSIFICATION

By 1991, Shenquan villagers had diversified their economic production by involving themselves in non-agricultural commodity production or market transactions,

within and outside the village or even the local region. Participation in the market, generally, was an established feature of the peasant family economy. But, in Shenquan, market participation by villagers did not mean the same thing or brought about similar effects for all villager families.

For those whose farming remained the primary source of family living, market participation was merely a supplement to the family agricultural economy, a channel through which the self-employment of surplus labor was intensified, and an additional means for reassuring the family subsistence. Their participation in the market economy did not change the basic economic structure of family subsistence, which dominated these families' agricultural farming activities. In such an economic pattern, a family might sometimes promote the employment of some family members as wage laborers, or market a portion of its produce for the security of family consumption itself. But such families would be incapable of stabilizing or expanding their families' involvement in the market.

For those whose agricultural production remained only a small portion of family economy like a "gardening work," investment and participation in the market economy had led them into a new developmental pattern: rural entrepreneurial economy. That is, they participated in the production and management of petty commodity enterprises, which were owned either by individual families or by corporate groups of families. Therefore, in the face of newly-emerging market factors such as market competition, market demand/supply relation, and market value of labor, they were advantageous to maximize their labor value and investment in the market economy. They begun to place a

major part of their family economy into a market economic structure.

Chapter 8:

INEQUALITY AND IDEOLOGICAL CONFLICT

ECONOMIC INEQUALITY

Economic inequality in the village has become greater as the villagers' productive activities have increasingly diversified. Family incomes have become highly differentiated. This economic inequality in Shenquan seems to be a logical consequence of the village's economic development, particularly, the development of rural industry and petty commodity production.

Primarily, we have to attribute this inequality among peasants to the new incentive system and the process of privatization introduced by the government's rural economic reform. Inequality was a highly sensitive issue for the government in the past. During the Commune period, the Shenquan cadres were often under strong pressure from the government policies to prevent income inequality among Commune members. In the 1970s, the government called for learning from Dazai, promoting Dazai's distribution system which put a roof on the upward spiral of peasants' income and thus minimizing the gap between different levels of income. Since the late 1980s, however, the government shied away from intervening in the growing inequality as it did earlier,¹ rather, it allowed the private enterprises to develop, individually-conducted commodity production to expand, and the market trade to flourish. The incentives of the economic reform thus

¹See David Zweig "Peasants, Ideology, and New Incentive Systems: Jiangsu Province, 1978-1981" in *Chinese Rural Development*, ed. Parish, William L, 1985, pp. 141-163.

encourage the distribution of income according to individual economic achievements in agriculture and commodity production. The rich peasants were admired for their achievements and held up as examples for the others to follow. In the view of the government, economic inequality is no longer considered a social problem, rather, it is to create an incentive system for peasants.

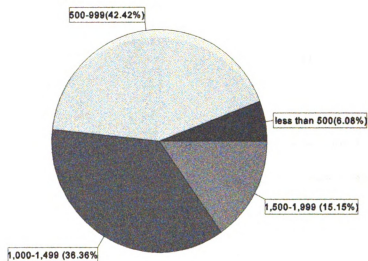
In Shenquan village, the annual income of peasant-entrepreneurs and salespersons working in cities, could be several tens of times higher than these of the families of ordinary villagers. In 1990, the highest paid villager in Shenquan received 13,000 annually, or about 50,000 yuan for the family, while the lowest paid peasant in village earned less than 400 yuan annually, little more than 1,100 yuan for the family.

In general, differences in family incomes are due to variations in occupation, and peasant families who are involved in rural industry and petty commodity production earn more than do peasant families who engage in only agriculture (See Chart 4, 5, and 6).

Income differentials also correlate with stage in the family life cycle, and those families at the beginning and end of their family life cycle are situated in the lowest income level: Domestic units near the beginning of the family life cycle have small incomes because, having new-born babies and, sometimes, dependent parents or grandparents as well, they have negative labor/consumer ratio; units at the end of the family life cycle, having few laborers, must depend on the support of their children for income. In contrast, families in the middle of the family life cycle, with grown-up children who provide additional labor power in family production are able to earn more

Chart 5: Percentage of Each Income Group Among Agricultural Villager Families in Shenquan in 1990

**Annual Per Capita Income in Shenquan
Agricultural Villager Families**



Amounts in RMB

N=33 families

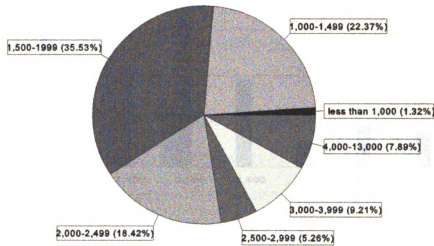
Mean=990

Std. Div.=368

Median=975

Chart 6: Percentage of Each Income Group among Peasant Worker/Entrepreneur Families in Shenquan in 1990

**Annual Per Capita Income in Shenquan
Peasant-Worker/Entrepreneur Families**



Amounts in RMB

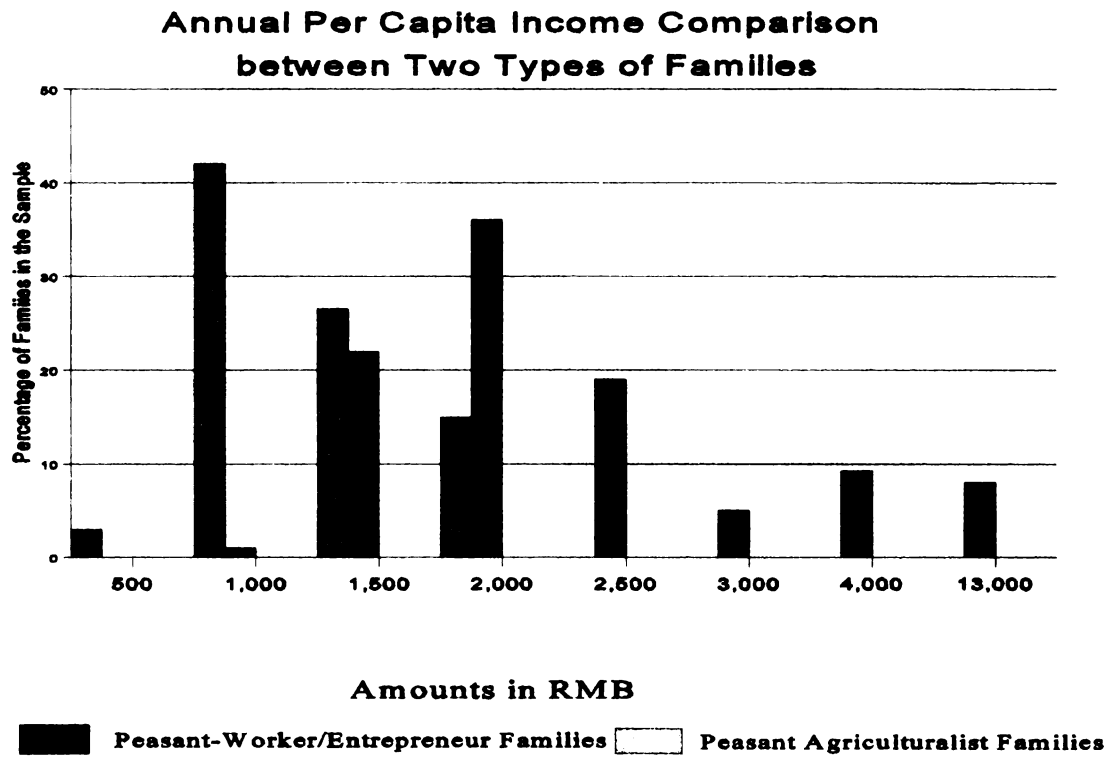
N=76 Families

Mean=2,237

Std. Div.=1,511

Median=1,750

Chart 7: Annual Per Capita Income Comparison Between Peasant Agriculturalist Families and Peasant-Worker/Entrepreneur Families



income. Stage in the family life cycle, however, is not in itself a determinant of income. Rather, location in the market economy shapes a family's income level at points in the family life-cycle in different ways.

Indeed, I found that families with adolescent/adult children (over 15 years old) who were sent to work in the wage labor market outside the village, or, involved in petty commodity production usually earned about 1,100 to 1,500 RMB per capita in 1990, while those families without such productive members earned only about 600 to 1,000 RMB per capita in the same year.

My survey of six Shenquan families also indicated that those with adolescent/adult children who engaged in conducting agriculture only earned approximately the same income compared to families with new born babies. My findings also show that, after the birth of children, the division of labor within a family was likely to change, causing dramatic drop in income. For example, from the mid 1980s till the late 1980s, families such as these would have at least one family member, often, the husband who worked as a wage laborer in a market town or city before the new babies were born. They could earn as much as 1,500 to 2,000 RMB per capita a year. But after they had new babies and then those wage laborers had to come back home to farm their yearly per capita income then dropped to about 500 or 600 RMB in 1990.

The high income among peasant-entrepreneurs and peasant-workers provided a new life style. Factory workers, particularly women workers, liked to dress in urban style, for example, in high heel leather shoes, colorful skirts and sweaters. Managers and clerks who worked in factory offices also liked to dress in city fashion donning Western style

suits and ties. My informant, Xiang Shengfeng, a former cadre and factory manager, told me that for young women in the past, every one just had one sweater, which she wore only when she was visiting relatives. For young factory women workers now, each might have several colorful sweaters and wear them all the time, at work or off work.

I was surprised to see those young women and men getting their hair permed. Every day, some young men and women came to have their hair done at the Shenquan village barber shop. It was run by a young man from a neighboring village, who had learned the skill and earned a certificate from a barber training class in Chengdu city. When I asked him how often villagers came to get their hair done, he reported that most of the factory young women workers had their hair permed once every three months while factory managers and salespersons who often went out to cities usually had their hair styled once a week. "Many old folks often accuse us young men and girls for dressing up too colorfully, making up and going to markets too often. They think that we are too showoffy, too wild, and immoral." Young men and women often laughed at those old villagers for their ignorance about city life and people of the outside society. "They just have no social knowledge." The word "social knowledge" (she hui zhi shi) can refer to a number of things: a way of making connections with people outside the village, or talking to outsiders/urbanites, or information about new fashions from the outside, and so on.

In the summer of 1991, there were three China-made mini-vans in Shenquan which were owned by two factory managers and one entrepreneur engaged in huang lian production. There were also ten motorcycles, most of which were imported from Japan

and owned by peasant-workers, factory managers, and factory salespersons. Some villagers satirically referred to those motorcycle owners as "those smoking from ass." The words seemed to reflect these villagers' envy of their wealth. In the region, cars, mini-vans, and motorcycle were symbols of one's economic wealth as well as symbols of their owners' entrepreneurial identification, about 90% of these motorcycle owners in the region conducted a business or produced for market rather than subsisting on agriculture.

Perhaps though, the item which most differentiated rich from poor villagers was their housing. While some rich peasant-entrepreneurs were building two or even three-storied houses and water towers to provide running water inside the houses, many ordinary peasant families continued to live in old, earthen and thatch-roofed houses. This sign of inequality sporadically rankled many agricultural villagers. According to my statistics, up to the summer of 1991, 53 out of the total 92 (or 65%) of peasant-workers and peasant-entrepreneurs in the village had built new houses while 18 out of the total 61 (or 20-25%) peasant families I interviewed still lived in their old shabby houses.

This phenomenon stimulates some villagers who have not been involved in the factory to seek to make money. One villager, Wei Biao, who sold chicks, ducklings, and potatoes between Peng and Xinfan markets told me, "My wife and I feel more pressure now to build a new house for the family, to work hard and earn more money, not just for us, but for our son. When he gets married in the future, he can have a new house. Otherwise, if he does not have one, whose daughter wants to move into our old earthen house? Or our son might marry into his wife's new house. You know now, every family has one child. If you don't have a new house for him, you might not be able to get him to

stay in your house." Wei Biao, therefore, engaged in trade so as to be able to earn a considerable amount of money. Eventually, he built his new two-story house and while it was not as nice as those of peasant-entrepreneurs, he was very proud of his achievement.

This sharp contrast in the villagers' housing condition leads to resentment. Particularly resented is the fact that these main factory managers who hold more than two factory shares each now has two estates: new houses built in their old courtyards and apartments allotted to them by the factory. One angry villager talked to me about the housing situation, saying, "They are like old emperors, to have cottages in one place, and also to have the palace in another place."

The homes of peasant-workers are filled with new consumer goods such as TV sets, electric fans and radio/cassette players as well as urban style furniture--sofa, new style of beds with soft mattress. By the summer of 1991, 67 (80%) peasant-worker and peasant-entrepreneur families had black and white TV sets and several peasant-entrepreneur families had color TV sets; in addition another 34 families, which included petty commodity producers or migrating wage laborers, had black and white TV sets. In contrast, only four (5%) peasant families living on agriculture had black and white TV sets. In the evening, I often saw many poor peasant villagers watching TV in a village teahouse.

In the village, young men and women often enjoyed listening to music and songs from Taiwan and Hong Kong. Entering the new decade, some young workers have begun to learn dancing, then the most popular entertainment among young people in urban cities. The factory built a "Cultural Garden" to provide a ball court for both dancing and

sports activities for the workers in leisure time. Seldom did non-factory villagers participate in such activities. As their living conditions improved and moved toward the urban standard of living, Shenquan peasant-workers and peasant-entrepreneurs were proudly changing their lifestyle to simulate that of the urban way of life.

IDEOLOGICAL MATRIX

Shenquan villagers often are faced with questions from others, and also their own, about why some villagers have become so rich while others have remained so poor. In the face of rapid socioeconomic change in the village, the great inequality in wealth inevitably becomes a topic of conversation for many villagers. In response to the question, shareholders often attributed their "wealth" to their initial move to participate in the village factory and their courageousness in investing money in the factory. They often accused other peasants of being narrow-minded and timid about making money in non-agricultural business. A typical response from a factory shareholder is as follows: I was really looking for any chance to do some business other than agriculture at the time when the factory was about to start. I thought, I had already become very poor, and now why not find some other way to make money? So, when I heard the news that teacher Ma wanted to start a village factory, I collected every cent I had and also borrowed some money from my sister-in-law, and I put the money into the factory. Now some people are jealous of me as a shareholder of the factory, but why did they not put their money in the factory at the time? Some villagers just had no guts to do any business. They thought too much about losing money in the factory. I know some villagers really had money at the

time, but they dared not to put it in.

The person who said those words was one of the "big bosses," as villagers called them. He had a firm in a city where the factory's products were sold. When talking about his involvement in the factory, often, he sounded like a real merchant in speaking about necessary "risk-taking" in doing business.

A second explanation for the growing differentiation in the village was offered by entrepreneurs who had family enterprises in which huang lian was produced. In their view, they worked hard to learn the skills of this commodity production and thus, had been able to expand their enterprises. A representative response was provided by an entrepreneur who reported:

Without skills for doing these fu ye² [sideline production], you cannot get rich nowadays in the countryside. We made bad products and lost some our money before because we did not have good technologies, but we kept trying harder to learn the skills and technologies from other people. Some of our villagers are just not willing to learn these new skills to do some fu ye. They do not want to try something new but only grow crops. How can you earn cash by only growing crops?

Yet another explanation for inequality in the village came from some young salespersons of the village factory. They emphasized the importance of "social knowledge," by which they meant the knowledge of doing things and dealing with the people outside of villages. One informant said,

In today's society, if you want to make money, you have to have the knowledge of the "society." Otherwise you do not know how to talk to the people outside the countryside, you look dumb in cities and worst of all, you cannot make any

²Peasants are accustomed to using the word "fu ye" to refer to any cash-earning production other than agriculture. The term was often used in the period of the Commune system to make such a distinction.

connection with the people there. Nobody wants to hire you or to do any business with you. We have experienced various kinds of things in these years. Look at some peasants in our village, they just don't know how to do things outside.

The salesperson who told me this also told me many stories about how he made connections with officials and tax collectors in cities, and how he often sent gifts to people important to his business. In sum, his "social knowledge" enabled him to establish guan xi (connection) networks outside the village.

Many peasant-workers and managers of the factory also attributed some poor villagers' condition to their laziness and their work habits so, in their view, some villagers eschewed factory work because they disliked the idea of being disciplined and of adhering to a schedule. The following excerpt from my field notes is representative of this reasoning.

Some villagers only like to work when they want to work but do not like to work at fixed hours in the factory or in the cities to sell the merchandise. They think that factory work is not free. They like to spend a lot of time in teahouses, playing cards and enjoying their leisure time. That way of life has to be changed, otherwise, one will always end up with the poor life.

When asked about their new occupations as factory employees, most peasant-workers, salespersons, and managers denied that they were socially and economically different from other peasants in the village. A typical response to this question follows:

We are still peasants. Now we are doing different jobs in the village. If our factory work ends sometime in the future, then we will return to plowing land. Right now, we just have a different division of labor in the village. Actually, some peasants working on the land also make a lot of money by growing cash crops and herbs.

One factory salesperson expanded on this logic by saying:

Our homes are still in the village. Even if we go out to sell our products in urban department stores, we are still regarded as peasants. Our jobs in the factory or in cities are not permanent occupations.

Villagers who worked full-time in the factory or in cities were reluctant to recognize the social differentiation which existed between themselves and other villagers, even though they often attempted to show their new style of life and higher standard of living among the villagers. Yet, in speaking about the social differentiation and economic inequality, they tended to minimize such a new and emerging phenomenon in the village.

Villagers who have acquired new social and economic status by involving themselves in rural industry and petty commodity production are likely to attribute different socioeconomic conditions to the differences in ideologies and mentalities among villagers, as some of the quotes offered above suggest. In conversations with village cadres and factory managers, it was very apparent that, in their view, the poor condition of villagers was the result of their backward ideology. According to the secretary of the Party branch, Liao Zhong, changing the villagers' old mentality and ideology was crucial for improving their economic condition.

Our Party already laid down a good policy for the peasant to achieve economic prosperity. Birds were sent out of the cage to fly, but some fly well and some just do not fly. Some peasants still want to rely on the village cadres to arrange work for them. They are afraid of the market economy. We have to teach them to get rid of the old thought, the old way of production and to start commodity production. Don't just be jealous of others.

Factory leaders spoke of their disappointment over some villagers' envy of their wealth. These rich entrepreneurs said that they tried to benefit as many villagers as possible by expanding the factory's production. In their view, they have contributed to the village's development by helping many villagers in social welfare and schooling. It is not they but the villagers themselves who are at the root of their poverty. "Their envy hinders their initiative to find some opportunities in the market for themselves," one manager

remarked.

Villagers who have little involvement in the village factory and in petty commodity production, however, made quite different comments about inequality and socioeconomic differentiation in the community. Common explanations for difference are embedded in quotes such as the following.

A person's labor alone can not make him rich. To make money, a person needs ben qian [initial investment money]. We poor villagers do not have ben qian to start any commodity production.

To get rich, a family has to have some human resource. Guan xi is a necessary resource. When you have connections with cadres or relatives outside [the village], you can find an opportunity to make money. But we have no such connections.

We are not relatives of any village cadres, otherwise, we could also get a factory job to earn big cash.

Initial investment capital was an important concern among villagers who felt that they themselves lacked the money to start cash-earning production or commercial trade. When asked where entrepreneurs and factory shareholders obtained ben qian, these villagers often gave examples of some cadres who had obtained loans from a state bank through their special social connections. Some cadres even took loans in the name of a village collective organization, because it was illegal for the state bank to issue a loan to individual peasants.

"Making money with your money." was a common phrase I heard in the village. When villagers used this expression, they usually gave me examples as well. Yang Wu's story, for instance, as villagers often mentioned, well illustrates this point. A former village cadre, Yang Wu, took a state bank loan and invested in the factory. He thus holds

several of the village factory's shares, which generates a corresponding number of employment opportunities in the factory. Yang offered some of these opportunities to his relatives and he collected 30% of the annual income from each person who took him up on his offer. This same kind of arrangement existed between some other shareholders and the relatives who rely on their shares to get employed by the factory, as I described in chapters five and six. The economic relationships between these two groups are not equal. Some, like Yang Wu, asked their relatives to pay them a certain percentage of their income from their factory jobs. Others demanded that their relatives pay a fixed amount of money to them each year. Still others, required their relatives to pay them by laboring on their land and paying the state agricultural tax for them. These arrangements discussed in chapters five and six indicate an emerging inequality not only economically but socially as well. The initial capital investment of shareholders in the factory now generates extra value which flows from their relatives to them.

Many villagers scorn arrangements in which relatives pay their shareholders relatives part of their income or with their labor. Even relatives of shareholders, who have benefited from this relationship expressed unhappiness with such an arrangement. They confided to me that they were exploited by their shareholder relatives. In their view, such arrangements injected a monetary, contractual relationship into a cooperative social network, a utilitarian bond that linked them and determined their obligation to each other.

In the past, cooperation between kin relatives in Shenquan was built on long-term reciprocity based on social bonds. Asking for money to provide cooperative help to relatives in daily activities was rare and considered disgraceful. Such behavior even might

cause a break in cooperation because it was commonly regarded as a greedy act and no one wanted to continue cooperating with kinsmen in monetary terms. In the course of the development of commodity production in rural areas, however, factory shareholders and peasant-entrepreneurs have adopted this monetary, contractual relationship as a normal basis of their kinship cooperation.

Many villagers who expressed distress because they lacked investment capital often talked about an alternative petty commodity production which they were quite capable of doing if they obtained ben qian to invest. One young villager explained in this way:

I learned how to grow mushrooms a few years ago from one of my affines. For quite a long time, I have been trying to start production on my own. But I have no way to raise the money for the initial investment. The poorer you are, the greater difficulty you have getting a loan from the bank. If I had money like those "big bosses" of huang lian production, then it would be easy to make more money.

As this story makes abundantly clear, in the view of villagers, if you have ben qian to start petty commodity production, you are able to accumulate profit from production. Entrepreneurs who engaged in huang lian petty commodity production were examples who made the point. Some entrepreneurs who produced refined huang lian generated surplus values, extracted them from both crude huang lian producers and from hired wage laborers in the production process. The more capital an enterprise has, the better chance it has to accumulate profit for productive expansion.

Poor villagers and those who lacked any opportunity to engage in alternative petty commodity production, in other words, those limited to subsistence farming, expressed a clearer awareness of the socioeconomic differentiation which existed between various

villagers than did entrepreneurs, factory managers and peasant-workers. One villager worried,

The rich are getting richer very quickly during these years [from the late 1980s to the early 1990s]. Although we poor peasants have also had some improvement in our standard of living, the difference is getting larger. What will happen in the future? Shouldn't these rich people be concerned about the poor peasants in the village?

Villagers referred to rich entrepreneurs and factory managers with terms that had been used in the past but which had not been used since the development of collective agriculture in Socialist China. Terms such as da lao ban (big boss), ti dai zi or ti bao bao (the one who grasps the money bag) are now frequently heard and reflect villagers' perceptions of different status and unequal relationship. By using these terms, villagers categorize entrepreneurs and factory managers as people with high social rank and power and wealth who are able to manipulate the lives of others.

Yet another way poor villagers express their dissatisfaction with differentiation is to accuse rich villagers of having a prejudiced attitude toward them. Villagers frequently talked about Party Secretary Liao Zhong and his cousin, whose two families used to be very close during the Commune period. Liao's cousin was a very industrious and hard-working young man, and Liao had often asked him for help to do household work. Unfortunately, Liao's cousin was hurt in an accident while working for Liao and has since suffered from a head affliction. In addition, the young man's mother also fell ill. Burdened with medical bills, the cousin's family has become poorer and poorer. During the current economic reform in the late 1980s till 1991, Liao's cousin continued working on his farm but was unable to do alternative work in the market economy. The two families were

quite different: Liao, a shareholder of the village factory and an entrepreneur in huang lian production, not to mention the advantages that accrued to him by virtue of his cadre status, became quite rich, and enjoyed both power and wealth in the village. In 1991, the two families seldom had relations. Liao no longer asked his cousin to come to his house, nor did he offer any help to his cousin's family. Villagers often remarked that the poor have fewer relatives nowadays than in the past. Socioeconomic differentiation often has reconfigured village groupings and has changed the relationship and sentiment that previously existed among relatives and fellow villagers alike.

One villager, a retired rural teacher, remarked that, "The factory should redistribute some amount of money to every village family each year, that is, if it really is a village collective factory as it claims. Then every village family would be happy with the factory. How come the factory leaders do not care about such fast growing inequalities among the villagers? It is not right at all." His remarks represent quite a few villagers' ideas and demands on the factory. They have demanded a collective moral obligation from the leaders of the enterprise and it is obvious that the old commune legacy has remained alive at least in their minds..

From 1950 to 1978, the government taught peasants to "stick to the approach of achieving joint prosperity together." Now, even government policy has swung to the other pole and exhorts some people to get rich first. It seems, however, that poor villagers have not given their moral recognition to this new policy and that they still uphold the belief of the egalitarian distribution of wealth.

Maoist teaching during the commune era specifically denounced economic

inequality and warned peasants that such inequity would induce polarization and divide the peasantry into an exploiting and an exploited class. The peasants used to say that the Communist Party loves the poor most. Apparently, the Maoist teaching still captures the hearts of some villagers, reinforcing the traditional peasant communal morality. Yet, the government's new policies encourage economic inequality and foment conflict between and among peasant groups.

Within the village, most poor villagers are peasants who have few relatives and social connections. Such villagers often emphasized that social connections, including kinship relationships, are a significant source of wealth and facilitate participation in the market economy. Most more recently arriving immigrants to the village are poor and they complained that they had no social connections in the region with whom they could cooperate in economic production. Even if they wanted to seek wage employment elsewhere, they lacked the guan xi (connections) necessary to establish a "master-apprentice" relationship. Indeed, it is an unwritten rule that a peasant can work in an enterprise or obtain a government permit to go out of the village to work for wages only if he can find someone, in an enterprise to be his master.

Poor villagers frequently point out that most of those in Shenquan who are getting rich are members of patrilineal or affinal groups that are associated with village cadres or factory shareholders. They condemn those who deviously use such relationships to serve their individual interests. In their view, village cadres and factory leaders should be concerned with the interests of all villagers and the whole community not only with their own group of relatives. According to the ideology which they learned under the commune

collective system, what is being done is morally wrong. guan xi, for them, should be used conditionally. Particular relationships, such as guan xi, ought to be down-played by village leaders in favor of larger collective interests.

In studying the meaning and functions of Chinese guan xi, Ambrose King (1991:63-84) argues that guan xi is a kind of resource or form of social capital that is utilized as a cultural strategy to mobilize assistance for goal attainment in various spheres of Chinese social and economic life. King has also pointed out that social connections are often important social and political forces which play a crucial role in the development of individual economic prosperity and of socioeconomic differentiation.

Shenquan villagers' ideological expressions of their own social and economic situation differ among them and reflect their conflicting sentiments about each other. These expressions also reflect different world views, Shenquan peasants use different criteria to make moral judgements about behavior and interactions with each other. Some villagers, are fully involved in the effort to get rich, manipulating any practical strategy to realize their individual economic goals. They have quickly learned to use both traditional Chinese and contemporary market economic strategies to make money for themselves. Other villagers, in contrast, hold on to the value of reciprocity and the spirit of collectivism, continuously making demands placing pressures on village cadres to act in behalf of the economic development of the village as whole. Thus, interactions between the village community, the Shennong factory, and between different groups of villagers are marked by contradiction, conflict, and also, by necessity, cooperation.

Chapter 9:

THE INTERPLAY: COMMUNITY, SHENNONG FACTORY, AND VILLAGERS

FACTORY'S CONTRIBUTIONS

Like blooming flowers, as the Shennong factory entered the last decade of the century, it began dramatically to increase its production and profits. Factory leaders, satisfied with the physical structure of the factory and the booming sales of its products in the urban market, were more anxious than ever to expand the factory. Villagers who were not involved in the factory, however, became increasingly anxious, perceiving the factory's development to be at the expense of village communal life.

The relationship between the factory and the village is complex and multifaceted. The factory's production, marketing, and distribution, are separated from village organizations such as the village council and the Communist Party branch. The factory does not even house a Communist Party organization, which is quite unusual. But in many ways, the factory increasingly influences the villagers' social life, although, only 92 of village 280 families are directly affiliated with the factory. Nevertheless, Ma Wen claimed that the factory tried to bring benefits to the villagers. "We really try to take care of all the villagers," he often declared.

This declaration was not altogether incorrect. The factory has made several contributions to the village and its members over the past five to five years. For example, the factory spent 20,000 yuan to install wells with pump in each individual village household. Because the village has abundant underground water resources, only a steel

pipe of less than two meters deep was required to pump up water. With new pumping wells inside each household's courtyard, villagers can easily get clean water for daily use. The factory also rebuilt the village elementary school, erecting a new two-story building with four classrooms and offices and dormitories for the teachers.

In addition to the above contributions, the factory donated 130,000 yuan to the village communal fund operated by the village council. This money was originally given to the factory by the government as a reward a tax exemption, for its achievements: such rewards were part of the government's reform policy, aimed to encourage the development of new products and the improvement of product quality. The purpose of the fund to which the factory donated the money was to reward peasants who complete payment of the state tax and grain procurement in time each year. The fund is also intended to compensate peasants for financial loss caused because grain procurement quotas must be sold to the government at prices lower than their market value. The reward, by encouraging Shenquan villagers to pay the state tax and grain procurement in time, therefore, helps village cadres fulfill their duties to the government to collect all state tax and the grain procurement assigned to the village. In addition, the fund also provides the bonus money to the cadres for their public work.¹ On the other hand, it also benefits village peasants.

The factory also built the truck road connecting the factory to the main highway.

¹ The village cadres regularly receive salaries from the xian government. This was a new payment system for village cadres beginning in 1984 when the commune system was abandoned. The payment comes from a part of the Xiang Collective Fund paid by each peasant family to the xian government. Here, the payment from the village fund to the cadres is a bonus beyond salary.

While the road was built primarily for the factory, it greatly benefits the village as a whole. The improved road communication between the village and the outside not only has dramatically increased the flow of products or goods from and to the village but it has also facilitated a flow of people and knowledge from outside.

These contributions made the factory leaders very proud and emboldened them to claim that the factory is a village collective enterprise, that is, the continuation of the old brigade firm. Registered with the local government as a collective enterprise, the factory is able to get some tax exemptions granted by the government to collective enterprises during the first year new products are manufactured. But the advantage and the meaning of the factory's retention of its image as a village collective enterprise² goes far beyond tax exemption.

Factory leaders such as Ma Wen, Xiang Yaoban, and some other managers constantly told me that they have always tried to do something for the village as a whole. "We make an effort for everybody to be happy with us," Xiang Yaoban once said. Indeed, as described above, the leaders consistently told me and other visitors the things they have done for the village. They were quite aware of the need to demonstrate collective thought, morality regarding communal obligation, and sympathy for poor villagers. Villagers who could not participate in village factory work demanded

²In Chinese rural economic reform in the 1980s, because the government in the 1980s did not have elaborate regulations to characterize collective and private enterprises, many private and shareholder corporate enterprises were registered as collective enterprises in order to benefit from state policies such as tax exemption for an initial three-year period. To register an enterprise as a collective also gave that enterprise good political status in Chinese society.

opportunities for all to work in the factory and to derive more benefits from the factory's growing income. The village pressure on the factory leaders that demanded such a spirit of collectivism has also been increasing. Because most of the factory leaders had been cadres in the commune brigade, they were very sensitive about their relationship with other villagers. Though state policy and propaganda now encourage some of people to get rich first, the factory leaders have never publicly emphasized this point in the village. On the contrary, in my interviews with them, Xiang Yaoban always stressed that the factory leaders and shareholders did not just want to get rich themselves:

We are not like entrepreneurs in some other villages who just seize the chance to make a killing for themselves by exploiting the previous collective enterprises, which former commune organizations of their villages have contracted out to them. They have gotten rich by trying to make money as much as they can just for themselves but put little capital into the enterprises and let them go bankrupt. We have been successful because we have been good to everyone in the village.

VILLAGERS' ATTITUDES TOWARD THE FACTORY

Nevertheless, many Shenquan villagers living in the community but uninvolved in the factory have ambivalent feelings and attitudes toward it. Many villagers often asked me, as I sat drinking tea with them:

What would happen to the village if the factory was to keep expanding physically like this? What about the factory going bankrupt, as has happened before? If so, what would we then do with those factory buildings and the land already occupied?

Some told me that it was rumored that the government planned to raise Shenquan land tax as well as procurement quota to make up the amounts of exempted tax and procurement, which had previously been collected on the land the factory now occupies, thus, increasing villagers' tax burden. One villager told me his worries:

When the factory is bankrupt, the factory land cannot then be turned into agricultural land, but the tax for our village won't decrease any. We then will have to pay more tax on each family's agricultural land. The factory bosses, of course, won't have to worry; they have more opportunities to do other business. But what about us?"

In answer to this question, some factory workers argue that, "you people worry too much and it is ungrounded. If the factory expanded to a very large scale, then the government would take it over. We all could become government factory workers then like what has happened to some suburban villages."

Nevertheless, the factory presents a threat, i.e., the possible loss of village land for those villagers who still work the land. They have lived in this village for so many generations, and face, for the first time, something large, unfamiliar, and foreign to their agricultural way of life within their community. The factory is threatening because they are unable to predict what impact it will have on village life. They doubted whether villagers could manage such a big factory which, to their knowledge and experience, had only been built and operated by the state. While villagers involved in the factory may also harbor similar uncertainty, they nevertheless, would like to believe that the government would not let such a "big" factory collapse.

Uncertainty was not the only emotion generated by the factory, however. Villagers who were not involved in the business often expressed feelings of jealousy. They did not consider the factory a village collective enterprise and believed that their lack of kinship ties with the shareholders restricts their participation in the factory. They particularly resent the factory's recruiting of peasants from other villages or districts on the basis of their kinship ties with village shareholders. In their view, it is unfair to have so many

outsiders working in the factory which was, after all, built on their village land. "People look at the factory and think the village is very rich. But it has nothing to do with us. Those in the factory have become rich. Most of them are relatives of the cadres and 'big bosses' from outside." They complained that the factory's visible prosperity in the village often obscured their poor living conditions.

CONFLICT IN INTERACTION

Differences in access to village factory employment, income inequality, and economic differentiation sometimes precipitated confrontations and even conflict between peasants of different groups. I witnessed two such incidents in the village. One summer evening, I was sitting with some peasants in one of the village teahouses. We were drinking tea, chatting and also watching TV, which usually attracts some peasants to the teahouse on hot summer evenings. Suddenly, noises came from Ye Congwen's house, which was about thirty yards away just cross the paved village "street". I saw smoke surging out of Ye's new two-story house and heard a voice shout: "It's a fire!" The people inside the teahouse could see Ye's house through the open door of the teahouse. But because the house was enclosed by walls, we could not see what was going on inside the house and its courtyard. I stood up and walked out of the teahouse and saw a young boy rushing out of Ye's house toward the factory. He borrowed a fire extinguisher from the factory and then went back into the house. The yelling and crying continued, however, and the young boy again surged out of the house, ran toward the factory, and yelled loudly "Cut off the power!". The electric power switch was installed in a control room

inside the factory to control all electricity in the village. Shortly after, the power was cut and the fire inside the house went out.

We soon learned that Ye Congwen's refined huang lian powder enterprise had caused the fire. Ye Congwen was recognized as the richest man in the village. In addition to his earnings from his manager's job in the village factory, his huang lian production enterprise has brought him a large income. He was one of the three factory managers who owned both mini-vans and motorcycles. The workshop in which he refined huang lian powder was located in his courtyard and connected to his house. That evening, one of his hired laborers had carelessly overheated a stove and burned some of the refined huang lian powder, thereby setting the house on fire.

During the whole incident, those peasants farmers in the teahouse sat inside watching the boy running back and forth but did not go out to give help. When I returned to the table, I found the peasants very calm, exchanging seemingly interesting gossip about Ye Congwen. One man estimated, without indicating any pity, that, "This time, he is going to loose a few 'square'. (The word "square" nowadays in China is often used to refer to "ten thousand" yuan, since the Chinese character for "square" looks similar to the Chinese character "ten thousand".) Another villager, sipped a drink and unemotionally responded, "Don't worry, he won't lose any of his flesh." They proceed to guess how much Ye had made in the last year; someone came up with the amount of 100,000 RMB while others argued that the figure was 50,000. If there was any compassion for his loss, it fast faded away, and a feeling of jealousy emerged in its stead. A few days after the incident, I had an interview with Ye, and he told me that he lost about 15,000 yuan of

huang lian product in that fire.

The agricultural villagers' discontent toward and envy of the rich peasant-entrepreneurs and workers were evidenced in another confrontation generated when the families of three workers and entrepreneurs wanted to build a small road to connect their homes to the main village road, which had been built by the village factory. Without building this small road, they could not transport construction materials (e.g., bricks, cement plates, tiles, lumber.) to the places where they were to build their houses. They also would have to hire laborers to carry the materials in baskets to the sites through muddy, earthen banks of fields. This was a common problem in the village where, except for earthen banks accessible only to bicycles, there were no roads between the main road and many of the peasants houses.

The three families, who were located in one housing compound, happened to be Ma Wen's relatives. They produced huang lian and thus needed to have bulk materials transported to their courtyard workshops for processing. They claimed that they wanted to build the small road to facilitate their petty commodity production, and that village organizations should support it in order to promote petty commodity production which was an important program in the government's reform. They made an offer that for every one mu of land the road took they would pay thirty thousand yuan to the village. Gossip about their request continued for a few days in the village. Some peasants questioned, "Whose commodity economy they wanted to inspire, their own or the village's? If it is just for their own, we won't let them do it." Other villagers refused the request to "sell" the land to them for building the road. "Don't show us that you have so much money, you

individuals cannot buy the village land." The plan to build the road finally had to be given up since the procedures for approving the plan were too complex: it was not only a village matter because to transform even a small piece of arable land into a road needed the local government's approval.

Although villagers continue to live in the same community, economic diversification has created different concerns and interests, and pursuits and goals, in their lives. These different pursuits and interests sometimes cause confrontations over access to village resources, services, and the like. In each confrontation, villagers align themselves on the basis of their economic occupations or social status. The villagers' interactions in the face of economic diversification seemed to result in their regrouping themselves, reshaping the community, and reinforcing new or old cultural values respectively in different groups.

SOCIAL INTERACTIONS IN PERIODIC MARKETS

The timing of economic production and participation in social activities among villagers also have diversified. Village factory workers have different work cycles from those of village peasants. The factory and its workers must follow an urban work cycle of weekdays and weekends coordinating their production with urban industrial and marketing activities. The rhythm of social and economic activities of villagers who primarily farm in the fields, to a large degree, follows the local market schedule of closing and opening. That is, most peasants do field work during non-market days and go to the market during its open days, either to trade their products or just to relax.

Sometimes during market days, they work in the early morning and then go to the market in the late morning or at noon when the market is most busy.

Peasants always seemed excited about going to the periodical markets. Almost every market day, the first thing the villagers would ask me, as well as each other, upon meeting was, "will you go to the market?" As long as it was not the agriculture busy season, many villagers went to the markets near the village, either Liji, Xinfan, Peng county, or Wanjia market. Of course the most frequently attended market is the local xiang Liji market, and, for many villagers, their primary purpose for attending the market is not to buy goods or to sell products, but rather to meet friends and relatives or to enjoy watching video movies in some of the teahouses.³

The majority of villagers who attend the market go to teahouses to chat with other people. As Skinner (1964-65) found more than forty years ago, the local periodic market remains a center for social interaction among peasants. When I was accompanied by my informant Huang Erban to visit some teahouses in Liji chang, he pointed out all the people he knew: which villages they lived in, their names, or simply to whom they were related--father of so and so, or uncle of someone in Shenquan village. He could recognize almost all of the people above 30 years old in the market street. Although there were some young people he did not know well, he could still recognize them as local peasants or members of a certain village.

The close interrelationships among local peasants are best demonstrated in the

³The showing of video movies in teahouses is a new development in all regional rural periodical markets. In the last three or four years, teahouse owners installed TV sets and video machines showing movies to attract more customers, particularly young peasants.

markets. Cigarettes are exchanged among peasants, as are invitations to have tea or a lunch together. It is not surprising to see some peasants who, usually very parsimonious in their daily consumption, generously offer good meals to their friends or relatives in the market place. Teahouses usually are very crowded with peasants talking about a variety of topics: recent disputes in a village or in some families, new-born babies, marriages or deaths, something humorous or laughable, some failure or success, or of what they appreciate and dislike. Together, they laugh, ridicule, tease, and argue.

The teahouse has a long tradition in Sichuan province, and one finds teahouses throughout the towns or villages of the province. In the densely populated Chengdu Plain region, teahouses are busy throughout the whole day. Drinking tea is more a social activity for peasants than something engaged in for individual personal pleasure. When tea drinkers see some friends, relatives, or acquaintances pass by, they always invite them to drink tea. As a waiter comes to serve tea for newcomers, all the people sitting around offer to pay for the tea to show their hospitality. In fact, frequently, people pay for others' drinks while their own tea is paid for by somebody else. The noise level is high as peasants talk and argue loudly, and they also share their sentiments and empathy with each other.

In recent years since the early 1980s, playing cards--as a form of entertainment as well as a form of gambling has resumed and spread over a large population of peasants. This is so even though gambling has been banned for about thirty years by the government. During market days, many peasants sit together in a teahouse and play cards for a whole day. A win or a loss often accounts for at most ten yuan a day for a person.

Peasants enjoy playing with their associates and the game also creates the opportunity to develop network relationships.

The periodic market is also important in affairs concerning family and marriage. On two occasions when I was in a teahouse with my informant Huang, two peasants talked to him about introducing potential brides for his youngest son. Actually, for many peasants, the process of a marriage arrangement begins in a tea house in the periodic market. The local periodic market is also a peasant "post office": messages asking relatives or friends for help and labor exchange or to attend certain ceremonies (birthday party, wedding, or funeral) are delivered there. In fact, the periodic market amounts to a central station for peasant social life, a focal point of social interactions and a learning center for the transmission and communication of knowledge, information, and local folk culture.

Many Shenquan peasant-workers and peasant-entrepreneurs, however, have become less and less involved in the local periodic market. During my stay of about ten months in the village, I seldom saw factory managers attend local periodic markets. They are no longer the center of their social life. When managers, and also many of the factory salespersons leave the village, they usually take the factory mini-van or car and, therefore, by-pass the local periodic market as they head toward cities or other destinations.

VILLAGE SOCIAL WELFARE

In late summer of 1991, the Shennong factory began to build a medical center for

its workers and staff. This emerging new social welfare institution reflected another aspect of privatization during the economic reform since the 1980s, that is, the transformation of the former commune welfare system into privatized service. It also reflected the process of regrouping Shenquan villagers.

During the commune era, the commune collective had taken care of members' social welfare. In the 1970s, the government promoted a medical care program throughout the rural areas in China by training hundreds of thousands of "barefoot doctors" and setting up medical care stations in villages. The Shenquan village medical care station then was one such welfare system that gave the villagers free treatment.

In 1985, after the beginning of the rural economic reform, the village "barefoot doctor," Ma Wen, left the Shenquan medical care station and started the Shennong industry. As a result of decollectivization, the village collective medical station, along with other village collective properties (cattle, mills, etc), were sold or contracted out to individuals. Actually, by the time the household responsibility system began in 1982, the village collective had hardly any money or supplies with which to run the medical station. The current village medical station has been operated by a peasant who has barely any knowledge about medical care and little knowledge about prescribing medicine. As a result, many peasants have to go to the xiang clinic or the county hospital for treatment of serious illnesses.

The new factory medical center is staffed with a retired doctor from the county hospital who is brought to the village twice a week. The factory has plans to buy additional medical equipment so that it regularly gives workers and staff treatment and

physical examinations. Although the workers and the factory staff must pay for medicines, treatment they receive from doctor for their illnesses or examinations was free.

The factory's welfare system also includes a bath house. Each worker or staff member is given 20 free bath tickets a month and the bath house is open every afternoon for three hours. Taking a hot shower had been akin to a luxury for peasants, because many had never before had the experience. But villagers who do not belong to the factory are unable to take a bath unless they buy tickets from workers.

Education was always considered by the peasants as part of the communal social welfare. This vision was reinforced both by a rural tradition which emphasized the support role of community or lineage in village education and, later by the commune system which operated schools as a collective responsibility. The Shenquan village school, built in 1985, is beautiful by local standards. No other villages in the area houses such a building for a village school.

The peasants nowadays are more concerned about their children's schooling than before. There are two specific reasons for peasants to be concerned about education. First, the growth of the village factory was accompanied by a demand for educated people to work in accounting and marketing as well as in secretarial and public relations jobs. The village, however, did not include enough qualified people to fill the demand and the factory had to recruit several high school graduates and two college graduates from other areas. Therefore, the village's industrial development inspired both the peasants and the village factory to highlight the education of their children. Second, because each family of young peasants now has only one child, peasants put their hope and future in their

children, trying to provide them with a good education. Indeed, the village council has set up a fund to provide an annual reward to children who achieve high grades in school.

The quality of education in the village school, however, deteriorated during my stay in the village. The two teachers employed at the school wanted to leave, and the villagers also complained about the school administration and teaching. The root of the problem was decreasing enrollment. Only 23 pupils attended the Shenquan village school in 1991. Village entrepreneurs, factory managers and workers sent their children to the xiang Central Elementary School, which offered better facilities and quality in teaching than did the village school. The cost for a child to study in the xiang Central Elementary School, however, was very expensive. The school charged additional fees for children coming from villages other than Liji where the xiang government and institutions are located. Thus, with the exception of factory workers and entrepreneurs, most Shenquan villagers could not afford to send their children to the xiang school.

Villagers questioned whether or not Shenquan school's children were getting adequate attention from the village council, since none of the village cadres' children attended this village school. On a visit to the school I found several large cement containers in the school playground, which, I was told, belonged to Party secretary Liao Zhong's huang lian enterprise. Because he could not find a space in his or his partner's own courtyards to build the containers, he therefore built them on the school grounds. "How do you expect our school to be good if those village cadres not only turn their backs on it but have even invaded the school with their own business?" Those parents with children in the school were very worried about the education they were receiving

but they seemed unable to revitalize this village's last collectively operated activity.

HONOR OF THE SHENNONG FACTORY

Because of its economic achievement, the Shennong factory has attracted much attention from various levels of the government. It is the largest factory in the xiang district as well as a model rural factory in the county. Government officials from the county or even the provincial institutions often come to visit or inspect the factory. Several times I was invited by Ma Wen to attend banquets arranged to entertain government officials. I was introduced as a teacher from Sichuan University doing "she hui diao cha", social investigation, in the village. The word "diao cha" was popularly used in China and understood by local cadres and peasants as the study of socialist achievements. During these banquets, participants would drink, eat, talk, and shower the factory leaders and their work with praise. The factory leaders showed me a large album which contained the pictures of the factory leaders with important government officials such as the governor and deputy governors. In the past, the duty, and sometimes the honor, of receiving government officials had belonged to the village council leaders or the Party branch secretary. By 1991, the obligations and the honor had shifted to the factory leaders. In point of fact, the government and villagers involved in the factory expect far less from the village's formal organizations than they did earlier. The factory, not the village organizations, seems to have the greatest influence in the social and economic lives of factory's workers and their families.

NEW PATRON-CLIENTS

In addition to changes in the relationship between village organizations and the village members, a new form of patron-client relationship has emerged in village socioeconomic life. This new relationship developed in Shenquan with the growth in power and influence of the factory leaders in village social and economic affairs.

In the view of many villagers, Ma Wen is the most powerful person in Shenquan. Many peasant-workers and their family members feel grateful to Ma Wen who, in their eyes, is to be given full credit for the village factory's development. They considered Ma Wen to be a man of great talent and social and political power. Outside the village, Ma Wen had good connections with the xiang, county, and provincial government leaders. In the village, Ma Wen was an authority in deciding who could or could not work in the factory. When disputes occurred in the village, the families involved often went to Ma Wen for resolution. Some villagers tried to win Ma Wen's favor in the hope that he would use his influence with other village cadres in their behalf.

The village factory, was the source of Ma Wen's power and prestige. Many peasant-workers attributed their family wealth and upward mobility to Ma Wen. They supported Ma Wen's management and handling of factory affairs and brooked no criticism of him. They often turned to Ma Wen for help in loans from the factory, renting the factory's vehicles, or requesting opportunities for themselves in the factory. In return, Ma Wen well established his powerful control over factory institutions and personnel as well as his prestige in the village.

The similar patron-client relationship could also be seen in the interactions

between some other factory leaders or shareholders and their relatives involved in the factory, which I discussed in earlier chapters with regard to the economic exchange and cooperation. This new patron-client tie between peasant-workers and the factory's leaders has contributed to changing Shenquan's previous communal social structure and has served as a basis for the regrouping of villagers according to their newly diversified economic activities.

The emergence of the Shennong factory in the village is not solely an economic phenomenon. It is interesting to see that, on the one hand, there has been a decline in the village's communal collective activities and services while on the other, there has been a growing concern among Shennong factory members about the factory's social services for its workers and staff. Actually, the village communal organizations have been gradually overshadowed by the factory in many aspects of village social life. The factory has brought about a social process that has resulted in the social fragmentation of the village's population. Industrialization in the village engendered a new community. Built on the old community, the changes have given rise to both blessings and resistance in local peasant communities such as Shenquan.

Chapter 10:

CHENG JIA LI YE: INSIDE THE FAMILY

In Chinese rural society, the peasant family system often assumes a significant role in economic, social, and cultural life. The current rural economic reform in the 1980s and the early 1990s has been continually changing patterns of Chinese peasant family and kinship relationships, including those with affines. In Shenquan village, a new economic development, as described in the earlier chapters, has diversified not only Shenquan villagers' economic activities but also patterns of their family practices in marriage, family division, and kinship relationships. Such a diversification in Shenquan villagers' marriage, kinship, and family practices also reflects the growing fragmentation in Shenquan village and differentiation between Shenquan agricultural villagers, peasant-workers, and peasant-entrepreneurs. Only by looking into some emerging new phenomena of Shenquan villagers' family and kinship patterns, including affinal relationships, can we understand how various type of Shenquan villagers use different cultural forms of Chinese family and kinship systems to respond to new socioeconomic development under the Chinese government's current reforms.

MARRIAGE RITUAL

In Chinese, the phrase cheng jia li ye means to start one's own family and a career. In contemporary China, cheng jia, establishment of a family, and li ye, starting one's career, theoretically occur at about the same time and are usually associated with marriage

and household division. Cheng jia li ye is a turning point in one's life, symbolizing the assumption of responsibility, or burden and the achievement of social recognition, and perhaps, one's independence.

The patterns of Chinese peasant marriage, family life and kinship ties have been considered the essence of Chinese culture. In pre-socialist tradition, peasant's marriage was celebrated with an elaborate ritual. The marriage ceremony in the Shenquan area was usually held in the courtyard of the households, celebrated over several days, and included the observance of many rules. During the first day of the ceremony, the groom's family members or kin would bring a number of chickens, geese, and ducks to the bride's family as the "groom's present." Then the bride's family members and kin would carry the dowry, often including quilts, pillows, towels and some furniture, to the groom's family. During the evening of that first day, the groom's family would offer a banquet and invite relatives from both the groom's and bride's families. This banquet was called hua ye, literally meaning, flower night, and it was the most important ritual of the marriage and formalized the social bond between the two families and kin groups. The next day, the groom, accompanied by a male member of his lineage, would go to the bride's family to ying xin niang, welcome the bride. The bride, accompanied by her brothers and sisters or lineage cousins, would be carried on a sedan-chair to the groom's family. This ritual act was called "sending the bride." Some elders told me, however, that marriage custom in the area did not demand that the groom and his family members go to the bride's family to "welcome the bride." But, the bride, had to be carried in a sedan-chair to the groom's family, accompanied by her male and female siblings or cousins, even if the two families

were neighbors.

The formal wedding began when the bride came to the groom's household. The ritual began with a woman ushering the bride into the groom's house, after which the bride and the groom then drank jiao bei cha (exchanged tea with each other). Next the bride and groom went to the living room and bowed before the groom's ancestral tablets, to the groom's parents, who sat at the sides of the ancestral tablets, and to each other. This ritual symbolized the couple's formation of a new family within the groom's household and patrilineage. That evening, the groom's family entertained guests from both families or kin groups with a wedding banquet. The groom and the bride, as the hosts, had to offer candies, cakes, and wine to the guests, who made fun of the marriage in a variety of ways.

The third day, the groom and all his family members, as well as the new bride, would go to the bride's family to attend a "going back feast", and the bride's family would offer a small banquet to entertain the groom and his family members. This ritual allowed the new groom to pay his respect to the bride's family and to acknowledge his new social relationship with and obligation to the bride's family.

Since the 1970s, the marriage ceremony has been much simpler. Parents of newly married couples told me that the groom and bride no longer bowed before his ancestral tablets or to his parents and each other. The ritual considered a feudal custom, was politically criticized in the 1970s during the Cultural Revolution and, despite the abandonment of the commune system in this region in the 1980s the traditional marriage ceremony has not been restored. Some elders asked rhetorically: "How can you expect today's young people to do that? They want everything to be in the new fashion." Some

parents told me that young people would accuse them of being lao nao jin, old brain, or lao feng jian, old feudalist, if they asked them to kowtow. Thus, the wedding feast symbolizes the marriage status for a new couple. Nevertheless, the "flower night feast," "wedding banquet," and "going back feast," usually were given and followed in the same order as they had been traditionally.

Parents continue to believe that they have an obligation to find the right marriage partners for their sons and daughters. Such a belief is mainly based on traditional influences. In practice, young peasants still rely on their parents to find their marriage partners, usually through relatives' or friends' introduction, because young peasants in contemporary Chinese rural society still do not have many opportunities to get acquainted with young people outside their villages. When peasants talk with those who have children of marriage age, they would ask "Have you done your `task'?" The word "task" (ren wu), which sounds so serious, is often used by the villagers to refer to the arrangement for their children's marriages. Villagers often shared their concerns about each other's individual family affairs. They showed their happiness and relief for those who had finished their "task," and showed their concern for those who still had not.

Nevertheless, in general, parents in Shenquan have had decreasing control over children's marriage partners, particularly children involved in industrial work. Young workers decide on their own marriage partners, who are introduced through their parents or relatives. Thus, new patterns of marriage arrangement have emerged among peasant-workers and peasant-entrepreneurs, as well as for those peasants who engage mainly in petty commodity production.

MARRYING OUT A DAUGHTER

Not long after I began my field research in Shenquan, my informant Huang Erban's daughter was married. Huang invited me to the wedding and his daughter asked me to come to take color pictures of her family and the wedding. The daughter had a new type of marriage ceremony. She had worked in the village factory for two years and had saved the majority of her income for her own use rather than spending her money for the family. Thus, she was able to fully finance her marriage dowry, purchasing a black-white TV set, a radio/cassette player, a sewing machine, an electric fan, a sofa, and a new soft bed. When asking about his daughter's marriage, Huang was a little bit despondent, "I am not to prepare anything for her. She now is preparing everything for herself. Because she has money, and when we sometimes asked about her money, she always told us, 'that is my business, you don't ask!'" . Although Huang Erban's daughter had relied on her family to find her a marriage partner (who was introduced by a patrilineal relative), she decided all other things in her marriage: the time of marriage, the furniture and consumer goods for her new family, and so forth. Later, during a market day, Huang went to the Peng county town market with me and bought two quilts for his daughter. He told me that these were the only things he wanted to give to his daughter for her dowry. He thought that he did not need to include anything else in his daughter's dowry, as the bride's father is traditionally supposed to do. Rather, he gave quilts to his daughter just to show symbolic expression of a father's obligation in the marriage.

The wedding itself also deviated from the traditional style. Huang's daughter rented a truck from the Shennong factory to transport her "dowry" to the groom's family.

This was a new practice popular among newly rich brides, such as Huang's daughter, who wanted to show off the fashionable items they themselves prepared for the wedding. These consumer goods delivered a message to people, or perhaps demanded a recognition from them, that young women and men enjoyed an independent status by virtue of their marriage and starting a new family, even though their new family was located in the husband's parents' household courtyard.

Huang Erban prepared a feast at his home to entertain relatives from both families. These people were not only from Huang's and the groom's families or kin groups but also from Huang Erban's married sons' affinal relatives in nearby villages. Ten tables seating about eighty people were set up inside his courtyard. The groom and the bride both wore Western clothes, suit and dress, and did not appear to be shy, as were other village newlyweds in nowadays. Throughout the afternoon, the guests ate, drank, and played games and cards. Modern Chinese pop songs and music blared from a radio/cassette player and I was asked to take many pictures of the groom and the bride together in the household courtyard. The feast ended when the groom and the bride, accompanied by the bride's brothers, left to go to the groom's family for the wedding banquet which was to be held the next day.

The groom was a young peasant-entrepreneur who lived in a village about 20 kilometers distant from Shenquan. He operated a little shop in a small town where he made couches, sofa, and beds, commodities with a high market value and much demand by newly rich people wanting to buy furniture for their new homes in both urban and rural areas. The groom had already built a new two-story house for his new family independent

of his parents' house. Such an independence in building their new family houses were a new popular trend among young peasant-workers and peasant-entrepreneurs in the Shenquan area in 1990-91.

But, the bride did not plan to move into her husband's place. If she live in the groom's new house, Huang's daughter would have to give up her factory job in Shenquan village, and this she was unwilling to do. Thus, she continued to live in her father's house except on the weekends when she went to her husband's new home.

This arrangement is not indicative of present government rules. According to government household registration regulations, when a woman marries outside of her village, she must change her household registration from her natal village to her husband's residence. A peasant woman also has to return any farm land earlier apportioned to her for cultivation to her natal village for reallocation. I asked Huang Erban what arrangement he has made so that his daughter could continue to live with his family. He told me that since his daughter often ate meals with his family, she brought her own grain from her husband's family and occasionally also brought some vegetables or meat for her parents.

Huang Erban's daughter was not the only case in the village with such a marriage arrangement. Since the factory was established in Shenquan in 1985, 16 out of 19 young women who worked in the factory and who have married have chosen to continue to live with their natal families and retain their factory jobs. Some of these married women's husbands' independent new homes were not far from the factory, so although they usually had lunch at their parents' homes, they rode their bicycles back to their husbands' homes

every evening after work. Others, like Huang's daughter, whose husbands lived too far for them to be able to go back every day, went to their husbands' homes only on the weekends. Only three newly married women workers gave their jobs to other family members and the women then decided to move out of the village.

This change in the post-marriage residential pattern is product of factory 's economic imperative. It needs people who know how to operate sewing machines and it is women who usually have learned sewing skills. This pattern is also followed because most of these families do not have other family members qualified to replace their married-out daughters, and usually, these women's employment opportunities belong to their natal families.

Such changes in post-marital residential arrangement have created close ties and frequent interactions between Shenquan families and sons-in-law. I often saw these sons-in-law riding bicycles to Shenquan, either to pick up their wives after work or on weekends. Oftentimes, they carried some food, such as vegetables, eggs, and meat, to their parents-in-law.

The big event when these sons-in-law show their respect and present gifts to their parents-in-law is duan wu holiday, which is the fifth day of the fifth month in the Chinese lunar calendar. It is a traditional custom that sons-in-law have to bring a basket of food, eggs, wine, and meat to their wives' families. I witnessed a very interesting scene on the village road that day: young men, one after another, rode bikes into their wives' village with their wives on the back, in some cases, carrying children. Baskets full of food were mounted on the front of the bikes' handles.

Young unmarried women who work in the village factory have become increasingly valuable to their natal families because of their economic contributions to the family, as a result, their status is rapidly rising. In interview with them and their parents, they talked about how they used some of these unmarried daughters' earnings to buy goods such as bicycles, TV sets, and furniture for their families. These unmarried daughters' parents all admitted that they generally allow these unmarried women workers to have relatively independent economic power in their families and to decide what they want to buy for themselves. Occasionally on weekends, some of these unmarried factory women workers go to county town markets or Chengdu city shopping for urban style clothes for themselves. They themselves have become more independent in their economic and social life. And, as noted above, their parents no longer have a monopoly in the choice of their marriage partners.

Nonetheless, young women who worked in the Shennong factory have not adopted a pattern of "free love" (zi you lian ai), defining as, independently finding marriage partners for themselves. Rather, they still depended on their parents, or relatives to act as match-makers and find potential marriage partners for them. In terms of the final decision-making, however, young village factory women workers usually have more power in finally deciding on their own marriage partners. One parent after failing four times to match some young men with his daughter for marriage, angrily said to me:

You really cannot understand how demanding the girls are today! They keep saying no to their parents' or their relatives' match-making. They want someone to have an 'occupation', they demand the boy's families to be better off financially and to have new houses, etc.. They then want this, and that.... The girls are so jaunty these days. Look at my daughter, she rejected our match-making four times. I am really tired of doing this. Let her find one for herself.

Unmarried young women factory workers have their own ideas about what they want in a marriage partner. They want to find someone who works in rural enterprise or in a city work unit. Further, they want someone who lives in an adjacent village so that they can continue to work in the Shennong factory after marriage but will be able to return to their new homes each day (see Table 1). In conversations with the parents of unmarried women workers, many told me that they would not make decisions for their children in marriage matters. "Who knows what they are going to think about the marriage. It has to be up to their own satisfaction with the person they want to live with. Otherwise, who knows what is going to happen to them?". In the view of the village elders (over 60), marital decisions by young women in opposition to those of their parents' are immoral. Nevertheless, apart from some complaints from the parents, or, sometimes, village gossip about and ridicule of those strong, self-assured girls, there have been no serious conflicts, nor have parents punished their daughters.

Table 1: Geographic pattern of marriage arrangement among Shennong factory women workers, 1985-1991

Location:	No. of marriages
Within Shenquan village	11*
Outside Shenquan village	53
within 15 kms.	43
more than 15 kms.	10
Total:	64

* The number includes adopted-in-husband marriages by Shenquan women

Source: Field Survey, August, 1991.

Among unmarried male factory workers, the making independent decision in choosing their own marriage partners was also very popular in the late 1980s and the early 1990s. Still, most young male factory workers, like those unmarried women workers, needed their parents or relatives to introduce potential marriage partners to them. When young male factory workers decide that their prospective marriage partnership is to be actualized (wei hun fu qi), they begin to visit each other very frequently. Their families then also begin to closely interact with each other in economic and social life.

Although unmarried male factory workers are less likely than their female counterparts to demand that their marriage partners be involved in industry or in family commodity enterprises, they definitely prefer to choose potential mates who are involved in commodity production. Families who own shares in the Shennong factory often try to arrange to have their children's chosen marriage partners work in the factory, if possible. When I was in the village in 1990-91, many Such families, using their shareholder privileges, arranged for their future daughters-in-law to work in the Shennong factory. The future daughters-in-law oftentimes then had their lunch at their prospective parents-in-law's houses. In general, these women turned over 40 to 65% of their factory income to their future husbands or the future husbands' families to use for the marriage cost and for their own future families. Similarly, some factory shareholder families arranged for their future sons-in-law, who lived in other villages, to work in the Shennong factory. These sons-in-law were also frequently invited by their future parents-in-law to eat at their houses.

Another new phenomenon taking place in Shenquan is an increasing number of

adopted-in-husband marriages among peasant-workers and peasant-entrepreneur families.

Adopted-in-husband marriage is a traditional form of Chinese marriage practiced by families with no sons, but only daughters; to ensure the continuity of the family. In the marriage ceremony, the adopted-in-husband, also called the taken-in son-in-law, zhao nu xu, is treated as a bride, except that he does not ride in sedan chair to come to the wedding.

In modern practice, such a marriage arrangement does not require the adopted-in-husband to take on his wife's family name, but his children will bear the family's name. Investigating marriage patterns in 64 Shenquan's peasant-workers' families between 1985 and 1991, I found that there were seven adopted-in-husband marriages (included in the number of marriages arranged within Shenquan in the Table 1) which all took place after the factory was established in 1985. In addition, other families wanted to arrange such marriages for their daughters or even to change their daughters' existing pattern of marriage into adopted-in-husband marriage. By changing their sons-in-law's status into the status of "taken-in son-in-law," they can change their daughters' and sons-in-law's residential registration from the husbands' village residence to Shenquan. Families want to do this to keep their daughters working in the Shennong factory and so continue to financially benefit their own natal families in Shenquan.

Therefore, not everyone can arrange such a marriage for a daughter. According to the government's residential policy, a peasant who has no son but only daughter(s), can take in an adopted-in-husband for his daughter. Ma Liang, a village restaurant/teahouse owner, has no son and has already married out his four daughters. His second daughter,

however, married within the village to Yang Bing, who was a migrant peasant who worked in cities most of the time in recent years. The villagers and the village cadres considered Yang Bing a taken-in son-in-law. But Ma Liang did not have good a relationship with Yang Bing, and the two families lived separately. Ma thus denied Yang Bing's "adoption" and tried to convince the village cadres to allow him to move his first daughters and first son-in-law's family back to Shenquan village and to change his first son-in-law's status to a taken-in son-in-law. In fact, although his first son-in-law lives in another village, he had already been working in the Shennong factory as a salesperson and I often saw him and Ma Liang's eldest daughter farm Ma Liang's fields and help to take care of his restaurants/teahouses. Ma Liang talked to me about his attempt to make his first son-in-law his daughter's adopted-in-husband, expecting me to persuade the village cadres to allow him to move his first son-in-law's family into the village. The village cadres, however, were reluctant to approve his application, for they were afraid that there would be many other requests if they granted this one. And certainly, by doing so, it would bring about conflict among villagers because, should the family of Ma Liang's eldest daughter and her husband move into Shenquan, they would be entitled to an allocation of land for farming. Thus, it would reduce the amount of land for every Shenquan member.

EMERGING SIGNIFICANT AFFINAL RELATIONSHIPS

The significance of adopted-in-husbands in the village represents a new trend in inter-familial interaction between those involved in the village factory and their affinal

relatives. The development of the village industry has drawn Shenquan villagers' affinal relatives closer to them than ever before in terms of socioeconomic interactions, continuously producing more frequent economic cooperation.

I interviewed a random sample of 60 Shenquan peasant-workers out of 300 factory workers to learn with whom they most frequently cooperated in family economy. Thirty-eight (63%) said they cooperated mostly with their sons-in-law's, wife's brothers' or sisters' families, or wife's parents' families. Only twelve (20) of primarily cooperated with their patrilineal kinsmen (such as husband's brother(s), husband's parallel cousins, husband's parents' families and so forth), while ten (17%) cooperated with both affinal and patrilineal relatives (see Table 2).

Cooperation between patrilineal kin existed among all the families in my random sample except for a few peasant-workers who had had serious conflict with the husbands' parents. In such cases, the conflicts began when the families divided and the disposition of family property was disputed, or when peasant-workers would not give any of their income demanded by their parents or parents-in-law. Cooperation between patrilineal kinsmen primarily revolved around family, and seven families exchanged help during the planting and harvesting seasons (see Table 2). Only one family cooperated in petty commodity production with the husband's parents' family. while two primarily interacted with their patrilineal kinsmen through gift exchanges during Chinese holidays and ceremonies such as birthdays, weddings, and so on.

Two peasant-workers, who are brothers, had a cooperative relationship through their participation in the village factory. The older brother, Shi Yan, was a shareholder

and a salesperson of the factory. Based on his shareholder privilege, he helped his younger brother become a factory worker. Shi Yan asked that his brother pay him 40 yuan a month for arranging the factory job. Some villagers told me that this "finder's fee" often caused conflict between the two families; the younger brother's wife complaining very often about the payment. Shi Yan had a very profitable job and apparently had become quite rich, building one of the most beautiful houses in the village. Many villagers thought that charging his own brother money for help in finding employment was out of bounds in terms of kinship morality.

Table 2: Patterns of cooperation among 60 randomly sampled peasant-worker families, 1990-1991.

cooperation	Pattern of Cooperative Activities				Total
	farming	industry* ¹	pcp* ²	gift exchange	
affines	17	13	4	4	38
patri-kin	7	2	1	2	12
both affines & patri-kin	5	3		2	10
					60

*1 involvement in Shennong factory.

*2 family petty commodity production.

Source: Field Survey, August, 1991.

Among the 38 people claiming to cooperate mainly with their affinal relatives, 13 (34%) peasant-worker families have cooperated with their affines in the ways they, as Shennong factory shareholders, arranged for their affines to work in the Shennong

factory, or, borrowed money from their relatives to be able to invest in the factory to become shareholders. Some of them depended on their affinal relatives' privileges as shareholders in Shennong factory to get employment opportunities. The families which depended on their shareholder affinal relatives for their factory jobs then, often did agricultural work for their affinal relatives in exchange for their employment help.

Another type of cooperative activity among affinal relatives was in family petty commodity production. Four families cooperated with their affines in producing Chinese medicine, i.e., huang lian. Still another type of interaction among affinal relatives was in mutual financial support. Among the latter families, some received loans from their affinal relatives so they could invest in the factory as shareholders. Since then, they often lend money to each other.

The most frequent form of cooperation among affines occurred in farming. Out of 38 peasant-worker families, 17 said that they primarily cooperated with affines in planting rice or harvesting wheat. Because the husbands in many of these families often worked as factory salespersons in cities outside the village, when extra labor was needed during the agricultural busy seasons, their wives turned to their natal family members or relatives for help. One worker's wife remarked:

I feel comfortable to ask my own folks to come to help. When I ask his jiamen (husband's kinsmen) to help me to plant and harvest, I have to prepare a nice feast for them, otherwise they would say something bad about me, and next time they would not come to help. For affinal relatives, you don't necessarily need to offer them a nice feast, although we do offer them some nice food and wine since they know that we now earn money from the factory. Anyway, my relatives can be depended on when we need them.

Other peasant-workers who I surveyed said that they did not have much economic cooperation with any relatives. They might occasionally visit both affinal and patrilineal

relatives during Chinese holidays or at social events. But, in terms of agricultural economic production, they often hired laborers to do the job or they had already given up family farming.

Shenquan peasant-workers and peasant-entrepreneurs seem to be aware that cooperation among patrilineal kin has declined. They gave various reasons for this change. One young peasant-worker told me that he seldom interacted with patrilineal relatives of his father and grandfather's generations. "To visit them," he said, "unlike visiting other relatives such as those of your generation, you have to bring expensive gifts to their families. They are your lao bei zi¹ [old generation], and no one feels good about cooperating with one's lao bei zi, when he is doing business outside [the village]." A person is always obliged to show respect and obedience when he confronts his lao bei zi. This notion of kinship hierarchy stresses proper behavior rather than individual interest. But young people, "doing things outside," that is, working as wage laborers or doing market economic activities outside of the village, must take market risks and deal with partners in primarily monetary terms, not in terms of kinship reciprocity. Thus, in market exchange and cooperation, they prefer to work with someone in an equal partnership, rather than with someone in a hierarchical relationship which jeopardizes their money-making pursuits.

Traditionally, villagers cooperated with their brothers and patrilineal cousins because they lived in the same "courtyard" or nearby. Some villagers constructed their houses with their brothers' and patrilineal cousins' help. This residential pattern continues

¹ The villagers used the word lao bei zi as a respectful term to address or refer to patrilineal relatives above their own generation.

in Chinese rural villages. Yet, since the late 1980s, such help in family housing construction was less available to villagers whose kinsmen were involved in the Shennong factory's marketing business or in urban industries. One day, I walked into a village "courtyard" containing a few housing compounds where a few young women and girls sat in the front yard, plaiting hats and chatting. I joined their conversation and a young woman in her twenties told me who lived in the houses in the "courtyard." It was a big compound, including the household of families of three brothers and their parents all of whom occupy a major part of this "courtyard." Outside the compound, there was another house, which belonged to a patrilineal parallel-cousin of the three brothers. The young wife of one of the brothers laughed when I asked about the household members. "I do not know my husband's brothers nor about the cousins." I asked her why she did not know them and she explained that her husband's brothers and cousin had all gone to Canton in south China to work on construction jobs. She had seen one of them when he came back just for a few days during the last month. She had married into this household two years ago but had never met nor talked to her husband's brothers or cousins; she has only seen them in pictures.

During the planting and harvesting seasons, more women and older people than men and youth work in the fields. In the past, women of this region were not supposed to transplant oil-seeds and rice, and even during the commune system, many women did not learn these skills. Now village women reported that they transplant these crops, and that they do it well. Indeed, since the early 1980s, some wives in young peasant families assumed responsibility for agricultural production while their husbands worked at the

village factory or outside the village as wage laborers, either on a long-term or short-term basis. This family division of labor has changed the nature of interaction between kin. When husbands were absent from home for long periods, their wives, rather than enlisting their husbands' kinsmen, cooperate with their natal families in social and economic activities.

The emerging significance of affinal relationships in Shenquan seems similar to what the Gallins (Gallin and Gallin, 1985) found in a rural peasant community in Taiwan. As the Gallins suggest, economic development there has affected peasants' cooperation in such a way that they more frequently cooperate with affinal relatives beyond their villages so as to obtain opportunities to participate and to enhance their position in the broader market economy.

While it is true that Shenquan's peasant-workers and peasant entrepreneurs may increasingly cooperate with affines in order to gain greater access to the market economy, I argue that the emerging significance of affinal cooperation in Shenquan is grounded in two changes: (1) the change in village socioeconomic structure; (2) the development of peasant family individualism.

The reemergence of family farming in the 1980s under the responsibility system was not accompanied by the revitalization of networks and forms of traditional cooperation. That is, the traditional fabric of kinship was not revived because, during that period, peasants also diversified and relocated their economic activities from farms to factories, markets, or urban areas. As peasant economic activities have been relocated, the traditional social link which had been centered on patrilineal relationship has been

breaking down, forcing peasant families to turn to other social relationships. Thus, existing affinal ties have become especially significant and a necessary form of reciprocity and economic cooperation in their lives.

The second, and the most crucial reason for such change, is rooted in the conflict between an increase in family individualism and the social nature of patrilineal kinship networks. Since the family responsibility system began, Shenquan peasant families have been rapidly cellularized in terms of family economic management, production, and consumption. In other words, peasant families nowadays, more or less, autonomously make decisions about the ways of farming, and the patterns of distributing, consuming and marketing their farm products. The economic reform, hence, has linked every peasant's labor, skills, and technologies directly to his/her own family's consumption and accumulation of wealth.

FAMILY DIVISION

Over the last 20 years, family division among Shenquan peasants occurred increasingly earlier than it had in the past. This trend seems to coincide with the reemergence of family farming. In a survey of fifty-five families (see Table 3) the criteria used were: all of people in the survey were under age 40, most had one or more brothers in their households and their parents were not too old to live alone, and all their parents could support themselves by their own labor.²

The survey showed that the number of young people whose families divided

²Incomplete families and the families with only one son are not included in my survey.

before their marriage was larger during the period from 1986 to 1990 than earlier (see Table 3). The reason for such earlier division was rooted in the young people's occupations. They were doing wage labor work before marriage, earned much more cash income than their parents, and wanted to accumulate income for the families they would soon establish. They were often accused of being scorned by their parents as "selfish," but, there was little community pressure available to dissuade them.

During the 1970s, only 1 family out of the sample of 12 cases divided within the first three months following the marriage of a son (see Table 3). In the first half of the 1980s, however, 12 out of 23 families divided within the same three month time period and in the second half of the 1980s 13 out of 20 families divided in the three month period after a son's marriage. The trend clearly demonstrates that young peasant couples increasingly separate from their parents early to form their own conjugal families.

Table 3: Pattern of household division in Shenquan, 1970-1990.

Time of Division	Number of Cases in Different Time Periods			Total
	1970--1979	1980--1985	1986--1990	
before marriage	1	2	3	
within 3 months after marriage	1	12	13	
3 months to 1 year	3	3	1	
1 year to 2 years		4		
within 2-5 years	1	1		
within 5-10 years	2	1		
no division	4	0	3	
Subtotal of Marriages	12	23	20	55

Source: Field survey, August, 1991.

Four families which include sons who were married in the 1970s remain undivided. While three families with sons married in the second half of the 1980s also have not divided, it is unlikely that they will remain a complex family for very much longer. None of the families with sons who were married in the first half of the 1980s remain together.

With economic diversification and social differentiation since the late 1980s in Shenquan, young peasant-workers and peasant-entrepreneurs adopted new ways of supporting old parents who were unable to work. In contrast to tradition in which one son and his family remained in the parents' household to take care of the old couple, nowadays, sons divide the responsibility. In such a pattern, the sons often share their responsibility of supporting their parents with food, clothing and other necessities by arranging for their parents to live separately with each of the sons' families so that every son's family would in turn provide economic support for their parents. The two parents would eat and live in different sons' homes. In the situation that the parents' and sons' families live together in one housing compound, the parents usually live in their own room but eat in different sons' families. Or, in another pattern, parents rotate to live among sons' families-- live with each son's family for a period of time. All of the patterns unmistakably indicate that sons, not their parents, control and manage their own family economies.

It was, therefore, not unusual to hear old parents accuse their sons of poor treatment. One old man appealed to me, telling me about his discontent with his elder son.

My son went to work at jobs outside the village since age 17. He then kept most of his money and would not give it to the family. Just before his marriage he said

to me that he wanted to separate from me. I knew this was all his woman's idea. They were afraid that I would use their money. I said to him "okay, you want to live on your own, it's fine, you are on your own." He bought a lot of things for his marriage because he had money. Later, when they had a baby, his wife told others "our old folks do not take care of our baby,..." But they didn't mention that they wanted to separate from us even before the marriage. In the past, at least, the eldest son did not divide from the parents' family until his younger brother got married, so there was always a daughter-in-law taking care of household work. Look at those daughters-in-law now. They do not get up earlier in the morning to cook for their parents; it is just the other way around, and old folks now have to cook breakfast for them and serve them.

As the quote suggests, sons or daughters-in-law usually initiated the idea of family division. Sometimes, however, parents encouraged their sons to divide because they wanted them to manage their own family production and to actively look for opportunities to earn money.

The land distribution system instituted in 1982, which allocated land to individuals instead of a family as a whole and allowed each family member to be entitled to cultivate the same amount of land, has made family division much easier. Many families in Shenquan divided in 1984-85, immediately after land was assigned to individual peasants for cultivation. Many young peasants divided, not because they wanted access to family property and resources, but rather, because they wanted autonomy and to be able to engage in any type of production they wanted.

Economic diversification had brought inequality not only between families but among families in a household as well. For example, in the courtyards of many households, new two-story houses abut old shabby houses, a sign of economic inequality within the same household compound. The housing compound in which Huang Erban's household lives exemplifies this problem. His family lived in a typical Sichuan peasant

house, enclosing a courtyard, all in the shape of a square. On the north side of the house, there is a tang wu, a living room, which houses ancestral tablets and gods' tablets. Several rooms and a kitchen were located on the west and east sides, while a household gate and fences are on the south side. The whole housing compound was very old, built with earthen bricks and thatch-roof. After Huang Erban's first three sons married, they each in turn divided from their parents' family. They continued to live in Huang's household, in rooms allocated on the west and east sides of the house; the ground of the courtyard was marked with lines to indicate the division of the courtyard for each family in compound. In 1991, Huang's second son, who had been working in the Shennong factory, began to build a two-story house. He built his house on the south side of the courtyard, with the front of the house facing south. Huang Erban was very unhappy about the new house location because a son's house should not be built in front of the tang wu, where ancestor tablets were placed. The house would block the ancestors' vision, causing household to suffer a bad fate. Despite Huang Erban's dissatisfaction with the arrangement, his son insisted on building the house in this location. In 1991, the new house stood in front of the courtyard, contrasting sharply with Huang's old shabby house behind it and symbolizing the nature of contemporary family division and economic diversification.³

MARRIAGE, FAMILY, AND KINSHIP AMONG AGRICULTURAL VILLAGERS

Young villagers whose families still live primarily on subsistence farming and have not been involved in commodity production tend more than others to rely on their

³see Chapter 5 about economic diversification among the families in Huang's household.

parents to find marriage partners for them, although they still make the final decision as to whom they will marry. In this aspect, they are not different from young peasant-workers.

Peng Tan who married a young woman from a village vary near Shenquan in 1990 is an example of this type of arrangement. At the time of his marriage, his family included four members, all working on their own family's land and also for other villagers by plowing fields. Peng Tan's parents paid all expenses: for his wedding banquet and dong fang--the nuptial room with furniture. The new couple lived with Peng's parents under the same roof, ate with them and had to ask them for money if they wanted to buy consumer goods. In other words, the new couple did not have an independent economy.

Among those villagers whose family economies are still based on subsistence farming, social networks are usually limited. Their traditional patrilineal kinship relationships, in general, have not been revived to the previous pattern in pre-1949 by the re-emergence of individual family farming. Moreover, recent development of economic diversification and social differentiation among villagers has undermined traditional pattern of kinship networks in Shenquan and local communities. Although these village subsistence farmers also conduct new type of reciprocity with their affinal relatives outside Shenquan in forms of labor exchange in agriculture, their social networks have been confined within farming activities and have had very limited effect on the transformation of their family economy. These villagers often do not have the extensive social networks that peasant-entrepreneurs and peasant-workers have. As a matter of fact, poor subsistence peasants often complained that they did not have many relatives and guan xi to help them in developing family farming and commodity production.

KINSHIP, ANCESTORS, AND VILLAGE ELDERS

Institutionalized patrilineal kinship organizations and activities were outlawed in this region by the Chinese revolution under the commune system since the 1950s as the lineage shrines were destroyed and lineage organizational activities were forbidden by the government. Patri-kin relations have been further undermined by the above mentioned new socioeconomic development in the current rural reform. The elders of Shenquan's five big surname groups (Liao, Xiang, Yang, Yin, and Ma) all confirmed that even before the revolution, they did not often participate in their lineages' rituals, such as those held in other villages. Even in the past, Shenquan's lineages were not among the powerful lineages in this region (see chapter 4).

The observation of traditional rituals such as Qing Ming memorial ritual, Spring Festival, or funeral rituals, were individual family matters in 1991. I witnessed one funeral that took place in Shenquan by a family belonging to the Liao surname group. The family hired a rural-based band of musicians to play funeral music, lamenting the death of the old man of the family. Although the ritual was elaborately performed to honor and mourn the old man who had died, the participants in the funeral included only a few of the family's close relatives. In the past, a funeral would have been organized by the deceased's lineage or surname group. Funeral ceremonies were also cooperatively observed by the families of the deceased together with other lineage members. Village elders were nostalgic about the activities of big families in the past. One old man remarked:

In the past, people used to have big families. Young people served the old. The daughters-in-law cooked, cleaned, and did all household work. It was the old men

who often arranged family things. When a family was at the table for a meal, the old men got to give orders for family members to eat.... Well, nowadays you just have to be open-minded. As long as you have something to eat, something to put on, and a place for you to live, why should you worry about other affairs? It is no use to worry too much....

In this region, the government has a new rule that makes burying the dead on village land illegal. Peasants thus must cremate the dead in crematorium built by the county. Many village elders felt sad about this, "The old ritual [funeral] now is gone. When we pass away, it is just a matter of yi ba huo [a bundle of fire]. So nobody is going to remember you any more after you died..." While the government apparently hopes to save the land for the living by this policy, older people do not share its concern, and indeed suffer anxiety. "If you do not have a tomb, none of your descendants can observe ceremonies on Qing Ming (Chinese Ancestor Memorial Day), and your soul can not be alive. Both body and your soul will be dead for good."

Family continuity has always been important to the Chinese in rural communities and traditionally, it underlay the Chinese kinship and family system. The continuity of the family necessitated maintaining the link with one's deceased parents and ancestors by observing a series of rituals, such as ancestor worship during certain family memorial days, and by maintaining symbols such as ancestors' tablets which were considered essential for a family's fate and fortune.

But lineage shrines in the Shenquan region were torn down in the late 1950s and any remaining vestiges were demolished during the Cultural Revolution of the 1970s. The symbolic significance of ancestors has diminished. In the families in which I conducted interviews, I noticed that only slightly over a hundred families out of 280 put up written

couplets (which symbolized the worship of ancestors) on the walls of their living room. Some of those couplets were covered with thick layers of dust, suggesting that they had not been taken care of for a long time. In fact, some peasants admitted that only the lao ren, the old folks, in their families occasionally worshipped the ancestors and gods.

Seeing that I often took pictures of village people, Huang Erban came up with a solution to "keep the soul alive": take a color picture of him, enlarge it, and put his picture on a wall in his living room under the couplets, which were for ancestor worship. Later, he told the idea to many village elders and they all asked me to take color pictures of them. Indeed, to have color pictures of themselves became a new fashion in the village. At that time none of the villagers had a camera or knew how to use a camera. Peasants had to go to photo studios in cities or county towns to have their pictures taken. For many elders, it is very difficult to travel such a long way to do so. With my service, they could have the color portraits of themselves on the walls of their households. "Even if I might not have a tomb," Huang Erban said, "I can leave my portrait to my descendants. Thus, they will be able to pay their respect to me. Then, I still have my soul in my family."

To summarize, patterns of marriage, family, and kinship have continuously changed in the course of new agrarian transformation taking place in Shenquan. To adjust to new rural economic development, as well as to obtain more market economic opportunities for their own individual and family interests, Shenquan villagers, particularly, peasant-workers and peasant-entrepreneurs, have opted for new patterns of social behavior and, in so doing, have reshaped their family life style.

Chapter 11:

CONCLUSION

Government reform, which began in the late 1970s and continues as this dissertation is being written, first introduced the family responsibility system, then encouraged commercialization and commodity production, and ultimately, abandoned the commune collective system, thereby setting the stage for rural agrarian transition and modern economic development. The on-going dramatic social and economic transformation in Chinese rural society has inspired various responses from peasants who have adopted new norms, behaviors, and strategies in order to create further developmental change in the rural economic system.

By developing a rural industry, establishing household petty commodity production experiences, and engaging in commercial activities, many Shenquan villagers became intricately entwined with the urban market economy. This new economic engagement restructured their roles, transforming them from peasant farmers into peasant-workers, peasant-entrepreneurs, peasant-artisans, and peasant itinerant peddlers. Involvement in the market economy led to the diversification of the villagers's economic activities and increasing social differentiation, relocating villagers economically and socially into groups of different social status, and reshaping previous peasant socioeconomic networks, patterns of interaction, and, ultimately, an economically homogeneous peasant community.

During the course of Shenquan's rural economic transformation, rural industry and

household petty commodity production gradually became the dominant forms of economic production for many peasant-entrepreneur and peasant-worker families. This production provided the major part of their family incomes and absorbed most of their time and labor. Indeed, rural economic development has changed the structure of about 65% of the total of Shenquan villagers' family economy such that their activities have become centered around, and dominated by, rural industrial or petty commodity production rather than family farming, which has become only a sideline form of production.

This change in Shenquan's traditional, agriculture-centered, peasant economy, which persisted at the subsistence level for years in this region, represents a break through in the old pattern of "involutionary growth" as peasant-worker and peasant-entrepreneur incomes began to rise far above the margin of subsistence. Workers and entrepreneurs have begun to accumulate capital to invest in individual family petty commodity production, their aim is to make money through market transactions. Some of them have even started what could be considered petty capitalist enterprises by hiring a few wage laborers either seasonally or year-round. Shenquan economic expansion and development, to be sure, have been associated with the change in socioeconomic structure of the village.

Shenquan peasant consumption in general has, as a result, reached an unprecedented level, creating a new peasant prosperity. Such prosperity, primarily among peasant-entrepreneur and peasant-worker families has created, since the late 1980s, a wave of conspicuous consumption in the village. This has been evidenced most

dramatically in the construction of new houses with urban style designs and decorations, the presentation of "luxury" items as part of dowries and betrothal gifts, and luxurious wedding banquets. Bicycles, radio/cassette players, television sets, washing machines, even video players and motorcycles have come to village households.

The shifting of Shenquan's peasant agrarian economy toward a market commodity economy has basically been accompanied by privatization and cooperation on an idiosyncratic basis. That is, individual peasant families have made decisions either to establish privately-owned, independent commodity production enterprises or to cooperate with others in order to accumulate enough capital to start corporate industries, such as the Shennong factory.

The collectivism which had been nourished in the commune for many years has played little role in the foundation of the villagers' commodity production in the economic reform of the 1980s and early 1990s. Yet I have shown that the legacy of commune collectivism has not disappeared completely. For example, some groups of villagers make continuous efforts to preserve aspects of the collective by demanding that the Shennong factory's profits go to all Shenquan villagers. We have also seen, however, that such efforts constantly encounter and conflict with the process of privatization in the village as seen by the decline and decollectivization of Shenquan's welfare system in medical care and education.

By 1991, great variations existed among village peasant families in terms of their involvement in commodity production, rural industry, and market activities. The pattern of "subsistence economy" still exists among some peasant families, primarily, peasant

farmers. But the search for new forms of production for the market economy has become a consistent theme in the peasants' economic behavior. The drive to make money through the market economy stimulated diversification of both interfamily and intrafamily economic behavior and activities as well as patterns of consumption.

As a consequence of diversified economic development, income inequality and social differentiation among villagers became inevitable. As more and more peasants have become involved in market activities in the course of the diversification of Shenquan village's economy, some have become entrepreneurs, employing wage laborers and turning their enterprises toward capitalist expansion (m-c-m')¹, whereas others became long-term or short-term wage laborers. Newly rich entrepreneurs and the village factory's leading managers, many of whom were and are village cadres, have acquired social recognition and power on the basis of their economic sources, and enjoyed the prestige and the emerging elitism in the village.

SUBSTANTIVIST THEORY ON TRIAL

Shenquan peasants' experiences in rural agrarian transformation and rural industrialization during the economic reform in the 1980s and early 1990s demonstrate that, one way or another, the majority of villagers rationally pursued, or intended to pursue, market profit and market opportunities to increase their individual family wealth. Interpersonal conduct between villagers, even between relatives and family members,

¹ It is the logic of capitalist production: money as capital (m) is invested in the production by buying commodities (c), including labor, to produce surplus value (m').

includes more monetary elements than earlier. Fellow villagers, relatives, or even brothers, are hired on a contractual basis not only to construct new family houses but also to work in family farming and petty commodity production. The fundamental assumption of Chayanov and other substantivists--that use value production is a distinctive internal logic of a peasant economy and the normative scheme of a "moral peasant"-- is not found among Shenquan villagers.

I have shown that Shenquan villagers, particularly those who established their own petty commodity production enterprises, are quite aware of market concepts such as profit, competition, capital investment, market risk, and money making strategies. They are shrewd and calculating in their market activities. Huang lian producers who recognized or experienced market risks, were willing to continue to seek individual gains through the market. Their behavior demonstrates that the "risk adverse" principle, defined by substantivists as a trait of the peasant economy and the "moral peasant," does not operate as the norm which governs peasant behavior.

In the view of some substantivists or moralists, peasant family petty commodity production is an independent form of production which is based on its own internal logic of subsistence (Bernstein 1986; Friedman, 1978; G. Smith, 1985). That is, the goal of peasant petty commodity production is immediate family consumption (c-m-c)² rather than the logic of capitalist enterprise--appropriation and realization of surplus value (m-c-m'). Such scholars argue that because peasant petty commodity producers are enmeshed

²It indicates the process of production in which a commodity (c) is produced to exchange for money (m) then to buy another commodity for consumption (c).

within social relationships located in households, kin groups, and communities, their petty commodity production oftentimes is dependent on non-waged laborers with whom they have particularistic ties. In other words, the reciprocity on which petty commodity production depends hinders a division of labor and surplus-value accumulation (ibid).

The situation with regard to medicine (huang lian) production and plaiting in Shenquan, however, is different from that posited. Peasant-entrepreneurs, who have relatively large capital investments, are involved in production with wage labor, are driven by the capital-motive, and have increased their capital gains. Assigning a subsistence logic to peasant family petty commodity production as if it were an independent mode or form of production(Bernstein, 1986) separated from the mode of production in the larger market economy, and, as if it were dominated by one normative scheme, blinds us to the potential of peasant petty commodity production for development and transformation. The decision-making and economic action of Shenquan petty commodity producers support Cook and Binford's thesis that, while the purpose or result of peasant petty commodity production may be simple reproduction, it is never to the exclusion of capital accumulation or profit (Cook and Binford, 1990:10).

Not all Shenquan peasants, however, participate in the market economy at the same level, nor are all villagers involved in the market economy. My study shows that the initial economic conditions and different social and cultural practices of peasant families are significant factors that allow some peasants to develop commodity production or industry. In Shenquan, village cadres' families were able to accumulate cash during the commune system by sending family members to work in commune or village side-line

enterprises. They thus enjoyed advantages when it became possible to invest money in rural industry in 1985; later they were able to invest the cash incomes they earned from industrial production in family petty commodity production. Inequality during the commune period laid the base for differences among the villagers' involvement in the market economy during the economic reform period. The families of village cadres, which were able to take advantage of their social and political positions and power, benefited most from the development of petty commodity production.

Economic diversification in Shenquan also led to the weakening of bonds between members of the community and even between closely related families. The once homogeneous village economic structure gradually gave way to economic heterogeneity, thereby increasing family individualism and independence and stimulating market economic exchanges between people in different economic sectors (i.e., rural industry, farming, rural commerce). Moreover, heterogeneity has altered the nature of interdependence between the families of the community, diminishing their reliance on traditional forms of reciprocity and bringing about a growing trend to shape socioeconomic cooperation in monetary and contractual terms.

Shenquan villagers have had to adapt to the economic pattern of contractual interaction. The market economy reduced once socially reciprocal items of exchange into commodity goods, and transformed former cooperation of labor into waged labor that must be purchased with money.

Socioeconomic heterogeneity, thus, tends to separate peasant families as they are increasingly linked into a market relationship. It stimulates diversity in individual peasant

responses to the market economy and it lays down the economic structural basis for agrarian transformation and even greater peasant socioeconomic differentiation.

Economic differentiation thus first appears between peasants who work in different economic sectors--rural industry, petty commodity production, and farming, gradually generating fundamental differentiation in social status, ability to accumulate capital, and, ultimately, the form (or mode) of production.

Certainly, Chinese state policies and the inefficient and poorly managed state-run industries, in general, gave rural industries and family commodity production enterprises a comparative advantage in the market. The Chinese state economy was a type of "shortage economy" (Konai, 1980). When peasants were freed to engage in rural industries, they had little competition from national industries because they supplied a variety of products which were not produced or produced in insufficient quantities by state industries. Such profitable markets enabled many rural Chinese entrepreneurs to accumulate wealth and capital rapidly. In any case, this rural industrial development has created rural economic diversification and social differentiation, and, ultimately, new social and economic structures.

Chayanov's theory of peasant economy lays down the basic theme of differentiation in the substantivist or moral economy perspective. In this view, differentiation is defined only in terms of accumulation and consumption of use-values, which are unable to distinguish socially significant differences at the level of production. Chayanovians recognize only demographic differentiation, i.e., family demographic factors define the size and relative prosperity of households by their position in the cycle

of generational reproduction. Hence, any kind of capitalist investments to enhance labor-productivity or production for market profits are precluded from the peasant family economy.

While the deterministic nature of a Chayanovian analysis of household demographic differentiation is a misconception, household demographic factors do affect the peasant family economy and have influenced the process of capital accumulation for peasants who are engaged in market activities. Given the characteristics of the peasant family economy and certain conditions of production, variations in laborer/consumer ratios do make a difference in capital accumulation. For example, in a study in Sichuan, Zhao (1988) found that the rural reform of the 1980s produced economic inequality among peasants. He concluded that large family size produced advantages because, having more laborers large families were able to arrange a division of labor in which family members worked in both agriculture and non-agricultural production for the market. Families with favorable laborer/consumer ratios are, therefore, able to accumulate more wealth than are families with negatively balanced laborer/consumer ratios.

In both Zhao's study and the case of Shenquan, it is clear that life-cycle factors can significantly influence socioeconomic differentiation only if they are associated with family economy that is interconnected with the market. Life-cycle factors are not prime movers in the development of family economy. Rather, family demographic factors are only a supplemental force, playing a secondary and submissive role to market forces in today's peasant economic changes. In Shenquan we have what Cook and Binford (1986)

terms of "endofamilial accumulation."³

In Shenquan, families whose position in the demographic cycle was one in which they had no small children to care for but rather had grown son(s) or daughter(s) who could either be sent out to work as wage laborers or conduct family petty commodity production, e.g., huang lian processing, handicraft industries, plaiting, were able to accumulate capital.⁴ In other cases, however, demographic factors work in an opposite way. When babies were born or small children in need of care were present in the domestic unit, families had to draw family members out of wage labor employment or petty commodity production into family farming, thereby reducing the number of actual laborers in the family. Clearly, demographic factors do play a role in the ability of peasants to accumulate wealth and capital as they participate in the market economy.

Nevertheless, the significance of demographic factors has been greatly reduced among Shenquan's entrepreneurial families because they often hire labor to work in both commodity production and in family farming. Families which continue to engage solely in subsistence farming, however, even those with a positive family labor/consumer ratio, find themselves unable to diversify economically. Such families often rely on relatives and friends to guarantee a consistent labor reciprocity at those times when it is necessary to meet their family production needs. They often invest their surplus labor in cooperation since they encounter the dilemma of "two extremes of expansion and contraction of non-

³see explanation and discussion of the term in Chapter 2.

⁴In some cases, one of the parents in the family, usually the father, went out to seek wage employment or to conduct petty commodity production.

commercialized surplus labor" (Smith, 1985:103). That is to say, they are unable to deploy surplus labor to engage in petty commodity production because their reciprocal arrangements which are needed for their subsistence farming confine their labor investment. In Shenquan, even farm families with a favorable labor/consumer ratio remain located at the bottom level of the socioeconomic hierarchy in the community.

CONFLICT AND INTER-CONNECTION

The problem with the Chayanovian and the substantivist, moral economy models of peasantry is that they reject the linkage between the peasant economy and both the social formation and the mode of production of the larger market economy. Thus, they neglect the existing and active dialectic elements in the peasant economy.

My study found that both use-value production and profit-driven commodity production are incorporated within the peasant economy, but that they conflict with each other. Within the Shenquan peasant community, there is interplay between individualism and collectivism, and between reciprocity and exploitation, as seen in the interaction between Shennong factory's benefits to the village and its diversification from communal collective interests. During the commune period, collectivism was the dominant cultural value promoted by the government and carried out by social and economic organizations which structurally regulated peasant behavior within the collective sphere. Nonetheless, even with the forced collective operation, Shenquan peasants pursued individualistic interests, particularly at later stages of collective period, through agricultural production and market activities.

Within Shenquan, peasant also held different views of collective morality.

Different and conflicting visions of collective and cooperative values have always been present in peasant communities. As Madsen (1984:245) points out, the understanding by peasants of this value could be quite different depending upon what particular situation the community encountered or the particular social and economic positions occupied by different peasants. These conflicting understandings of communal collectivism provided points of connection between the village peasant economy and the market economy. After the means of production (such as land and tools) were privatized and labor was commodified, the peasant economy and the market were articulated. It is the existing peasant individualism and the unequal access to market or other resources that facilitate the penetration of market economic forces and that have given rise to new values and practices. There is a two-way communication between the forces against collectivism among peasants and the forces of the market economy, both of which actively respond to each other.

The result of this two-way interaction is different in different societies and economic systems. We saw that the peasants of Shenquan "negotiated" these conflicting norms. For example, during the current change toward privatization, some villagers pressured the village factory and village cadres to adopt practices of egalitarian distribution and collectivism, that is, to make the factory a collective organization so as to benefit all village peasant families. The factory owners, to respond to the legacy of collectivism, which still is alive among some peasants, contributed to the community by building the village's new school and a water pump for each family of the village. The co-

existence and "negotiation" of conflicting values and interests, therefore, should alert us to the danger of adopting an either view of absolute peasant resistance to capitalist market economy or view of absolute capitalist penetration into the peasant economy.

CULTURAL FORMS IN EFFECT

The study of peasant economic behavior also has to leave room for the interaction of various cultural forms. The substantivist, or the "moral peasant," approach deals with the peasant in terms of a prescribed set of norms. By contrast, Popkin's "rational peasant" approach considers the peasant to be any other economic man with similar economic rationality over time and space. Although the two approaches encompass conflicting theoretical frameworks, they share one commonality. Both give inadequate attention to particular cultural forms and history, thus leading them to a stereotype of peasants in their various contexts.

In Shenquan, for example, we have seen that different cultural practices among the villagers have affected their different responses to the market economy. Those who established broad social networks through kinship relationships, "guan xi", or social and political connections were more likely to engage in rural industry or to cooperate in petty commodity production than were those without such associations. They usually grasped more opportunities offered by market economic development than those who had less involvement in social networking. In market competition, they explore cultural forms, such as lineage relationships, affinal interrelations, or patron-client relationships, and create various new economic forms or linkages, all of which facilitate not only their

survival in the market economy, but also the accumulation of capital.

Chinese kinship, though stripped by revolutionary change of much of its organizational power and economic foundation, continues to influence contemporary rural life. As peasants engage in the market economy, they assign a new meaning to this special cultural form, for example, increasingly emphasizing affinal, rather than patri-kin relationships. Some peasant-workers and peasant-entrepreneurs call upon affinal ties to expand opportunities in individual family commodity production or commercialization, whereas other peasants focus on enlisting village patrilineal kinship relations to maintain family economic production and consumption.

Shenquan villagers thus utilize kinship in different ways. Those who want to develop their individual family economy via the market might choose to emphasize affinal relationships rather than patrilineal kinship connections. But this finding should not be surprising. Affinal relationships, although not a dominant cultural form in the Chinese kinship system, were selectively utilized by individual family members or families at certain times and in certain situations, as when the normally dominant patrilineal kinship relationships were either not available or were disapproved. As Freedman notes (1958:104), "Affinal ties could clearly serve an important foundation for political and economic activities." In the new era of the rural economic reform, affinal relationships become a significant resource available to individual families who want to expand their family production into the market economy, as happened in rural Taiwan under capitalist development. In Taiwan, the presence of affinal relatives in production activities or in industries outside the village significantly increased opportunities for

peasants to initiate their families' engagement in the market economy (Gallin and Gallin, 1985). Indeed, many Shenquan peasant-workers today would not be involved in industry without the help of their affinal relatives.

The shift in emphasis from patrilineal to affinal networks facilitates cooperation in industrial work and in market involvement. This development is not simply a changing pattern of kinship relations. It is part of a process of emerging peasant family individualism in China's new rural economic system and an index of the development of commodity production and market involvement among peasants. This shift restructures peasant socioeconomic interactions and networks, transforming inter-family and intra-family relationships within and among communities. This special characteristic of affinal networks enables the village's enterprises to develop on the basis of both strong kinship cooperative relationships and business corporation partnerships.

Among Shenquan villagers, particular Chinese peasant cultural values, such as the collective orientation nourished by the commune system, have also affected the way different peasant groups interact with each other and the patterns of conflict and cooperation in the process of the village's developing socioeconomic differentiation.

My field research demonstrates that although villagers have been socioeconomically differentiated, a type of employer/employee relationship has emerged, and even though exploitation exists between some villagers, still, the idea and expectation of communal collectivism and social and economic equality were and are publicly considered a kind of righteousness, that is often brought up in the interactions between socioeconomically different village groups.

The Communist Party constructed an orthodox version of peasant collective morality. Educating Chinese peasants to be builders of socialism devoted to the development of communal common wealth and the elimination of individual pursuits was the goal of the communist China's cultural construction until the 1980s economic reforms. Although this vision of morality was never completely adopted by all members of Chinese peasant society, peasants have always recognized this vision as an ideal moral value. Such recognition served to pressure villagers and their leaders to engage in appropriate behavior which benefited the whole community. The residual power of this moral formula continues to influence many peasants in the village.

In Shenquan, for example, poor peasants who were not involved in the village industry demanded that village and factory leaders take care of all village members and offer them equal access to participation in the rural industry. They held to the notion that "The Communist Party loves the poor the most," and they asked the cadres and other villagers to serve the public first and to curb any actions motivated by self-interest. In their view, the peasants of the village as a whole should achieve the "good life" together, collectively.

At the same time, these peasants tended to conceive of their interests and hopes in terms of an ethos deeply rooted in the Confucian tradition. To use a Confucian idiom, all social relationships and obligations are an extension of the family. A good society, in Confucian thought, as Madsen (1984:245) points out in his study of Chen village in China, "is a harmonious integrated organic whole composed of individuals faithfully committed to distinct social roles. A good society is like a good family." Some Shenquan

peasants cling to this idiom and talk about the betrayal of the good society by those whose concerns and deeds are directed only to increase their own wealth, rather than to other members of the community.

These newly rich villagers in Shenquan praised the Party's new line, "allowing a part of the people to get rich first" and "getting rich is glorious," as a policy that justified economic inequality. We have seen that some village cadres availed themselves of opportunities to get rich first. For them, as the factory leader Ma Wen often remarked, society had never been as good as it was during the reform era; individuals have many more opportunities than ever before to make a fortune by their own individual efforts. It is very clear that such individuals allow their small families or individual interests to outweigh those of the community.

While these cultural values conflict, they are also intertwined, and they are complicated by the swinging of the government's policies from the left pole to the right pole, presenting effective forces that leave a specific imprint on Shenquan's process of agrarian transformation. Thus, we have seen how the practices of peasant family individualism and communal collectivism are both involved in the pattern of Shenquan economic development as it continues toward socioeconomic differentiation and community fragmentation.

In this transformation of rural society, with its shift from involvement in the subsistence economy to incorporation into the market economy, peasants have not thoroughly shaken off the culture to which they belong. Some cultural forms remain unchanged. Not everyone, however, abides by similar forms or the dominant rules of the

above mentioned communist morality and the traditional Confucian culture. On the contrary, cultural negotiations are always present between groups in peasant communities so that new meanings assigned to old cultural forms, or new cultural practices, are adopted. Peasants always act within the cultural forms for which they consciously or unconsciously have opted. In analyzing peasant socioeconomic transformation, we can not ignore active human agency--peasants' creative performances and their dialectic interactions in actual daily life, which may conflict with, but also mutually influence, the individuals and communities involved.

PREDICTION OF RURAL DEVELOPMENT

Chinese village culture has been considered indicative of, and therefore a basic element in, the nature of Chinese society and culture (see Fei, 1947; Sima, 1989). Traditionally, many Chinese peasant villages might be likened to Wolf's (1955) model of the closed corporate peasant community. According to this model, peasants within the same community share a similar life style, cultural values, and patterns of kinship, and other social relations. Even the commune system did not change the basic elements of Chinese peasant culture such as family patterns, patrilineal kinship, community cooperation, and the subsistence peasant agricultural economy (see Parish and White, 1978:321).

The recent development of rural industry and commodity production in the Chinese countryside, however, has had complex and paradoxical effects on traditional Chinese village society and culture. This development, on the one hand, supports a

prediction by Oi (1989) that the shift to household production will not lead to the complete demise of the peasant cooperative economy. Yet, on the other hand, a growing trend which is economic diversification and social differentiation in Shenquan also suggests that the social and economical regrouping of peasants through fragmenting old communities is a dominant process.

Fei Xiaotong, in assessing the effect of rural industrial development on peasant communities, made a point that rural industrial development had its origins in Chinese household handicraft production, which is embedded in a traditional pattern of "Men plow and women weave"--in other words, the complementarity of agriculture and handicrafts in the peasant household. He considers diversification of peasants into both the agricultural and industrial sectors of a village community to be similar to the division of labor in a household (Fei, 1986:34). Oi elaborates this position by maintaining that:

...the diversification and particularly the industrialization of the village economy that have followed the reforms can allow the collective to endure as a corporate entity....The economy of the township or the village perhaps should now be thought of as that of a diversified corporation.... As in a corporation, when a division is weak, but seen as vital to the overall health of the company, profits are drawn from stronger divisions to maintain it, regardless of costs (1991:33-34).

Fei and Oi both portray rural industrialization as a process that produces a sort of "organic solidarity" in village life. But we must not exaggerate the cultural influence of collectivism and ignore the rapidly developing trend of peasant individualism, economic diversification and social differentiation. That is exactly what is taking place in Shenquan village which is quite contrary to what Fei and Oi predicted. In fact, economic diversification has tended to destroy the communal nature of Shenquan's village life. In Shenquan, rural industrial development has promoted the emergence of groups of

different social status out of a formerly homogeneous peasantry; and new communities based on industries and commodity production have emerged from previously agricultural villages. In other words, the introduction of rural industry has resulted in a regrouping of people in rural society and a restructuring of economic institutions.

As long as the market economy continues to expand in Chinese rural society and the privatization of the peasant family economy proceeds, I would expect that the trend toward the transformation of peasant villages through economic diversification and social differentiation, as well as the dissolving and regrouping of communities, will continue. Predicting the future of rural industrialization on the basis of one case study, however, is risky. Yet there is an ongoing trend in China that is worth watching: the development of small towns, which is drawing new entrepreneurs, workers, artisans, and merchants into a contemporary system that articulates industrial urban society with agricultural rural communities. This development is relocating some peasants not only socially and economically but also geographically, diversifying the rural economy into different sectors and the peasantry into different classes and promoting marketing exchange between them. What directions will such a trend take in China's so-called socialist market economy? Will it produce capitalists from rural peasants and social stratification and polarization in the society? Or, will China's peasants develop modern industries, managerial commercial farms, and a cooperative socialist society with Chinese characteristics (whatever these are, given the claim by Chinese authorities that they are still ambiguous)? These questions may need further observation and continual study as does the on-going Chinese economic reform.

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GLOSSARY AND LIST OF CHINESE CHARACTERS

GLOSSARY

Adopted-son-in-law

A Chinese marriage custom which demands that a man marry into his wife's family and then his children continue his wife's family line. This marriage is often arranged for women by their parents who do not have sons.

Bare-foot doctor

Trained rural peasant medical specialist in the commune system.

Cadre

Communist Party officials and government officials at various levels.

Collectivization

A Chinese rural economic system in which peasants are organized into the **commune** and collectively own the means of production and produce agricultural foods.

Commune

The Chinese rural collective organization which is both economic organization and grass-roots administrative unit.

Cultural Revolution

The Chinese government's political campaign which lasted for ten years from 1966 to 1976.

Economic diversification

A pattern of economic development in which people engage in various kinds of economic activities and occupations.

Family Responsibility System

A Chinese rural economic system which changes collective agricultural production into individual peasant family farming.

Government procurement

A Chinese government's system which regulates the purchase of agricultural products through government agents at the prices determined by the government.

Great Leap Forward

The Chinese government's political and economic campaign in the period of 1958 to 1961, attempting to greatly increase economic production and to transform the existing Chinese economic system into a socialist one.

Involuntary growth

A pattern of economic development in which great intensification and increase of labor input are needed only to get a marginal return to maintain **subsistence** economy.

Patri-lineal kinship

The dominant pattern of Chinese kinship system in which lineages are organized on the basis of male dominance to emphasize kinship relationships on the father's side.

Peasant-entrepreneur

Rural people who are registered as peasants in the government household registration system but also run rural industrial or other commodity production enterprises.

Peasant-worker

Rural people who are registered as peasants in the government household registration system but engage in both agriculture and rural industry.

Periodic market

Chinese rural markets which open periodically.

Petty commodity production

Small-scale commodity production being conducted by a family or a group of families, particularly in rural areas.

Reciprocity

A special social relationship based on socioeconomic exchange and cooperation.

Rural economic reform

Chinese government reform program started in 1978 in rural areas and changed the **commune** system into the **family responsibility system**.

Sideline production

Small-scale, peasant economic activities other than agricultural grain production. It is usually involved in the market yet only as supplementary forms of production for family consumption.

Social differentiation

Differentiation was generated as different groups of people occupy different economic occupations, social status, and ultimately, social class positions.

Subsistence

A pattern of economic production for family consumption.

Substantivism

An economic theory which interprets **subsistence** economy.

Taken-in-husband

see **adopted-son-in-law**.

LIST OF CHINESE CHARACTERS

ben qian 本钱 chang 场 cheng jia ji ye 成家立业
da jie 大姐 da lao ban 大老板 da zai 大寨
duan wu 端午 er ba 二爸 ge ge 哥哥
gong fu 功夫 guan xi 关系 he jiu 喝酒
hua quan 划拳 hua ye 花夜 huang lian 黄连
hu guang tian sichuan 湖广填四川 jia men 家门
jiao bei cha 交杯茶 jiu jiu 舅舅 lao bei zi 老辈子
lao feng jiang 老封建 lao nao jin 老脑筋
liu dong min gong 流动农工 nong min gong ren 农民工
nong min qi ye jia 农民企业家 pao ge 袍哥
she hui zhi shi 社会知识 shennong 神农 shenquan 神泉
tang wu 堂屋 tian fu zhi guo 天府之国 xiao gong ye 小工业
yao ba 幺爸 yi jun tu qi 异军突起 ying xin niang 迎新娘
zhao nu xu 招女婿