

POLITICAL ECONOMY OF VILLAGE GOVERNANCE IN CONTEMPORARY CHINA

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Submitted to the faculty of the University Graduate School
in partial fulfillment of the requirements
for the degree
Doctor of Philosophy
in the Department of Political Science
Indiana University

April 2006

Accepted by the Graduate Faculty, Indiana University, in partial fulfillment of the requirements for the degree of Doctor of Philosophy.

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March 10, 2006

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ACKNOWLEDGEMENTS

When I first read Tocqueville's *Democracy in America* over ten years ago, I dreamed of coming to America to learn from the "great experiment." Two distinguished scholars and mentors, Elinor and Vincent Ostrom, made my dream come true in 2000. My deepest appreciation goes to Lin and Vincent for their intellectual cultivation and enlightenment. Lin's mentorship and guidance has been constant and invaluable during my graduate study in Bloomington. She has always been helpful in getting me through every stage of my program. As a hardworking, rigorous, and responsible scholar, Lin sets an outstanding example for me to follow.

Vincent is an unparalleled teacher, and his thinking has the greatest influence on me during my doctoral study. He has taught me the meaning of democracy, the science of citizenship, the art of constitutional choice, and the wisdom of Confucian teachings. Innumerable discussions with Vincent in the past six years have been remarkable learning experiences for me. Vincent is not only an extraordinary mentor, but also a wonderful human being. Like a Confucian scholar, he is unfailingly kind, humble, lenient, and compassionate. It's a great honor to work with him!

I also would like to thank Amos Sawyer, Norman Furniss, and Scott Kennedy with all my heart for their excellent service on my dissertation committee. Amos is a marvelous teacher and colleague, and his encouragement has been indispensable for me in the past

several years. Norm has always read the drafts of my dissertation carefully and given me very helpful advice. Scott has guided me to the literature on China studies, and offered many valuable suggestions to improve my dissertation.

The Workshop in Political Theory and Policy Analysis at IU has not only provided me invaluable financial support but also made me feel at home during my doctoral study. I am thankful for the unique, self-governing organization with superb academic environment. Many Workshop-associated faculty members, visiting scholars, fellow students have influenced my thinking or shared their ideas with me, and I thank all of them without listing their names here. The excellent staff of the Workshop has always been helpful in the past six years. I'd like to thank Gayle Higgins, Patty Lezotte, Nicole Todd, Ray Eliason, David Price, Carol Buszkiewicz, Linda Smith, Laura Wisen, Sarah Kantner, and others for their tireless work and commitment.

I must extend my sincere gratitude and appreciation to many Chinese scholars who helped arrange field work for this dissertation project or shared their research with me. They are Guoying Dang at China Academy of Social Sciences, Yang Yao at Peking University, Dapeng Peng, Xuefeng He, Xingzuo Luo, Yong Xu, Jiquan Xiang, and Yi Wu at Central China Normal University, Qiang Ren at Zhejiang Party School, Dan Mao at Zhejiang University, and Tangbiao Xiao at Jiangxi Party School.

Also, I'd like to express my thanks to a number of township or county officials I met or interviewed during my field research for their immense assistance. Meanwhile, without

the unconditional cooperation, trust, and help of the interviewed villagers and cadres in the four communities, this project would be impossible. My host families in the villages made my stay there enjoyable. I must express my appreciation to all of them from the bottom of my heart.

Further, I want to thank the Department of Political Science and East Asian Studies Center at IU for their travel grants that enabled me to attend several conferences. Sharon LaRoche, the Graduate Secretary in the Department of Political Science, deserves many thanks for her unfailing help in the past six years.

In addition, I am very grateful to Patty Lezotte and Sheldon Gellar for correcting grammar and spelling errors in my dissertation. Their help certainly makes the dissertation more reader-friendly, while all remaining errors are mine.

Most of all, I must express my deep appreciation to my wonderful wife, Ran Zhang, for her love, support, and encouragement on our intellectual journey. With her company and laughter, our life in Bloomington has become much more joyful and unforgettable. Finally, I'd like to extend my sincere thanks to my parents and father-in-law for their patience.

Jianxun Wang

POLITICAL ECONOMY OF VILLAGE GOVERNANCE IN CONTEMPORARY CHINA

Rural development and transformation in post-Mao China is one of the most remarkable scenarios in transition countries. With the dismantlement of collectivized farming and the rural reforms since the late 1970s, villages have become diverse in terms of institutional structure. In some villages, one or a few cadres still dominate decision making over public affairs, while, in others, villagers actively participate in the decision making in one way or another. How do the different institutional structures of villages influence governance performance in terms of providing public goods and services? Do the villages with more peasant participation in decision making over public affairs have better performance than those with less peasant participation?

This analysis is aimed at an initial answer to the questions by engaging in empirical, in-depth case studies in contemporary rural China. With the help of four Chinese scholars, I identified four villages with different institutional structures as cases for this project. I have examined and compared the four communities' governance performance in providing roads, primary schools, land allocation, and fiscal management. The findings suggest that the villages with more villager participation in decision making have better performance in providing public goods and services. The implication of the study for

rural development in transition societies is to encourage peasants' participation and to draw upon their capabilities and local knowledge. The empirical data for the study rely on my field research of six months in the four communities in 2004. The methods of collecting the data include interviews with villagers and cadres as well as extensive field observations and archival research.

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Chapter One Introduction

The Transformation of Rural China

The dramatic political and economic development in post-Mao rural China is one of the most remarkable scenarios in transitional countries. The success of family farming, the increase of peasant income, the blossoming of rural enterprises, the improvement of rural infrastructure, the urbanization of rural areas, and the floating peasant immigrants have attracted the sustained attention of a great number of scholars and practitioners in the past two decades.

With the dismantlement of collectivized farming in the late 1970s and early 1980s, the decision-making power of village cadres have declined, and villages have been experiencing reorganization in many rural areas. As a result, peasants have relatively more choices and decision-making power over both private and public affairs. For instance, peasants can decide what crops they would like to plant, how much they want to sell, whether to open a small business, or whether to go to urban areas to find a job.

At the same time, many peasants have been actively involved in village public affairs. They have made every effort to take part in public decision-making processes and

reorganizing village structure. They have disbanded brigades and organized Villagers' Committees, elected members of the Committee, attended public meetings, urged village leaders to publicize fiscal records, declined to pay "illegal" fees, and sued corrupted leaders. These examples show that the institutional structures of villages have changed much in post-Mao China. The most prominent characteristic of the change is that peasants, to a substantial degree, have taken back their decision-making power over public affairs from village cadres.

To be sure, these changes do not imply that peasants have already become their own governors and masters in rural China, and that village democracy has been established. The changes, however, do indicate that peasants are organizing themselves, and even, to some degree, governing themselves in many cases. More importantly, peasants' participation in public decision making and the change of village institutional structures are uneven across regions and even across villages. More peasants participate in decision-making processes in some villages than in others, and the institutional structure of some villages is more open and self-governing than that of others.

How diverse are village institutional structures in post-Mao China? How do the structures influence the provision of public goods and services in villages? Do villages with more open institutional structures or more peasants' participation perform better in terms of providing public goods and services? Further, what are the potentials and capabilities of peasants to establish a self-governing society from the bottom up?

This project is an effort to address these puzzles by engaging in an empirical case study on village governance in post-Mao China. In the analysis, four villages were selected in different parts of China, and their institutional structures vary in terms of decision making arrangements. Many peasants have chances to participate in decision-making processes over public affairs in one of the villages, while one cadre alone dominates decision making in another village. The other two villages are in between in terms of peasant participation. My aim is to see how the villages perform differently in terms of providing public goods and services, such as roads, primary education, land allocation, and fiscal management. I find that there is a consistent pattern of the relationship between village institutional structures and governance performance, that is, more peasant participation with better performance. This implies that peasant participation in public decision making helps promote rural development and transformation in contemporary China.

Peasants, the State, and Rural Development

What is the role of peasants in promoting rural development and transformation? Some earlier studies on rural societies often regard peasants as passive, weak, unorganized, selfish, and apolitical. Wolf (1969) argues that peasants are too bound to the soil, live and work in excessive isolation, and are too much subject to manipulation by others to sustain their own political impetus. Peasants are frequently described as "*pre-political* people

who have not yet found, or only begun to find, a specific language in which to express their aspirations about the world." (Hobsbawm 1959, 2; emphasis in original)

That peasants are considered selfish is also well-known in the literature. Banfield's (1958) influential notion of "amoral familism" indicates that peasants in an Italian village are so selfish that they cannot organize themselves to change their sociopolitical life. In a documentary of the communist revolution in a Chinese village, Hinton (1966, 55) expresses a similar viewpoint, arguing that selfishness is one of the fatal weaknesses of Chinese peasants as a political force and makes any kind of cooperation between peasants beyond the family extremely difficult.

Although some scholars dismiss the notion that peasants are apolitical, they still think that peasants' participation in politics is no more than for their own or their family's material interests, and that peasants are pessimistic about their capabilities to change the sociopolitical environment. For example, Migdal (1974, 21-22) devoted himself to explaining why peasants participate in politics outside of their villages, but he maintains that peasants' political goals "are limited and oriented to the administrative solution of his family's mundane problems rather than directed to the policy level of politics."

However, some recent studies indicate that peasants actively participate in public affairs and play an important role in rural transformation. In an influential examination of Bugisu of Uganda, Bunker (1987) recognizes the significance of peasants in rural development in a coffee-planting economy. He finds that, instead of passively following

the state, peasants of Bugisu actively organize themselves, through their control over production of coffee, to challenge and modify government policies and to protect their socioeconomic and political interests.

In an acclaimed analysis of the informal economy in Peru, de Soto (1989) finds that peasants have extraordinary entrepreneurship and self-organizing capabilities. They have built hundreds of markets and organized the provision of water, sewage systems, electricity, and transportation that the state has failed to offer. Peasants have spontaneously developed rules governing themselves to replace those provided by the state but discriminating against them.

Wade's (1988; 1994) research on rural India also indicates that peasants manifest remarkable capacities of organizing themselves to provide public goods in village communities, such as irrigation systems and field guarding. He finds that when facing ecological scarcity and risk, peasants are very likely to cooperate with one another and achieve successful collective action. In his research sites, peasants have developed village councils to make decisions over public affairs based on the rule of consensus.

With the noticeable rural development in the past two decades, many China scholars have devoted themselves to providing an explanation for the transformation. But they do not agree with each other on which factor plays the key role in promoting the dramatic change. Some argue that the central state, top leaders, or their ideological change are the most important explanatory variables, while others focus on local state, which is

influenced by the model of the "developmental state" originally used to characterize the pattern of socioeconomic development in several East Asian countries.¹

Fewsmith (1994), for example, emphasizes the role of the central state and top leaders, especially Deng Xiaoping, Chen Yun, Zhao Ziyang, and Wan Li, in transforming post-Mao China. In his view, the cleavages within the central leadership and their "struggle for total victory" have a significant influence on the policy making, the process of reforms, and the sociopolitical changes on the ground. Also focusing on the central leaders, Chen (1995) and Sun (1995) argue that ideological debates and changes among the leaders are central to the political and economic development in post-Mao China. The debates lead to the reinterpretation of socialist orthodoxy with the elements of pragmatist or instrumental principles, which helps facilitate a series of reforms and experiments.

Meanwhile, quite a few scholars credit post-Mao rural development to local state and officials. Having done field research in a county of Hebei province, Blecher and Shue (1996) argue that the county's growth is consistent with the developmental state approach. They find that the local government promotes local socioeconomic development by providing technical assistance and market information for local enterprises, engaging in strategic planning, regulating competition, and improving infrastructures.

¹ The proponents of this model maintain that the rapid economic growth in Japan, South Korea, Singapore, and Taiwan could be attributed to the "develop-minded" state, because the state made some policies on industry, finance, and exportation that facilitated socioeconomic development (Johnson 1982; White 1988; Wade 1990; Evans 1995).

Similarly, Jean Oi (1992; 1995; 1998; 1999) proposes a model called "local state corporatism" to explain the rural transformation. She argued that de-collectivization and fiscal reform launched by the central state granted local bureaucrats at the county, township, and village levels the power of using surplus revenues, which provided necessary incentives for the officials to promote local socioeconomic development. In her view, the fiscal system helped change the local state into a large multilevel corporation, and local officials became managers and entrepreneurs.

Several other scholars also support the approach of "local state corporatism," but provide a different explanation of the incentive mechanism that induces local officials to promote development. Instead of the fiscal system, the scholars claim that it is the cadre responsibility system (*gangwei zerenzhi*) that is the motivating force behind local cadres' behavior. Focusing on the township level, Edin (2003) finds that the cadre system requires township leading officials, especially party secretaries and mayors, to sign performance contracts (*gangwei mubiao zerenshu*) with county level, and that the evaluation mechanism forces township officials to be responsible for their upper level leaders. Thus, township officials tend to devote themselves to local development, which is one of the most important targets in their evaluation by their county counterparts. In a study on the preservation of historical relics in Guangzhou city, Ma and Chan (2003) make a similar argument, asserting that the cadre responsibility system provides institutional incentives for two mayors of the city to preserve the sites of about 2,200 years old.

Besides the attention paid to the central and local officials, a few authors also note the importance of village leaders, although the village leaders are not part of the formal government in post-Mao China. In a study on one of China's richest villages – Daqiu in Tianjin, Gilley (2001) documents a story of a charismatic village Party Secretary – Yu Zuomin and how his inspirational leadership helped the village become a model of success throughout the continent. In the 1980s, under Yu's leadership, the village opened several enterprises and soon became an industrial conglomerate. According to Gilley (2001), Yu was also a hero who spoke on behalf of peasants against the Chinese government, which brought him down in the end.

However, a few observers document a different story from the state-centered approach, finding that it is peasants who have changed post-Mao rural China. For instance, Kelliher (1992, 236) maintains that, "it was peasants who made family farms, who hired labor, who lent money, started businesses, sold company shares, ducked barriers to trade, rented land, finessed the price system, and defied the state plan. There is nothing in the documentary record to indicate that the state advocated any of these ideas before peasants started putting them to work. And there is a mountain of documentary evidence showing that key organs of the state (in both Party and government) opposed all of these practices when peasants first tried them out."

Similarly, Zhou (1996) shows that peasants have made every effort to establish the household responsibility system, organize markets, open rural enterprises, and go to urban areas to find jobs, although they have done so in a spontaneous, unorganized,

leaderless, non ideological and apolitical way. According to her, instead of the state or party leaders, peasants are actually the key driving force of the rural transformation in contemporary China.

At the same time, many scholars point to the predatory behavior of local officials and village cadres, who often hindered rather than promoted rural development. Based on field research in a district of Hangzhou, Sally and Zhang (1999) reveal that local officials are not development-minded as described by supporters of “local state corporatism”; instead, the officials put their own concerns above both the aims of the central government and the interests of the local community. The officials often take advantage of the opportunities offered by the property-rights reform to enrich themselves by translating their political influence into personal wealth and appropriating assets owned by local communities.

Similarly, Peng (1996), in a case study of rural Guizhou, finds that local government frequently used command and control to deal with peasants and acted in a parasitic, predatory fashion as tax maximizers. Instead of promoting local development, they forced peasants to grow tobacco through both violent and economic measures and extract peasant income by monopolizing and regulating the tobacco industry. Gao’s (1999, 187-188) documentation of a Jiangxi village provides us a similar story. Local officials forced peasants to grow tobacco, orange trees, and mulberry trees without taking into account local soil conditions, markets, and the peasants’ will. As a result, the peasants suffered much.

A journalist living in China for some years, Johnson (2004) provides a vivid account of predatory local officials and a “peasant champion” who helped peasants deal with the officials through legal aids and protests in rural Shaanxi. Without checks and balances on their power, the officials obtained enormous discretion to impose taxes and fees and tended to extract as much as they could from the peasantry. For the officials, paying tax was not a political issue but a technical one. They cared little about whether peasants were willing to pay; however, they did care a great deal about how to get the money. When the peasants’ burdens were unbearable, they were often left only one choice – protest (Tsui and Wang 2004; Chen and Chun 2004).

Moreover, in *Chen Village under Mao and Deng*, Chan, Madsen, and Unger (1992) indicate that village cadres also took advantage of their power and control over collective resources to enrich themselves rather than to promote community development. For example, instead of putting it up for bidding, the village Party Secretary himself obtained a large grove of giant bamboos owned by the village at a very low cost (Chan, Madsen, and Unger 1992, 278). Although their power declined with decollectivization, village cadres still had a certain measure of power, such as control over land allocation, easy access to various permits, and birth control.

Through a “reconstructed autobiography” of a village Party Secretary, Seybolt (1996) provides an interesting account of village life and changes in the northeastern part of rural Henan. Consistent with some other studies on central China, the Party Secretary did not

devote himself to local development, although he was portrayed as a charismatic leader with integrity and courage. The leader even preferred Maoist command-and-control governing mode to post-Mao loosening of control over peasants, and attributed some problems in villages to “too much freedom” enjoyed by local people. Under the instruction of township government, his son hereditarily became his successor as Party Secretary.

Finally, some other scholars provide a mixed picture, indicating that both the state and peasants play an important role in post-Mao rural transformation and that the state is developmental in some regions but predatory in others. Based on field work in Jiangsu province, Zweig (1997) argues that the role of reform-minded leaders needed to be taken into account to explain the regional variation in the pace and process of rural reforms. According to him, although peasants played a critical role in post-Mao rural reforms and freeing themselves from state oppression, their efforts could not have occurred without the reformist political leaders, who initiated liberalizing policies. Zweig, however, agrees that peasants pushed the reforms further and faster than the leaders anticipated.

Unger (2002, 168-169) finds that in industrialized villages, grassroots cadres and governments tend to be “developmental,” although different villages follow different “developmental” strategies. Instead of passively neglecting their duties and rapaciously milking the local economy, the governments become facilitators for development and provide improved infrastructures and public services, such as schooling and homes for elderly people. In impoverished villages, nevertheless, village cadres are neither patrons

nor community benefactors, and fail to provide necessary public goods and services. In these villages, the local state is predatory, and the officials tend to use coercive methods to extract taxes and fees from the hard-pressed peasants.

Interestingly, Unger's (2002, 156-159) survey of entrepreneurs' attitudes toward local officials reveals that the businesspeople did not think local governments played any important role in the success of their businesses. The entrepreneurs indicated that they themselves obtained inputs and sold products entirely on the competitive market, hired workers off the street, and raised capital through reinvestment and borrowings from relatives and friends. At the same time, these entrepreneurs maintained that the village cadres failed to make financial accounts transparent and provide inadequate public services.

Like Unger (2002), Bernstein and Lü (2003) suggest that it is useful to make a distinction between three areas of the Chinese countryside: industrial rural China in the eastern provinces, agricultural China in the central provinces, and subsistence China in the western and southwestern provinces. Focusing on largely agricultural and subsistence China, they find that local governments often played a predatory role vis-à-vis ordinary peasants in the pursuit of developmental goals. In Bernstein and Lü's view, local state is both predatory and developmental, requiring that it be the former in order to become the latter. Since there are few enterprises on which local governments can rely for revenue in agricultural and subsistence China, they often heavily and illegally impose various taxes and fees upon the peasants, which is one of the major sources of rural protests and

instability. Without representation of peasants in the decision-making structure, local officials tend to be predatory.

Further, in an insightful review of some recent studies on the role of local state in today's China, Tsai (2003) indicates that there are multiple faces of local state and multiple modes of state-society relations and developmental trajectories. Some local states are considered to be developmental and entrepreneurial in orientation, while others are predatory and despotic. In southern Jiangsu province, where the Sunan model originated, local state facilitated rural industrialization by providing collective enterprises with land, credit, and tax breaks. In central and western China, local state tended to be predatory through imposing excessive levies on peasants. Also, Tsai shows that the local state was not static. For instance, the local state in the Sunan model promoted development at early phase of reform, but became an obstacle to development later. In the meantime, Tsai gives the proponents of the local state model a sober warning that, with the increasing studies attributing grassroots phenomena to the local state, the research agenda runs the risk of turning the local state into a tautological explanatory variable for whatever outcome.

The above review of the studies on rural China indicates that rural development is a quite complicated process in the transition society, and that several or even many factors might play some role in the process. The complexity needs multiple-level of analyses and sophisticated explanations. Without doubt, each of the aforementioned arguments makes

some important and insightful points, and these studies provide essential building blocks for further explorations.

The studies focusing on the state and the top Party leaders help clarify how the direction of rural policies shifted away from Mao's era at the center, which provided the indispensable political environment for a series of decentralization and liberalization reforms. Although local people, from time to time, went further than what the political leaders expected, the leaders' open-mindedness and reform-orientation made the transformation faster and easier at least at its early stage.

The approach of the "local state corporatism" goes beyond the center and provides an explanation of why some localities had more township and village enterprises (TVEs) and developed faster. Following an institutionalist perspective, it clearly elaborates the institutional incentives that induced local officials to facilitate local development.

Whether its focus is on the fiscal system or the cadre system, the approach helps us better understand the incentive mechanisms behind the dramatic transformation.

At the same time, the studies centering on peasants remind us of the relevance of about one billion actors in rural governance, and reveal the remarkable initiatives and efforts of the ordinary people on the ground even under an authoritarian regime. This perspective gives us a better understanding of numerous bottom-up policy experiments made by local people and later endorsed by government officials.

Further, the analyses painting a mixed picture warn us not to describe rural China as a monolithic whole. Instead, regional variations are enormous, and different regions follow different trajectories. In eastern parts of China, the state and public officials might have played a more positive role in promoting development, while in central and western China, the state and the officials have often been predatory.

However, most of the existing literature focuses on the macro level, either national or regional level, and few studies pay close attention to the micro level, especially in villages as grassroots communities. Thus, although we have a relatively better understanding of the national and regional policies and their impacts on the rural development in contemporary China, our knowledge of what's going on in villages and how village politics influences the development is relatively poor. For instance, we know little about who makes decisions in villages, how they are made, and how the villages vary in terms of their development trajectories. This study seeks to deal with these issues by providing an empirical, in-depth analysis of village governance in order to improve our understanding of the micro-level institutional changes and development in post-Mao China.

This project can be regarded as a complement to the macro-level studies of the rural transformation in China. The macro-level analyses help us understand the grand policy changes and the patterns of development at national and regional levels, while this study attempts to increase our knowledge of village politics and variations across villages. Although villages share national or even regional policies in China, it is found that there

are enormous variations across the villages in many aspects, such as land allocation (Rozelle and Li 1998; Liu, Carter, and Yao 1998), property rights (Chen 2004), and provision of public services (L. Tsai 2002). Thus, it is necessary to engage in the village-level study in order to have a better grasp of the rural governance and development, complementing our macro-level knowledge.

Village Governance and the Post-Mao Rural Transformation

This analysis is an effort to explore how village governance influences rural development in post-Mao China and the variations across the villages. I propose that different village institutional structures have different impacts on governance performance in terms of the provision of public goods and services. Specifically, the more open and self-governing the institutional structure of a village is, the better its governance performance is. Or, the less open and self-governing the institutional structure of a village is, the worse its governance performance is.

Before I define the concepts in the proposition and discuss the measurements of the variables, it is necessary to point out the nature of this study and some basic assumptions. This project is an institutional analysis, examining how institutions influence human interactions and the provision of public goods and services in village communities. The institutions include rules, norms, and strategies that shape human behavior and

relationships (North 1990; Crawford and Ostrom 1995; Ostrom 1999). In a specific setting, different institutions lead to different types of human behavior. Some institutions encourage and facilitate participation and cooperation, which is more likely to improve human interactions and promote development. Others undermine or impede participation and cooperation, which is less likely to induce the positive outcomes.

As an institutional analysis, the study draws upon some analytical elements of the “new institutional economics” (North 1990; Eggertsson 1990; Williamson 1975; 1985), the “Institutional Analysis and Development” framework (E. Ostrom 1990; 1999; E. Ostrom, Schroeder, and Wynne 1993; E. Ostrom, Gardner, and Walker 1994; V. Ostrom, Feeny, and Picht 1993), the “constitutional political economy” (Buchanan and Tullock 1962; V. Ostrom 1982; 1987; 1991), and the “local public economy” (V. Ostrom, Tiebout, and Warren 1961; Oakerson 1999; McGinnis 1999).

The “new institutional economics” emphasizes the role of the institutions in shaping human behavior and interactions, and lays down the conceptual and theoretical foundations for institutional analysis in contemporary social sciences. The “Institutional Analysis and Development” is a framework developed by colleagues associated with the Workshop in Political Theory and Policy Analysis at Indiana University, and the framework provides a general language about how physical conditions, attributes of community, and rules-in-use affect incentives and behavior of individuals and collective action. The “constitutional political economy” is an approach to explore the influences of constitutional arrangements on the decision-making processes in a political community.

The “local public economy” offers a unique perspective of examining how to organize the provision and the production of local public goods and services effectively and what kind of role citizens can play in improving the provision and the production.

Consistent with these theoretical underpinnings for institutional analysis, two basic assumptions applies to this project. First of all, the analysis follows the postulate of methodological individualism. It implies the unit of the analysis is individual, because only individual thinks, acts, and makes choices. Or, in other words, “human beings are conceived as the only ultimate choice-makers in determining group as well as private action” (Buchanan and Tullock 1962, vi). Thus, although, in some cases, it seems that groups or collectivities as actors “make” choices, group actions will always be understood as “patterned forms of individual actions” (V. Ostrom 1997, 105). Second, related to methodological individualism is the assumption of rational choice, which is accepted by numerous economists and political scientists. Instead of using the strict version of rational choice, which is often identified as utility maximization, this analysis draws upon the “bounded rationality” developed by Herbert Simon (1965; 1982), Reinhard Selten (1990), and others. In some sense, “bounded rationality” can be understood as Tocqueville’s ([1835 and 1840] 1990) “self-interest rightly understood.” This assumption implies that human beings have limited knowledge of their situations, limited information-processing ability, and limited time to make choices. Moreover, many individuals take into account others’ interest in numerous cases, and their choices are often influenced by others. Thus, individuals are regarded as fallible learners whose

behavior is structured by various institutions and influenced by others (E. Ostrom 1999; V. Ostrom 1997; Jones 2001).

Now, I turn to the discussion of the concepts and measurements involved in this study. As I mentioned, the project attempts to analyze how village institutional structures influence governance performance in terms of providing public goods and services. By “institutional structure,” I mean institutional arrangements governing village public affairs. Although there are multiple sets of the arrangements in a village, I focus on those specifying who makes decisions over village public affairs here. Moreover, it is necessary to note that the decision-making arrangements are mainly informal norms, since the villages in this study have developed few codified, formal rules.

The main reason for centering on the decision-making institutions is that they define the key feature of institutional structure of a political community. In other words, the institutions, to a large degree, characterize how the community is constituted. If only one or a few village cadres, whether the Party Secretaries or the Villagers’ Committee members, make all of the crucial decisions over public affairs in a village, its institutional structure is less open and self-governing. Instead, if some or many peasants participate in decision-making processes over public affairs in a village, its institutional structure is more open and self-governing.

Another reason for focusing on the institutions defining who makes decisions over village affairs in this study is a technical consideration, which is to avoid the “too many variables,

too few cases” problem in case studies (Collier 1993). In this project, there are only four cases, and it is better to have fewer independent variables to avoid the indeterminacy of the research design. As King, Keohane, and Verba (1994, 123) maintain, “A successful project is one that explains a lot with a little. At best, the goal is to use a single explanatory variable to explain numerous observations on dependent variables.”

The dependent variable in this study is “governance performance.” In order to define it, we need to clarify the concept of “governance” first. Frequently, the term “governance” means different things to different people. Many scholars and international organizations tend to understand “governance” as something closely related to “government” or “the state.” For example, experts associated with the World Bank define “governance” as “the traditions and institutions by which authority in a country is exercised” (Kaufmann, Kraay, and Mastruzzi 2003). According to them, this definition includes “(1) the process by which governments are selected, monitored, and replaced, (2) the capacity of government to effectively formulate and implement sound policies, and (3) the respect of citizens and the state for the institutions that govern economic and social interactions among them” (Kaufmann, Kraay, and Mastruzzi 2003). Based on this understanding, they develop six dimensions of governance corresponding to these three categories: voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law, and control of corruption.

Others understand “governance” more broadly. Hyden, Court, and Mease (2004, 16) define “governance” as the “formation and stewardship of the formal and informal rules

that regulate the public realm, the arena in which state as well as economic and societal actors interact to make decisions.” Howell (2004, 2) regards governance as “the totality of processes and arrangements, both formal and informal, by which power and public authority are distributed and regulated.” In this understanding, government is only one of many actors in governance.

Following the broader perspective, I define governance as decision-making processes over public affairs in this study. Thus, “governance performance” is the outcome of the decision-making processes. In other words, governance performance means what kinds of public goods and services are provided and what is their quality. Therefore, governance performance is measured by public goods and services. The question, nevertheless, is there are various types of public goods and services. In this study, I limit my analysis to four types of goods and services due to my limited time and resources for the project. They include roads, primary education, land allocation, and fiscal management.

To select these four types of public goods and services is not only because they are very important for village life, but also because there are some theoretical considerations. First of all, these four types of public goods and services are the most common throughout rural China. Thus, the selection of them makes cross-village comparisons possible and meaningful. Meanwhile, although the case study focuses on only four villages, the selection helps make some generalizations and contribute to theory building in the field of rural development and governance. Second, these four types of public goods and services are basically provided by villages themselves rather than by any other actors,

such as governments and other organizations. Since the villages as cases in this study are selected on independent variable (institutional structure), the selection of the public goods and services needs to make sure that they are provided by the villages rather than by any other actors.

Now, I am going to provide a brief overview of the four types of public goods and services and to discuss some existing studies on them. Roads are an important public good in villages, because they connect peasants within a village and connect the village to the outside world. Peasants rely on the roads for everyday transportation and engaging in businesses. Studies show that rural roads play a very important role in promoting rural development. In an examination of rural roads in Nepal, Jacoby (2000) finds that providing extensive road access to markets would confer substantial benefits on average, much of these going to poor households. Fan and Chan-Kang (2004) indicates that rural roads have benefit/cost ratios for national GDP that are about four times larger than the urban roads. Also, the investment of one *yuan* in the rural roads generates 1.57 *yuan* of agricultural GDP and 5 *yuan* of rural non-farm GDP. Thus, the authors suggest that rural roads be paid more attention.

Primary education lays the foundation for rural children's enlightenment. Many or most villages in China have primary schools, where rural children obtain basic education.

Although primary education is, in theory, compulsory in China, villages are responsible for providing school facilities and utilities in practice. Rural education is a significant part of village governance, and helps enhance human capital and better peasant life. Studies

on farmer education in developing countries find that it improves farmer efficiency significantly – on average, four years of schooling results in a 7.4 % improvement in their output (Lockheed, Jamison, and Lau 1980; Phillips 1994). Some recent research reveals that rural education in China not only increases farm productivity and economic returns but also offers many off-farm opportunities for peasants (Nguyen and Cheng 1997; Li and Zhang 1998; Yang 1997; Zhao 1999).

Farming land is the most important resource for villagers in most parts of rural China. Under the current land system, the farming land is collectively owned by villages. Thus, allocation, reallocation, leasing, and management of the farming land are very important village affairs. Many rural conflicts in some villages are closely related to the land allocation and management. In some villages, peasants have a chance to voice their opinion on land allocation and management. In others, village cadres often take advantage of land allocation to enrich themselves, which is responsible for many rural conflicts (Guo 2001a; Cai 2003).

Fiscal management is also one of the important public affairs in villages. Although the villages have no power to tax peasants, village cadres frequently collect various fees from the peasants to finance public goods and services. Thus, how much the villages collect and how public money is spent are important public affairs. In some villages, the peasants pay less but get more and better public goods and services, while, in others, the peasants pay more but get less and worse goods and services. At the same time, in many villages, the peasants don't know how the fees are spent, and there are huge public debts

(Bernstein and Lü 2003). Zhang et al. (2004) find that village elections and power sharing among village cadres help improve the transparency of public spending and thus reduce the opportunities of profligate spending.

Having provided an overview of the four types of public goods and service, I now turn to their measurements. Without doubt, to measure the quality of public goods and services is a challenging effort. Physical conditions and the availability of public goods and services are important indicators to measure their quality. For example, road conditions and school buildings can be used to evaluate the quality of road and primary education. At the same time, since public goods and services are provided for villagers' use, their evaluations of the goods and services can also be regarded as an important indicator. Thus, the measurements of the public goods and services combine both types of indicators in order to have a better understanding of the quality of the public goods and services.

To measure the quality of roads in a village, I look at how many major roads it has, what are their conditions, how they are constructed, whether they are regularly maintained, how much the village spends on the roads, and how the villagers evaluate the roads. For the measurement of the quality of the primary school in a village, I consider what are the conditions of the school facilities, how the village provides utilities (water and electricity) for the school, how much the village spends annually on the school, how the village hires teachers and whether they are qualified, whether the village supports those admitted to colleges, and how villagers evaluate the school. To measure land allocation, I include

how farming land is allocated and reallocated in a village, whether villagers obtain benefits or compensation for collective land leased out or expropriated, how frequently land conflicts happen and how they are resolved, and how peasants evaluate land allocation. As for the measurement of fiscal management, I take into account how much each villager pays for fees imposed by a village, whether fiscal records are kept and regularly publicized, whether public funds are irresponsibly spent, whether the village has debts, and what are villagers' attitudes toward fiscal management (see Table 1.1 for the measurement indicators).

Table 1.1 Measurement Indicators of Independent and Dependent Variables

<i>Category</i>	<i>Variables</i>	<i>Indicators</i>
Independent variable	Village institutional structure	Institutional arrangements specifying who makes decisions over village public affairs
Dependent variable	Governance performance	<p>(1) Roads (what are the physical conditions of the roads; whether they are regularly maintained; how much the villages spend on the roads; and how villagers evaluate the roads.)</p> <p>(2) Primary schools (what are the conditions of school facilities; how the villages provide utilities for the schools; how much the villages spend on the schools; whether the villages hire unqualified teachers; whether the villages support children admitted to colleges; and how villagers evaluate the schools.)</p> <p>(3) Land allocation (how farming land is allocated and reallocated; whether villagers obtain benefits from land leased out or expropriated; how many land conflicts and whether they are resolved; and how villagers evaluate land allocation.)</p> <p>(4) Fiscal management (how much villagers pay for fees; whether fiscal records are kept and regularly publicized; whether public money is irresponsibly spent; whether the villages have debts; and how villagers evaluate fiscal management.)</p>

Case Selection and Data

This study attempts to provide an in-depth examination of village governance rather than simply show a probabilistic relationship between independent and dependent variables. This is not only because I am more interested in the governing process in villages, but also because I can make best use of my nineteen-year living experience in a village of northern China. I was born in the village during the Cultural Revolution, and witnessed the most important scenarios of rural transformation in the late 1970s and 1980s, including the dismantling of communes, the establishment of the household responsibility system, the formation of the Villagers' Committee, land allocations and reallocations, and marketization of agricultural products. This invaluable experience has provided me with an indispensable knowledge base for an in-depth analysis of village governance in contemporary China.

Given the aim of this study, I use a qualitative approach to engage in the inquiry, although there are trade-offs between qualitative and quantitative research (Laitin et al., 1995). My focus is on the decision-making processes and the provision of public goods in villages. At the same time, this is a comparative case study, and I undertake a "structured and focused comparison" advocated by George and McKeown (1985) in order to make some generalizations and theoretical contributions.

Since my proposed question is how different village institutional structures influence governance performance, the selection of research sites is based on the independent variable. In other words, I select villages as my research objects according to their institutional structures. Unfortunately, there are no available data that systematically documents the institutional structures of about 930,000 villages in rural China. Part of the reason is that statistical services are underdeveloped in China; part of it is that rural transition is coming with incredible rapidity there.

Thus, my strategy is to rely on some local scholars who have been doing research on rural China for some years and have extensive fieldwork experiences. They are associated with the Institute of Rural Development at China Academy of Social Sciences, the China Center for Rural Studies at Central Normal University, Zhejiang University, Zhejiang Party School, and Jiangxi Party School. The scholars individually or collaboratively have done approximately four dozen case studies in villages located in different parts of China, and have collected some information on the villages' institutional structures. They visited many of the villages more than one time and undertook intensive field work in the communities. Some of the scholars were born in several of the research sites and lived there for a long time. Thus, they have a very good knowledge of the villages in the database.

When I met with the scholars for this project, I informed them of only the independent variable in the study – village institutional structure, in order that the case selection is based on the independent variable. Then, I engaged in intensive discussions with them

about each of the four dozen villages they studied, and they provided me some information on the institutional structures of the research sites. Drawing upon the information, I narrowed down the sites by eliminating the villages with similar institutional structures. Thus, around twenty-five villages were left in the database. Further, in order to hold socioeconomic conditions of selected sites relatively constant, I excluded those cases that are either too rich or too poor. After this process, there were twenty cases left.

The final step was to select several villages among the twenty communities. Although it made sense to select any of the twenty sites, my selection took into account locations in order to ensure that the villages' institutional structures were greatly diverse, since the structures are often influenced by regional factors. For example, the clan system has a long tradition throughout China, but the role of clans is quite different in southern China from that in northern China today. Clans play a more prominent role in Fujian, Jiangxi, and Guangdong provinces of southern China (Freedman 1958; 1966; Woon 1984; Siu 1989; Wang 1997). Moreover, my visit of three villages in a township of Hubei province in the summer of 2001 suggested that the variations across the villages in the same region tended to be relatively small, although the three villages do have some differences in terms of their decision-making process over public affairs. Thus, in order to make sure that the institutional structures of the selected villages varied greatly, I selected four communities in four provinces, located in different parts of China. The reason for selecting only four villages was because this project is a one-person, dissertation research and my time and resources are quite limited. Also, the small number of cases is consistent

with the aim of this study that is to undertake an in-depth analysis of the governing process in the villages.

Further, in order to verify the variations of the institutional structures across the four villages, I undertook preliminary examinations of each village's structure immediately after I had arrived in the field. I had decided that, if the preliminary examination showed that their structures do vary, I would proceed to conduct fieldwork in the villages.

Otherwise, I would select other villages in the database provided by the scholars. The preliminary examination was mainly based on my informal conversations with two or three village cadres and a dozen ordinary villagers in each of the communities. The focus of the examination was on who made decisions with regard to public affairs. I spent two or three days in completing the preliminary examination in each of the four communities, and then decided to stay in the community to do the fieldwork or to select another one. Fortunately, the preliminary examinations in the four villages clearly indicated that their institutional structures varied much, which met the requirement of the research design.

The four selected villages are located in the provinces of Hubei, Hebei, Jiangxi, and Zhejiang. The four provinces are in different parts of the country, and their ecological and socioeconomic conditions vary. Hubei is an agricultural province in the Yangtze River valley of central China. Hubei's economic development is in the middle among 33 provincial regions. Hebei is a province surrounding Beijing in northern China, and the region is also agricultural and in the middle in terms of economic development. Jiangxi is a relatively poor mountainous province in southern China. Zhejiang is a relatively

developed coastal province in southeastern China, and it is known for numerous private enterprises and small businesses (see Table 1.2 for the profiles of the four provinces).

Table 1.2 Profiles of the Four Selected Provinces

<i>Province Name (Location)</i>	<i>Topographic Conditions</i>	<i>Agricultural Feature</i>	<i>Rural Population (10,000 persons)</i>	<i>Per Capita Cultivated Land (mu) (1 mu \approx 0.1647 acre)</i>	<i>Per Capita Income of Rural Households (Yuan) (1 Yuan \approx 0.012 US\$)</i>
Hubei (Central China)	Western part: mountainous; Central and southern parts: flat	Agricultural (one of the major grain regions)	3960.7	1.48	2444.06
Hebei (Northern China)	Northwestern part: mountainous; Central and southern parts: flat	Agricultural (one of the major grain regions)	5388.8	1.81	2685.16
Jiangxi (Southern China)	Mostly mountainous or hilly	Agricultural	3215.5	1.31	2306.45
Zhejiang (Eastern China)	Mostly mountainous or hilly	One of the regions with most private, rural enterprises	3664.1	0.79	4940.36

Source: National Bureau of Statistics of China (2003).

In Hubei province, the selected village is Minlu, and it is located in the central part of the province. The village is a one-man dominant type of community, and all of the key decisions are made by the village's Party Secretary. Peasants have few chances to participate in the decision-making process over village public affairs. Beishuai is a village selected from Hebei province, and it is in the eastern part of the province. In this community, several village cadres together make the important decisions over public affairs, and its institutional structure is somewhat similar to Minlu's. In Jiangxi, I selected Xin village, a community located in the western part of the province. In this village, lineage leaders and some senior villagers have a chance to participate in decision-making process over public affairs, and its institutional structure is more open and self-governing than both Minlu's and Beishuai's. The village selected in Zhejiang province is called Linhai, and the community is in the eastern part of the province. In this village, many villagers participate in decision-making processes over public affairs in one way or another, and its institutional structure is the most open and self-governing among the four villages. Here, it is necessary to note that all of the names of the selected villages are made up in order to protect the identities of interviewees.

In addition, although I mainly focus on the four villages and the vast body of my data come from them, I also briefly visited four other villages that are close to three of the four selected ones, one in Hubei, two in Zhejiang, and one in Hebei, in order to have a better understanding of the areas and to obtain a little more data.

I spent about six months in conducting the field research in the four villages, roughly one and one-half months in each of them. The methods I used to collect data include interviews, field observations, and archival research. Qualitative, in-depth interviews are the most important method in this study. For this project, I interviewed 482 people, including 471 villagers, seven township officials, and 4 local scholars. Of the 471 interviewed villagers, 120 were in Minlu, 117 in Beishuai, 119 in Xin, and 115 in Linhai. Of the seven township officials, two were from Minlu's township, one from Beishuai's, one from Xin's, and three from Linhai's.

This study relies mainly on the interviews with the villagers in order to understand the decision-making processes and governance performance in the four villages. The interviews with the officials were only intended to have a general understanding of the townships, and thus I did not collect systematic data from them. At the same time, it is necessary to note that most of the interviewed villagers were not randomly selected; instead, they are selected based on their information and knowledge of the village decision-making processes and the provision of the public goods and services. Thus, the selection of an interviewee often depends on other villagers' recommendations, since villagers know who has more information of the issues in which I was interested.

Meanwhile, some of the interviews were conducted with one villager at a time, while many others were done with a group of villagers, since they frequently chatted together at their yards or on the streets. In both cases, there were some advantages/disadvantages in terms of gathering information. Interviewing with one villager at a time allowed the

interviewee to talk about some sensitive issues related to village decision making processes, while interviewing with a group of villagers often provided me more information and enabled me to crosscheck the reliability of the information. The time taken for each interview varied from half an hour to two hours, depending on how much information an interviewee or a group of interviewees had and how difficult it was to get his/her or their trust.

Also, I need to point out that I did not ask all of the interviewed villagers the same questions except for the evaluation question, which was intended for learning about the interviewees' attitudes toward governance performance in the villages. The reason for this was that the interviews were mainly aimed at obtaining the details of the decision-making processes and the provision of public goods and services in the four villages. Thus, I asked different interviewees different questions in many cases, since some of them have more information on some of the questions while others have more information on other questions. In other words, the questions raised with the interviewees relied on how much information they had. If an interviewee indicated that he/she knew little about a specific question, I would turn to others who had knowledge of it. At the same time, I asked all of the interviewed villagers the same question – how do they evaluate governance performance in terms of providing roads, education, land allocation, and fiscal management. This is an attitude question, and all of the interviewees were able to answer, although some of them were reluctant to disclose their opinion.

Moreover, I conducted the interviews by taking notes in many cases while by writing down my recollections later in others. I took notes whenever it was feasible, but some circumstances prevented me from doing so. For instance, when I interviewed some villagers on the streets in the evenings, I was unable to take notes due to the darkness. Thus, I wrote down my recollections after I had gone back to my host families in the villages. In the meantime, I obtained little biographical information of the interviewees, except for their gender identity. Some of them were willing to give me their names, but many others were unwilling to reveal their personal information, since a number of the issues I addressed to them were considered sensitive in the villages.

Further, I did all of the interviews myself in order to have a deeper understanding of the local conditions and the decision-making processes in the selected villages. Although dialects were a challenge to me in the villages of Zhejiang and Jiangxi, I overcame it by relying on local peasants. If the interviewees were young or middle-aged peasants, I would encourage them to speak mandarin. Most of them could speak fluently, because they went to at least elementary school. Most of the elder interviewees, however, had difficulties in speaking mandarin. What I did was to ask their young family members or others to translate what the elders said into mandarin for me, and I got their generous help without exception.

In addition, when I conducted my field research, I stayed in the ordinary peasants' homes in both Minlu village of Hubei and Xin Village of Jiangxi. It turned out that this was very helpful for me to get familiar with the villages quickly and to obtain more reliable

information. The informal conversations with my hosts and hostesses during the dinner time often provided me informative anecdotes and remarkable knowledge.

Besides interviews, field observations and local archival research are also important for the data collection in the project. Field observations helped me obtain some factual information effectively, and also, it was used to check the accuracy of information provided by the interviewees. At the same time, clan records and village documents were another source of my data. These helped me understand the history and changes in the villages.

The Limits of the Study

As a case study, the project certainly has some limits. First of all, the number of the cases examined in the study is relatively small. It focuses on only four villages, although there are about 930,000 villages in China. Moreover, the four villages do not represent rural China, since the countryside, with a series of reforms and changes, is enormously diverse in the post-Mao era. Although the four cases, to some degree, reflect the diversity, I might have found more and greater variations across villages, if I had included more cases in this study. Thus, the generalizations of this analysis are quite limited, and its conclusions cannot be applied to other villages or the whole countryside without qualification.

Second, the villages selected in this study are located in eastern and central China, and all of them are Han communities. None of the cases is from the western part and minority regions, such as Tibet and Xinjiang. Thus, the study can say little about village governance in these regions, which might be very different from the cases in this project, since the minority communities have distinctive cultures, traditions, and social structures.

Third, the study focuses on the decision-making processes at the village level, and does not examine the processes at the township or higher levels and the interactions between the different levels. Although I interviewed a few officials in each case's township, it is not aimed at systematic examination but for having a general understanding of the township area. Thus, this analysis is unable to address how township or higher levels make decisions and policies and how these decisions and policies influence village governance. It is likely that the variations of governance performance across the four villages are, to some degree, influenced by the township or higher levels' policies, although my brief visits to neighboring villages around the selected four communities indicated that there were variations of governance performance across the villages even within the same townships. Of course, to better understand whether and how higher-level policies influence village governance needs systematic investigation into the macro-level decision making, which is beyond the scope of this study. I hope future research can shed some light on the interactions between the different levels.

Finally, although this study improves our understanding of how the four villages with diverse institutional structures perform differently in providing public goods and services, it is unable to provide a full explanation of why the villages have different structures. One important reason is that there is little data available. The villages do not write down their history and important events, except that Xin has some lineage records, mainly documenting genealogical relationship among families. Thus, it is very hard to know the past of the villages. Another reason is that there might be many factors influencing the structures of the villages, and it is difficult to figure out which of them plays an significant role. Thus, my explanation of the diversity of the village structures in Chapter Three is nothing more than providing some clues to the puzzle, although the issue is very important.

The Plan of the Dissertation

As an in-depth analysis, the dissertation examines how village institutional structures influence governance performance in terms of providing public goods and services in post-Mao China. Chapter Two will provide a brief historical account of village governance in China. It will discuss how villages were organized and governed in Chinese history, from the imperial to the communist era, and show the evolution of village organization and governance.

In Chapter Three, I will focus on the institutional structures of the four selected villages. With the dismantling of collective farming and communes, the institutional structures of many villages have changed. The analysis will describe the variations of the four villages' institutional structures. It will demonstrate that one or a few cadres dominate village decision making in Minlu and Beishuai, respectively, while some or many villagers participate in decision making in Xin and Linhai villages, respectively.

Chapter Four will begin with the discussion of governance performance, and center on the provision of the roads in the four villages. It will examine how many major road(s) each village has, what are the physical conditions of the road(s), whether the road(s) is regularly maintained, how much the village spends on road construction and maintenance, and how villagers evaluate the road(s) in their villages. The aim is to show how these aspects of the road(s) vary in the four villages and whether the variations are consistent with their institutional structures.

Chapter Five will analyze and compare primary schools in the four villages. It will first explore the quality of school facilities in the villages. Then, the chapter will look at how the villages provide utilities, including electricity and water, for their schools, respectively. Each village's spending for its primary school will be discussed. Also, the chapter investigates whether the villages hire unqualified teachers and support children who are admitted to colleges. Finally, it will address the issue of villagers' attitudes toward the schools.

Land allocation in the four villages will be elaborated in Chapter Six. It will first provide an overview of rural land system in contemporary China, and some institutional features of the system will be analyzed. Then, the chapter will elaborate how land is allocated and reallocated in the villages, whether villagers get benefits from leased out or expropriated land, whether there are many land conflicts and effective mechanisms of conflict resolution, and how villagers evaluate land allocation in their villages.

Chapter Seven discusses fiscal management in the villages. At the beginning, it will provide some background information on the perennial problem of “peasant burdens” in rural China. The chapter will then examine how much each villager pays for fees imposed by the villages, whether fiscal records are kept and regularly publicized, how much the villages spend on eating, gift sending, and salaries, whether the villages have debts, and whether villagers are satisfied with fiscal management or not. Comparisons of fiscal management among the four villages will be made.

The final chapter (Chapter Eight) will sum up the main findings of the project and addresses its implications. One important implication discussed in the chapter is the enormous diversity in today’s rural China and its challenges to policy makers. Another implication is the role of peasant participation in rural development. Finally, the chapter will conjecture what the study implies for China’s democratic transformation in the future.

Chapter Two Village Governance in Chinese History

Before examining village governance in today's China, it is useful to discuss how rural communities were organized and governed in Chinese history in order to have a better understanding of the changes and continuities of the governing patterns. How were villages constituted? How were decisions made in the communities? How were public goods and services provided in the communities? This chapter attempts to answer these questions by providing a historical account of village organization and governance. The analysis is sectioned along the line of time, including Imperial (221 BC - 1912), Republican (1912-1949), and Mao's China and after (1949 – present). Since Chinese history is very long and complicated, the discussion provided here is nothing more than a sketch. Moreover, it is necessary to note that the analysis mainly relies on secondary sources, especially those works in historical scholarship.

Village Organization and Governance in Imperial China

In Imperial China (221 BC - 1912), village organization was closely associated with the lineage system. In fact, many rural communities were the outgrowth of lineages or clans. Usually, when one or several families moved to a rural place from somewhere else and

camped down there, a small habitation began to emerge and became a village decades or even centuries later. Thus, the communities were organized along the lines of lineage, especially in southern China (Freedman 1958; 1966; Huang 1985, 233-237; Duara 1988, 86; Spence 1999, 13-14). Mono-lineage villages predominated in this region. For instance, among 1,291 villages in Gao'an of Jiangxi in mid-1800s, 1,121 (87 percent) of them were mono-lineage communities. In contrast, many or even the majority of villages were multi-lineage ones in northern China (Hsiao 1960, 327). Despite the difference between the south and the north, the role of lineage in village life was very important throughout the rural society.

Details of lineage structures varied in different instances, but normally each kinship group recognized a suitable member as its head who was responsible for administering lineage affairs. Sometimes, several "executive members" might be selected to assist the lineage head to perform his functions. Larger lineages were often divided into branches, and sub-heads were instituted in the branches. Several factors were considered significant in selecting lineage leaders, and the factors usually included age, seniority in generation, education, reputation, and personal ability. In some cases, social and economic status also played an important role (Hsiao 1960, 331-333).

In mono-lineage villages, heads of the lineage were usually responsible for public affairs related to the whole organization, and sub-heads of branches dealt with affairs with regard to their respective branches. In multi-lineage villages, heads of several lineages often divided the governing power in some way, depending on their strength and

influence. For instance, in a village of north China, the governing council of the village consisted of 12 councilors called *dongshi* or *gongzheng*. There were two representatives each from the five largest lineages, and two from the remainder. The position of the representatives was usually hereditary (Duara 1988, 105-107). Of course, in some cases, the larger and stronger lineages dominated decision making over village affairs, while the smaller and weaker ones have little power. The imbalance was partly responsible for frequent and sometimes deadly conflicts between lineages in some rural areas (Freedman 1958, 106-113; Spence 1999, 77).

Under the leadership of the heads and sub-heads, the lineages usually established some rules and regulations (*jia gui*) to administer community affairs and supervise the behavior of members. The rules and regulations encouraged good conduct and desirable values in the Confucian tradition, such as respecting elders, helping one another, and working hard. Violations of the rules almost invariably incurred punishment of some kind, usually to be administered by lineage leaders. In some cases, the penalties were very severe, including corporal punishment, expulsion from the lineages, and even the death penalty (Beattie 1979, 121). The rules and regulations were often read aloud and explained to all members, and written down in genealogical records (*jia pu* or *zu pu*). In mono-lineage villages, these rules and regulations in fact became “village regulations” (*cun gui*).

Lineages provided various public goods and services for members, and in some cases, non-members living in the same communities. The goods and services included managing lineage property, supporting education, resolving conflicts, raising relief funds,

self-defense, and compiling genealogical records (Yang 1945; Hsiao 1960; Freedman 1958; 1966; Beattie 1979). Many lineages had common property, especially land. It was estimated that in some areas, one-third of the cultivated land belonged to lineages. In some cases, lineages even owned between 50 and 70 percent of cultivated land. Some of lineage land was often designated for special purposes, such as school land, ritual land, and charitable land (Freedman 1958, 11-18). Lineage leaders or appointed managers recorded, rented, and took care of the lineage land, and incomes from the land were used for the welfare of lineage members.

Another important function of lineages was to support education. Many of them sponsored education in one way or another. Some provided financial assistance for their members, who demonstrated aptitude or zeal in their studies and were prepared for imperial examinations. The successful candidates were often awarded cash prizes worth hundreds of taels. Other lineages set up school facilities for their youthful members, especially those who belonged to families of modest means (Hsiao 1960, 340-342). It is believed that the remarkable academic record in Tongcheng county of Anhui in late imperial China was, to a large degree, attributed to several lineages' constant striving for educational attainment (Beattie 1979, 122-123).

Another distinctive feature of village organization and governance in imperial China is the important role of gentry. Although the social group included retired officials and other elites, many of them were degree holders who passed certain imperial examinations. The gentry assumed crucial leadership in organizing community life in rural society. One

reason is that the formal government reached only the county level in imperial China, and the county administrative staff was small (Kuhn 2002, 21-24). A magistrate often had to govern several hundred thousand people. For example, at the end of the eighteenth century, there were 1,436 counties in China, and each county magistrate, on average, was responsible for governing almost three hundred thousand people. This posed great challenges to the official. Moreover, the magistrate was always an outsider with a very short term of service, ranging from 1.7 to 0.9 years in Qing dynasty, since the “law of avoidance” prevented them from serving in their own province. He knew little about local conditions and found it necessary to rely on local elites. Thus, much of rural governance fell to local gentry operating outside the formal bureaucracy (Chang 1955, 52-54; Ch’ü 1962, 180; Esherick and Rankin 1990, 3).

As informal leaders, the gentry played an intermediary role between local society and the imperial authority. On the one hand, the magistrate found that it was much easier to pass an order to the people through the gentry than through the formal government channels; on the other hand, the gentry could make the people’s reactions known to the government since they were the only natives who had access to the magistrate (Ch’ü 1962, 180-181). While the gentry and the magistrate depended upon each another, each exercised its power in a different way. The interplay between them shaped the power relationship into patterns of coordination, cooperation, and conflict (Ch’ü 1962, 168). In normal times, the main interests of the government and the gentry coincided, and they cooperated in keeping the wheels of society turning and maintaining the status quo. When their interests

diverged, the gentry criticized or even opposed and blocked official actions but without any serious threat to the imperial regime (Chang 1955, 70).

The gentry, as community leaders, often actively organized and even funded various local public goods and services, such as roads, bridges, granaries, irrigation systems, river dredging, charity schools, foundling homes, public cemeteries, local defense, and the establishment of shrines and temples (Chang 1955, 51-70; Hsiao 1960, 275-320; Ch'ü 1962, 180-185). There were many such examples in Chinese history. For instance, a *chien-sheng* of Hua-chou in Shensi financed the construction of more than 100 *li* of roads through the mountains, which cost him 10,000 taels. A local gazetteer of Jung-hsien, Kwangsi, indicated that gentry helped build 52 bridges and 21 ferries, while local government constructed only three bridges in the region. In 1879, a number of gentry members together in Lu-chou, Anhwei, with the support of the provincial officials, planned and carried through a large project of building dams, which prevented floods and made navigation possible for merchants. It was reported that the dams protected the lives and property of millions of people and saved several hundred thousand taels of custom and *likin* revenues. A *sheng-yüan* of the countryside in Cho-hsien of Chihli sponsored a canal project for his locality that irrigated more than 3,000 *mu* of land in Chia-ch'ing period. Local villagers were still benefiting from the project in the Republican era. The gentry also contributed heavily to the establishment of schools and academies (*shuyuan*) and subsidized students. In 1832, the gentry of Chin-shan, Kiangsu, contributed 31,000 taels for the erection of a new academy, and a widow donated an estate for the grounds of the institution (Chang 1955, 51-70).

Of course, the informal leadership assumed by clan heads and local gentry does not imply that the imperial authority had no influence on villages at all or never attempted to control rural society and peasants. In fact, some emperors, especially in late imperial era, worked hard to control villages by establishing *baojia*, *lijia*, and *xiangyue* systems, although their implementation was uneven across regions (Li 2005).

Baojia was a sub-administrative police system in rural society. It is said that the system had its origin in the *zhouli* (Rites of the Zhou) over 2,700 years ago, but the idea of policing was introduced into the system as late as in the Sui dynasty (581-618). In Song (960-1279), the system for the first time assumed the name of *baojia* and made the detection and reporting of criminals its sole function. In late imperial China, *baojia* became the system of police control, a device to watch and check the number, movements, and activities of the people, through agents selected from local inhabitants. The scheme of the *baojia* system was simple. Every ten households were arranged into one *pai*; every ten *pai* constituted a *jia*; and every ten *jia* formed a *bao* (Hsiao 1960, 26-31). The *baojia* system broke the natural boundaries and divisions of village communities.

The *lijia* system was established for tax collection in late imperial China. It can at least be traced back to the *lishi* system in Yuan dynasty (1279-1368). Originally, its function was to assist local officials in the registration of rural inhabitants to facilitate the assessment of the labor service imposts. Later, it became involved in the process of tax collection and ceased to perform its original function (Hsiao 1960, 84; 95). According to the scheme of

lijia, every 110 households in rural areas constituted a *li* in which the heads of the ten households having the largest number of tax-paying adult males were elected *lizhang* (heads of the *li*); the remaining 100 households were divided evenly into ten *jia*, with an elected *jiazhang* in every *jia*. The *jiazhang* was assigned the duty of collecting the tax records of the eleven households under his supervision and then handled them over to the *lizhang*, who sent them to local officials (Hsiao 1960, 31-33).

Xiangyue (local covenant) was regarded as another imperial control system over local society by using ideological indoctrination. In fact, the origin of the system was closely related to the idea of local self-governance. In 1076, a Confucian scholar wrote the *Lüshi xiangyue*, laying down a plan for organizing a sort of village self-government based on agreement. For him, *xiangyue* was a spontaneous, voluntary, and genuinely autonomous association of villagers for the fourfold purpose of common endeavor in morality, education, social intercourse, and economic assistance (Hsiao 1960, 201; Li 2005, 108; 257-258). It was aimed at promoting good and virtuous behavior in rural communities. The *yue* (covenant) included provisions on both public and private behavior of community members, and established rules on self-cultivation, social conduct, dispute resolution, inter-generational deference, and basic community functions such as poor relief, health care, and local defense. Yet, in the Qing dynasty, *xiangyue* became the tool of ideological control over local society by requiring rural people to learn the imperial orders and edicts (Kuhn 1975, 260-261).

Finally, although villages were, to a large degree, governed by lineage leaders and local gentry, they were far from self-governing or democratic. First of all, only a small group of social elites, whether they were lineage leaders or gentry, dominated decision making over public affairs in rural society, although most of the population as commoners was not completely excluded from participation (Ch'ü 1962, 198). In the first half of the nineteenth century, the number of gentry was only 0.2 percent of the whole population. With their family members included, the total was just 1.3 percent (Chang 1955, 139). Meanwhile, the social elites' interests were at times in conflict with those of the rest of the community, and many of them abused their position and privileges and suppressed the commoners.

Second, to obtain the status of the gentry often relied on wealth rather than equal competition, especially in late imperial China, and the poor people had fewer opportunities to rise to the position. Although many members of the gentry took and passed exams, many others purchased educational degrees and titles and were called "irregular gentry". In the first half of the 19th century, the "irregular gentry" was 32 percent of the whole group. The number reached to 36 percent before long (Chang 1955, 137). At the same time, lineages maintained or even accentuated inequality among members, especially between the elder and the young, between men and women, and between husbands and wives (Yang 1987, 117-119).

Although villages enjoyed a certain degree of autonomy, the imperial authority never hesitated to interfere with village life when it deemed it necessary and desirable (Hsiao

1960, 263). Heavy taxes, land concentration, and corrupt officials often made peasant life difficult and even miserable, which led to frequent peasant uprisings, rebellions, and revolutions in Chinese history (Kuhn 1970; Perry 1980; Bianco 1971; Bernhardt 1992; Spence 1978; 1999).

Villages and State Strengthening in Republican China

Since the late imperial era, China has witnessed a deliberate and far-ranging trend toward centralization of power and building a modern and strong state (Ch'ü 1962; Watt 1972, 99; Bedeski 1981; Huang 1985; Duara 1988; Zhang 2000). As Kuhn (2002, 132) put it, the twentieth-century politics of China is “a story about the relentless march of the central state.” The imperial regime’s immediate successors tried their best to replace the “self-government” institutions established in the 1910s with centers of bureaucratic administration. Some of the warlords (such as Yan Xishan in Shanxi province) experimented with new kinds of state agents in villages, and the Kuomintang regime bureaucratized rural society by establishing administrative units below the county level.

These attempts had a profound influence on village organization and local society. If the imperial state had physical difficulties in penetrating villages, the state during the Republican era (1912-1949) took advantage of modern improvements to reach local society. The efforts to build a strong and modern state greatly transformed rural areas,

and the state began to penetrate local society more deeply and moved toward bureaucratization, rationalization, and administrative extension (Duara 1988).

In fact, in the early period of the Republic, the founding leader Sun Yat-sen recognized the importance of local self-government,² maintaining that the constitutional government must be built from the bottom up. According to him, democracy needs to be instituted at the county level. Only when all the counties within a province were practicing democratic self-government did that province become democratically self-governing. And then, a democratic nation becomes possible. However, for Sun, democracy and local self-government are not independent values, but prerequisites to the supreme goal of national integration and strength (Kuhn 1975, 283).

With the aim of state strengthening, the late imperial and early republican governments launched some programs of local self-government. As a slogan, “local self-government” (*difang zizhi*) was supposed to mobilize popular participation in local government, creating a politically educated citizenry for the nation-state in order to strengthen it against imperialism (Wakerman, Jr. 1975, 24). But in practice, the movement of “local self-government” led to the rising of “local bullies and evil gentry” (*tuhao lieshen*), because the programs formalized and bureaucratized the power of local leaders without effective check (Kuhn 1975, 288-295).

² According to Kuhn (1975, 270), it was Huang Zunxian (1848-1905), the Cantonese diplomat and foremost Chinese interpreter of Meiji Japan, who introduced the term “self-government” (*zizhi*) to Chinese politics. While serving as judicial commissioner in Hunan during 1897, Huang was associated with Liang Qichao and Tan Sitong in the Changsha-based Southern Study Society (*nanxue hui*).

Since the late Qing, the state began to conduct much of its administrative business in local society through a system of entrepreneurial brokerage. Magistrates were able to administer a jurisdiction of roughly 300,000 people by “contracting” out many administrative functions to village leaders, who were granted power to make collections from the people but not subject to strict supervision. These leaders became entrepreneurial brokers (Duara 1988, 42-47). Village office was no longer pursued as a way of expressing leadership aspirations or gaining prestige; rather, men began to seek office for immediate gain, often at the expense of the community interests (Duara 1988, 159). Thus, village leaders began to dissociate their political vocation from the traditional cultural nexus and rearticulated it through the more formal administrative arrangements with the state. Those who were most active even extended their influence beyond the village and joined urban elites to hold positions in county-level institutions, such as offices in charge of police, education, and financing (Li 2005, 17).

The process of state strengthening through entrepreneurial brokerage led to what Duara (1988, 73-77) called “state involution,” which means that the state cannot develop systems of bureaucratic responsibility at a rate faster than the entrenchment of the informal apparatus of extraction. The involuntary process in the villages became a vicious cycle: the increased demands of the state led to the proliferation of entrepreneurial brokerage, and this proliferation led to yet higher demands. Under these conditions, traditional village leaders were increasingly replaced by “local bullies,” who pursued office for entrepreneurial gains at the cost of the community interests (Duara 1988, 251).

In the early 1900s, the county administration began to impose various new tasks on village leaders. Formerly, if the land taxes were paid and no criminal case which had been referred to the government occurred, the villages and the government had little to do with each other. Now, the government wanted the villages to implement many new programs and to eliminate many undesirable things. The village leaders, with new authority, were required to be responsible for managing the new schools, constructing roads, and undertaking various projects designed to bring the villages within the ambit of the state-led nation-building process (Yang 1945, 186, 244). At the same time, the village leaders had to handle the financing of these projects, as well as the tax levies imposed on the villages. The state's increasing demands on the village leaders to levy taxes and implement policies alienated them from their constituencies and deepened the division between the leaders and peasants (Duara 1988, 218-221).

Thus, the Republican period saw a major increase in the tax burden on the peasantry, as warlords competed with the Kuomintang regime to extract the greatest possible revenue from the countryside. Numerous surcharges were added to the land tax, pressing landlords and owner-cultivators to the point of resistance (Perry 1980, 40). The most hated of the new taxes levied by warlord regimes was "apportioned funds" (*tankuan*). Without reliable registers of taxable land, the warlords simply required villages to pay a certain sum, leaving it to the local headmen to "apportion" the payments. This onerous system not only increased peasant burdens but also strengthened the power of village heads and gave them more chances to abuse their power in local society (Kuhn 2002,

101). The heavy tax burden, abusive collection, and land concentration were partly responsible for the peasants' support for the Communist revolution (Bianco 1971).

Shortly after 1927, the Republican government began to model sub-county administration upon the system which Yan Xishan, governor of Shanxi, had been operating in that province since 1917. The system was based on a four-level hierarchy of units below the county: the *lin*, a five-family group; the *lii*, of twenty-five households; above them is the *cun* (village), consisting of several small adjoining settlements; finally, the *qu* (wards), three to six per county. The ward head was really a kind of sub-magistrate, appointed directly by the provincial chief, with purely administrative rather than representative functions. Thus, ward heads, in effect, became the lowest level of regular bureaucratic administration with wide-ranging powers, and the intermediate level between the county and villages was institutionalized (Kuhn 1975, 284-285).

In 1941, Kuomintang enforced the "large township" (*daxiang*) system, consisting of 1,000 households, and it was aimed at replacing the administrative functions of the natural village. All village governmental activities were to be centralized at the township level, and the natural village became a subunit governed by a township assistant. The village was no longer empowered to have a budget and to engage in self-defense or crop watching. The setup of the township was an important step of the state to penetrate and control local society, which worsened the involuntary effects of state expansion (Duara 1988, 223-225).

The process of the state strengthening and penetration into rural society during the Republican era undermined the key features of village organization in imperial China. The establishment of the township government and the bureaucratization of village leadership fundamentally changed the political landscape of rural society and the balance of power between the state and society. Instead, the villages became a part of the arena of state strengthening and modernization. Increasingly, the state claimed itself as the source of the power of the villages, and they were subject to state regulation and manipulation.

At the same time, the state strengthening weakened the lineage system significantly. The reorganizing of village governing structure crossed natural boundaries and divisions existing in rural society for a long time, which made the lineages less important. Village institutionalization resulted in a gradual shift from lineage to settlement as the focal point of rural organization (Perry 1980, 156). Many functions of the lineages were taken away by formalized and bureaucratized village offices and the township governments, although it was not necessary that the latter performed the functions better. More importantly, with the weakening of lineage as an intermediary association, villagers became more atomized and subject to entrenching of the state and its agents.

Further, the role of the gentry as local leaders declined dramatically in the process of state penetration. In the early 1900s, the abolishment of the imperial examination system severed the tie to the gentry. The formalization of the village leaders and the establishment of the township governments left little room for the gentry to perform their original functions.

It is necessary to note here that, in the 1920s and 1930s, a group of leading scholars, who were deeply troubled by rural crisis and poverty, launched a movement of rural reconstruction. In their eyes, the peasant problem was the key to China's modernization and cultural revival. The crucial part of the solution was to educate peasants, and the contents of the education included morality, literature, citizenship, public health, and livelihood. The scholars maintained that intellectuals should go to villages and be close to peasants in order to teach and influence them. Thus, they established rural research institutes and peasant schools in some villages to engage in experiments and train peasants. Two well-known institutes (Shandong Rural Reconstruction Institute and the Chinese Mass Education Association), under the leadership of Liang Shuming and Yan Yangchu (James Y.C. Yen), were set up in Zouping county of Shandong province and Ding county of Hebei province, respectively. These experiments helped promote literacy of the peasants, improve their livelihood and public health, and facilitate their cooperation, but the movement of the rural reconstruction came to an end in the late 1930s due to the War with Japan and other reasons (Zheng 2000; Alitto 1986).³

Village Restructuring under Mao and Rural Transformation after Mao

³ After 1950, Yan Yangchu, a graduate of Yale, continued his rural reconstruction experiments in other developing societies in Asia, Africa, and Latin America. His ideas and approach has been promoted by International Institute of Rural Reconstruction he established in Philippines in 1960. See: <http://www.iirr.org/>.

Although the Communist regime fiercely attacked the Nationalist government from every angle, both regimes did share one goal – building a modern and strong state. In fact, when the Communist Party came to power in 1949, it claimed it was building a “New China.” This “New China” was more centralized and autocratic than its predecessor, because it was intended to be an omnipotent and tutelary state. The tutelary power was much like what Tocqueville ([1840] 1990, 2: 318) well articulated,

“That power is absolute, minute, regular, provident, and mild. It would be like the authority of a parent if, like that authority, its object was to prepare men for manhood; but it seeks on the contrary to keep them in perpetual childhood; it is well content that the people should rejoice, provided that they think of nothing but rejoicing. For their happiness such a government willingly labors, but it chooses to be the sole agent and the only arbiter of that happiness; it provides for them security, foresees and supplies their necessity, facilitates their pleasures, manages their principal concerns, directs their industry, regulates the descent of property and subdivides their inheritance: what remains but to spare them all the care of thinking and all the trouble of living?”

Following some Marxist doctrines, Mao was prepared to utilize such a state to reshape the whole society and the minds of the people. But his attempt to transform China was based on utopia and force rather than “reflection and choice” (Hamilton, Madison, and Jay [1788] 1961, 33). During his rule of about three decades, Mao launched a series of mass campaigns to transform villages and rural society, which led to one disaster after

another. Although Chinese peasants helped him defeat Kiang Kai-shek and the Kuomintang, Mao showed no sympathy for them.

Soon after Mao came to power, he and the Communist regime tightened control over villages and peasants. In order to make the control easier, Mao reorganized rural communities by establishing “administrative villages” (*xingzheng cun*) across the boundaries of natural villages, which is still practiced today. The goal of the reorganization was for consolidation, concentration, and penetration, and did not take into account historical and traditional boundaries of the natural villages and their common interests. In some rural areas, one administrative village consists of several natural villages. Even though these natural villages share no common interests or have no relationship with one another, they are organized as one governing unit. Thus, since there was no mechanism to balance the power among the natural villages as lineages did in imperial China, village leaders had few incentives to take into account the interests of some natural villages if they did not come from them. Inevitably, the people in these natural villages suffered, which led to many conflicts among the natural villages.

In the 1950s and 1960s, Mao began to collectivize farming and rural life, and launched many mass movements, including the notorious Great Leap Forward. The agricultural radicalism and collectivization profoundly transformed village organization and decision making over farming (Zweig 1989; Yang 1996; Unger 2002). Hundreds of thousands of communes were organized in rural areas, and the villages and the peasants were forced to join the communes. The villages were organized as brigades, and each brigade included

several production teams. All productive assets, including land, draft animals, tools, and labor, and everyday life were collectivized. The peasants had no choice but contributed labor, and the communes and brigades made all of decisions over farming, allocation of grain, and other village affairs. The collective system was designed to gather the produce of peasants more firmly than ever into the hands of the communist state (Kuhn 2002, 110). Such kind of collectivization and centralization led to a tragic famine and paved “the road to serfdom” (Hayek 1944). It was estimated that about 20 or even 30 million of people died of the famine in the late 1950s and early 1960s following the Great Leap Forward (Becker 1996).

At the same time, the Communist party-state went further to penetrate villages by setting up a Party branch in each administrative village or brigade, which is still the case at present. The Party branch became the governing body in villages, with the Party Secretary at the top and having the final say. For the first time in Chinese history, party penetration of villages was institutionalized. The Party branch replaced traditional village leaders, including gentry and lineage heads, and all governing power was centralized in the hands of the Party Secretary, who was usually appointed directly or approved by township officials. The ultimate decision maker over village affairs, the Party Secretary also identified with the interests of the party-state rather than village interests, even though he or she was usually the native villager. Unlike the traditional village leaders as the representative of community interests, the Party Secretary was, in effect, the agent of the Communist state. Following the order and directives of township government, the Party branch in villages, in fact, became one level of the hierarchical bureaucracy,

although they were not part of the formal government in theory and not paid by the state. The Party Secretary and other branch members did enjoy various advantages that enriched them. By establishing the Party branches in villages, the penetration of the Communist state into rural society was unprecedented.

When reorganizing villages and institutionalizing the Party branches in rural communities, the Communist regime disorganized lineages and dismissed traditional village leaders by taking over lineage property and prohibiting lineage activities, customs, and rituals. In Xin village of this study, lineage members had to hide two huge stone lions as lineage property during the Cultural Revolution in a lake in order to protect them. The confiscation of lineage property, such as land and temples, was a terrible blow to lineage organizations. At the same time, lineage was criticized as “feudal reminiscent” in Mao’s mass movements.

Ideologically, the Communist regime penetrated the villages through class stigmatization and “class struggle.” The villagers were classified as different classes according to their property and status under the former regime, such as landlords, rich peasants, middle peasants, and poor peasants. The poor peasants ranked the highest in terms of their political status in the scheme. Under the regime which became “a form of latent civil war between the government and the people” (Djilas 1957, 87), Mao let the poor and middle peasants struggle against the rich peasants and landlords who were regarded as “exploiters.” Thus, the rich peasants and landlords became the underdog, and were not allowed to participate in village public affairs. Such kind of class stigmatization

strengthened inequality among the villagers and cut the communities apart (Kuhn 2002, 133).

The party-state under Mao penetrated into every village and even every peasant household, and almost every aspect of rural life was under the firm control of the regime. Where the imperial state claimed only the power to tax and to maintain order, the party-state asserted its right to restructure the society (Huang 1990, 321). Under Mao, the villages were profoundly reshaped, and the peasants suffered poverty and hunger. Reforms were much needed to make rural life bearable and prosperous.

In the late 1970s, with Mao's death and the demise of the Cultural Revolution, rural reforms were under way. Struck by poverty and hunger, a group of peasants in poor Anhui province pioneered family farming by allocating their collective land to each household. The success of the experiment led its spread to other villages and rural areas soon with the support of some Party leaders. In the early 1980s, the collectivized farming system was dismantled, and the "household responsibility system" was established throughout rural China. The dissolution of the collective farming significantly undermined the economic control of the Communist state over the villages, and individual households took back their decision-making power over farming, although land is still collectively owned by the villages. The "household responsibility system," to a large degree, weakened the centralized power of the Party Secretary in the villages.

With the collapse of the collective farming, the brigades as village governing organizations no longer worked. Thus, some peasants in Guangxi began to organize the Villagers' Committees as village governing bodies to provide public goods, such as defense and fire control, in the early 1980s. Later, many villages in other regions followed them to establish such Committees. Some of them selected the members of the Committee by election. When the post-Mao government recognized that elections might be an effective way to mitigate the tensions between peasants and village leaders, it sanctioned or partly supported village elections. In 1987, the government passed the Organic Law on Villagers' Committee (experimental), and the organization of the Committee and village elections became legitimized. In 1998, the Law was revised and promulgated again.

With the introduction of the village elections, members of the Villagers' Committees began to challenge the power of the Party Secretary in some communities, since they felt that they had greater legitimacy to make decisions over village affairs. Thus, the power of the Party Secretary was undermined or even threatened in the villages. Although there were many problems with the village elections, they opened the possibilities for the peasants to make their own choices over village governance (Manion 1996; Li and O'Brien 1999; O'Brien and Li 2000; O'Brien 2001). At the same time, lineage organizations have been reviving in many villages, especially in southern China (Wang 1997). Lineages not only began to provide some public services for members and to facilitate the opening of rural enterprises, but also began to limit or even challenge the power of formal village leaders, especially the Party Secretary.

Thus, with the loosening of the party-state control in post-Mao China, villages have been becoming more and more diverse in terms of their institutional structure. Although Party Secretaries still play a dominant role in making decisions over public affairs in some villages, their power has been decreasing in many others. In some communities, the Villagers' Committees have played an active role in public affairs, while, in others, lineages have been making efforts to share the decision-making power with the village cadres. In still others, some or many villagers have a chance to participate in the decision making through public meetings or other means. These developments indicate that villages have been moving in different directions in post-Mao China, and their institutional structures vary greatly.

The diverse institutional structures of the villages provide me a good opportunity to engage in a study on whether and how the structures influence governance performance in terms of providing public goods and services. This is the aim of the project that focuses on four villages with different structures. The in-depth case study explores how the four communities provide roads, schools, land allocation, and fiscal management, and makes comparisons of the performance among the communities. In the following chapters, I shall present empirical data of the four cases and findings.

Conclusion

The brief historical account discusses how villages were organized and governed and the relationships between rural society and the state under different regimes. It reveals that the role of lineages and informal leaders such as gentry in village organization and governance has been decreasing throughout the history until recently, and the penetration of the state into rural society has been becoming increasingly deep before the rural reforms in post-Mao China.

In imperial China, the lineages and the gentry were crucial for village organization and governance, and they played a leading role in providing public goods and services in local communities. But this does not imply that the imperial authorities did not exert control over the rural society, although their influence was relatively limited. Further, rural communities were far from self-governing in imperial era, since their structures were basically hierarchical and commoners had few opportunities to make decisions over public affairs. During the Republican era, with the state building and strengthening, lineage organizations declined in rural society. Bureaucratic administration reached below the county level and penetrated into the villages. Mao's China witnessed the unprecedented control over the peasants and rural society through the agricultural collectivization and the commune system. The Party Secretaries became the ultimate decision makers over public affairs in the villages under the party-state regime. Nevertheless, post-Mao reforms have been changing the political landscape in rural China, and the state control over villages has been loosening. The role of Party

Secretaries has been declining in rural society, and the villages have been moving toward different directions.

The historical analysis indicates that there are changes and continuities in village organization and governance. The ebb and flow of the lineages is a good example to demonstrate such changes and continuities. In imperial era, the lineages were crucial for village organization and governance, but their importance, with the state strengthening process, declined during the republican period. In Mao's China, the lineages were under fierce attacks and thus almost disappeared in rural society. During the post-Mao era, however, lineages have been reviving in many rural areas, especially in southern China. Xin village in this study is in the process of lineage revival, and we will see later how this community's governance is different from other three cases.

Furthermore, as we have seen, although the villages were structured in a similar way during Mao's era, they are much more diverse in today's China due to the loosening control of the communist regime. It is true that some villages are still dominated by the Party Secretaries, but many others are moving toward more open decision making structures. In some communities, the lineages have been reviving and playing a more important role in public affairs, and in others, many villagers have the opportunity to participate in the decision making in one way or another. The diversity in village structures enables me to examine how they influence governance performance in terms of providing public goods and services. Thus, I selected four villages with varied institutional structures, and am undertaking an in-depth analysis of rural governance. The

next chapter will begin with the discussion of the four communities' attributes and structures.

Chapter Three Institutional Structures of the Four Villages

From the previous chapter, we know that the loosening of state control over countryside and the rural reforms have contributed to the different trajectories of villages in post-Mao China. The villages are becoming enormously diverse in many aspects. The diversity provided me the opportunity to select four communities with varied institutional structures and to investigate whether and how the communities perform differently in providing roads, schools, land allocation, and fiscal management. The selection is based on the key difference of their structures, which is who makes decisions over public affairs. In one case (Minlu), it is the Party Secretary who dominates the decision making, while in another (Beishuai), several cadres together control public affairs. The third village (Xin) allows lineage leaders and senior villagers to share the decision making, while the last case (Linhai) gives many villagers opportunities to participate in the decision making over public affairs.

This chapter aims to elaborate the institutional structures of the four villages and provide some explanations of their variations. The next chapter will begin to examine governance performance in the four villages with a focus on roads. Chapter Five deals with the primary schools in the four communities, while the sixth chapter explores how land is

allocated in the villages. Fiscal management will be discussed in Chapter Seven. The final chapter is a conclusion that sums up the findings of the study and addresses their implications.

Minlu Village

Located in the central part of Hubei province, Minlu village is on the verge of Jiangnan Plain, one of the major regions for grain production in China. The village is about 70 miles from the Yangtze River, the longest river in China, across the continent from Tibet to Shanghai. Also, the community is 12 miles from the Han River, a major branch of the Yangtze. At the same time, the village is three miles from its township seat and ten miles from the county seat. Villagers can travel relatively easily to nearby towns and cities, since there is a provincial highway passing through the village.

Like many villages in the fertile Plain, Minlu is an agricultural community. Except for several small shops and health clinics, there is little industry and business in the village.⁴ Most households rely on farming to make a living. In contrast to many other rural areas, farming land is relatively fecund and ample here. On average, each villager has about two *mu* (1 *mu* \approx 0.1647 acre) of arable land with use rights, higher than the national average

⁴ Several villagers indicated that they once engaged in some small businesses a few years ago, such as selling fish and centipedes, but soon had to give them up, because officials of the Township Bureau of Industry and Commerce (*zhen gongshang suo*) required them to buy expensive licenses and levied taxes on their businesses. Thus, the villagers could make little profit, and had to close down their businesses. Interviews M-22, M-37, and M-62.

of one and one-half *mu*. Rice and rape are the major crops. The farming method is still traditional, using draft animals to plough and sow, and the level of mechanization is quite low. Mainly relying on farming, the villagers' per capita income is about 2,600 yuan.⁵ Since the mid-1990s, more than 120 young villagers have gone to urban areas or towns, especially in southeastern China, to look for job opportunities.

There are 504 households and 2,002 people in the village, with about four people in each household. Families are relatively small, since many young couples prefer only one child, even if the child is a girl. This practice is quite different from the pattern in many other villages in which peasants still steadfastly want a boy, such as in Xin village, where if their first child is not a boy, they will continue trying for one. Under the current birth-control policy, many peasant households have been fined for having more than one child. Why, then, do many young couples in Minlu want just one child? Part of the reason is that a son-in-law living at the home of his parents-in-law is accepted by local people and local customs,⁶ which is not accepted in many other rural areas. The practice means that if a couple has only a daughter, they can ask their son-in-law to come live with them.⁷ Thus, the couple not only has manpower available for farming, but also gets supported when they become old.⁸

⁵ There is no reliable statistical data on villagers' incomes in China. Peasant households usually do not keep financial records, and their incomes are very difficult to calculate. The number 2,600 is my estimation based on my discussions with a number of peasants in the village.

⁶ Interviews M-13, M-28, and M-35.

⁷ In Chinese tradition, when a daughter gets married, she usually lives at her husband's home.

⁸ In rural China, there is no social welfare system, and villagers have to support themselves. In contrast, urban residents enjoy some welfare programs, such as health care and insurance, provided by the government, and have pensions when they retire. In Chinese tradition, children usually support their parents when they become old or have difficulties making a living. The tradition is still followed by the rural people.

In contrast to many villages in southern China, including Xin in this project, the lineage system is relatively weak in Minlu. It is a multiple-lineage village, and there are fifteen surnames in the community. Only three surnames have over 200 people. Thus, many lineages are quite small, with about 100 people or less. Also, there is no lineage temple and property in the village. Although there is no lineage or village record documenting the history of the village available, I was informed by a few elders that most families, except for a few lineages, moved to this village from Jiangxi province in the early Ming dynasty (1368-1644).⁹

Minlu consists of 16 small, natural hamlets called *wanzi* by local people, and each hamlet consists of households with one or several surnames. Soon after the Communist regime dominated the continent in 1949, each hamlet had been organized as a team or production team. Just a year ago, the 16 teams were reorganized and consolidated into nine ones. It is said that one reason for the consolidation was to reduce the number of cadres, since each team usually has one team head.¹⁰

The distinctive feature of Minlu's institutional structure is the dominance of its Party Secretary in decision-making processes. In some sense, the Party Secretary is like "local emperors" termed by other scholars (Thurston 1998). As in other villages, the Party Secretary was established and became the central figure in the decision-making processes in Minlu in the 1950s. Although, with the dismantling of collective farming, the power of the Party Secretary is undermined or limited in some villages, the Party Secretary of

⁹ Interviews M-20 and M-46.

¹⁰ Interviews M-3 and M-7.

Minlu is still dominant and powerful. The current Party Secretary, Yang Quanli, 49 years old, took the position in 1990. Both ordinary villagers and other village cadres agree that he dominates the decision-making process over public affairs and has the final say in all key occasions. He himself acknowledges this, and thinks that it is legitimate for him to dominate decision making, since the Organic Law on Villagers' Committee provides that the Party assumes the leadership of village affairs.¹¹

Yang's dominance in the decision making over village affairs can be discussed in several aspects. First of all, he is above the Villagers' Committee, and often makes key decisions over village public affairs alone. Although, in theory, the Party Secretary is mainly in charge of Party affairs and the Villagers' Committee is responsible for village affairs, Yang extends his power to village affairs and subjects the Committee to him. He rarely holds meetings for decision making with other village cadres, including Vice Party Secretary, Chairman and Vice Chairman of Villagers' Committee, Committee Member for Women Affairs, Committee Member for Security and Defense, Committee Member for Militia Training, Accountant, and Cashier. Although sometimes the Party Secretary does hold a meeting with other cadres, he has already made decisions himself before its opening, and the meeting is nothing but an occasion for transmitting his decisions.¹²

The village has never held a session of the Villagers' Assembly, consisting of all adult villagers, although the Organic Law on Villagers' Committee requires that some key decisions should be discussed at and made by the Assembly, such as funding public

¹¹ Interview M-5. According to Article 3 of the Law (1998), the Chinese Communist Party plays the role of leadership in village affairs.

¹² Interviews M-2 and M-4.

goods, farming land leasing, allocation of residential land, and public spending.¹³

According to the Law, the Villagers' Committee is responsible for convening the Assembly, but, in fact, the Party Secretary, Yang, has the final say in this regard. Since he wants to monopolize the decision-making power, Yang does not have the incentive to convene the Assembly and discuss the important issues publicly. He always prefers to make decisions behind closed doors. As one villager says satirically, "The Party Secretary has never made decisions in the sun, and he is afraid of sunshine."¹⁴

Also, Yang plays a key role in deciding who can become a village cadre, including Vice Party Secretary, members of the Villagers' Committee, and head of each team. As the Party Secretary, he directly selects one of 30 Party members in the village as Vice Party Secretary. Although, in theory, he does not decide who can become a member of the Villagers' Committee, since they are elected by villagers, Yang has a decisive influence as to who can be elected. Under the support of township officials, he controls and manipulates village elections by determining the candidates of the Committee members and checking ballots. Some villagers criticize the elections as "just for show,"¹⁵ echoing Lily Tsai's (2002) findings in two of four communities examined. In deciding the candidates, Yang always selects those who have a good relationship with him and follow along with him. All of the current cadres are his close friends and sworn followers. These cadres are willing to follow Yang, because they can benefit from him or his policy. For

¹³ See Article 19 of the Law.

¹⁴ Interview M-35.

¹⁵ Interviews M-22, M-35, and M-48.

instance, they are often exempted from various types of fees and collections that ordinary villagers have to pay.¹⁶

Why is Yang so dominant and powerful in the decision making over public affairs? First of all, the legacy of village governance in Mao's era is partly responsible. In Mao's China, the Party Branch was established in villages and the Party Secretary played the dominant role in village decision making. Although, with the collapse of collective farming, the role of Party Secretaries has declined in some villages, the Party bosses are still powerful and have the final say in many others. Some of the Party Secretaries already served as village cadres during Mao's era, and are good at using Maoist tactics and strategies for dominant rule. They also manage to find support for the legitimacy of their leading role from some contemporary laws and regulations. For example, they claim that, under the Organic Law on Villagers' Committee (1998), the Party is still the leader in village affairs.

Second, the support of township government is crucial for Yang's dominance in the decision making. Before he became the Party Secretary about 15 years ago, Yang had been village accountant and team head for some time. He knows many township officials well, and some of them are his friends. Three years ago, one of his daughters also became an employee of the township government. Thus, Yang has good connections with the township officials. At the same time, the officials often hope that village cadres, especially the Party Secretary, are strong and powerful, because they are expected to carry out some tough tasks imposed by the government, such as tax collection, birth

¹⁶ Interviews M-2, M-12, M-15, and M-64.

control, and maintaining order. As long as the Party Secretary is able to complete these tasks, the township government is willing to back him.

Third, Yang also has the support of some local bullies in the village. These are the men who idle on the streets and often fight with others and stir up trouble. The Party Secretary has developed good relationships with these men, because he needs them to help him implement tough and unpopular policies. In turn, they often benefit from the Secretary in one way or another, and thus support him steadfastly. When some villagers protest against Yang, the bullies will step up to deal with them.¹⁷

Beishuai Village

Beishuai village, in the northeastern part of Hebei province, is about 200 miles to the east of Beijing. Most villagers in Beishuai are engaged in agriculture; corn, wheat, and beans are the major crops. Per capita farming land is 1.3 *mu*, a little less than that in Minlu village. At the same time, since the village is close to the county seat, some villagers undertake some small businesses, such as selling vegetables, operating small shops, and transporting goods and passengers.¹⁸

¹⁷ Interviews M-44 and M-45.

¹⁸ Interviews B-2 and B-11.

The village once had a big collective enterprise, producing auto parts, before 1995. In the late 1970s, a few villagers opened a small shop repairing motor-driven vehicles. When it grew bigger, the shop became a village company collectively owned by all villagers. Since its original owners were afraid that the government would take it over during the early 1980s, when the official policy and attitudes toward private enterprises were unclear, they decided to change the private company into a collective one. In the late 1980s and early 1990s, when the village invested more land and money in the company, it became one of the largest village enterprises in the region. During that period of time, the village became richer than its neighbors. However, the village cadres' interference with the company's operation and decision making and appropriation of its funds, together with its inefficient and corrupt management, led to its collapse in the mid-1990s. For instance, in 1993, the cadres urged the company to invest in an auto parts line that was actually outdated, which brought about a major financial loss. Meanwhile, when the cadres needed money to engage in some projects and the villagers did not want to pay, the cadres often appropriated money from the company. Further, the cadres and managers of the company appointed their relatives and friends as directors of each department without considering whether they were capable, which was partly responsible for the collapse.¹⁹

Unlike Minlu village, Beishuai includes only one natural hamlet. Or, in other words, it is both a natural village and an administrative village.²⁰ This is normal in northern China,

¹⁹ Interviews B-7, B-9, B-25, and B-44.

²⁰ "Administrative village" is a jurisdiction, below the township level, established by the government. In each "administrative village," there is a Party Branch and a Villagers' Committee. In some areas, an "administrative village" includes several natural villages (hamlets), and in others, it includes only one

especially in North China Plain and Northeast China Plain. In some cases, one large, natural hamlet might be divided into two administrative villages.²¹ At the same time, Beishui is smaller than Minlu in terms of population, and it has 1,370 people and 409 households. More and more young couples want just one child, although a lot of them still have two or more, including a boy. One reason that young couples prefer fewer children is that education is becoming increasingly expensive. If a household has two school-age children, over half of its income goes toward their tuitions and various fees.²² Moreover, with the recent reforms of higher education, college students have to pay much more than before. Thus, it is extremely difficult for a peasant family to support even one child admitted to college today. In fact, some peasant children have to give up their dream of going to college due to financial difficulties, even if they pass competitive exams and get admitted.²³

As in Minlu, lineages are relatively weak in Beishuai. There are seven lineages here, and 60 percent of the households in the village belong to two with surnames of Zhang and Fu. The lineages are not well-organized, and there are no widely-recognized lineage heads. One villager remarked, “I do not know who is our lineage head, and I think that few people care about the issue today.”²⁴ There are few lineage-wide activities, and some rituals and ceremonies of marriages and funerals are undertaken only among the closest

natural village (hamlet). In still others, a natural village (hamlet) might be divided into two or more administrative villages. The establishment of “administrative village” is, to some degree, to consolidate small, scattered natural villages in some rural areas. Such an effort has its origin in late imperial China and Republican China.

²¹ The natural village in which I was born is divided into two administrative villages, since it is too big in terms of population, with about 5,000 people. It is located in North China Plain.

²² In China, even public schools charge tuitions and various fees, despite the fact that elementary and junior-high education is compulsory.

²³ Interviews B-27, B-28, B-29, B-33, B-34, and B-36.

²⁴ Interviews B-46.

kinship families. Also, the lineages have little common property and few temples, and even stopped compiling genealogical records. According to several elders, lineage organizations were relatively active in Beishuai before 1949, and there were a variety of lineage activities at that time. The elders indicate that the decline of lineages is harmful to community values and morality. One example is that more and more young people do not follow the principle of filial piety and even mistreat their parents today, but the lineages no longer perform the function of educating and punishing these people. Further, the elders maintain that the waning of the lineages is partly responsible for the failure to provide some community services, such as relief and security.²⁵

The institutional structure of Beishuai is similar to Minlu, and one key difference between them is that village cadres together control decision making over public affairs in Beishuai. The cadres include the Party Secretary, Vice Party Secretary, Chairman of Villagers' Committee, Member of Villagers' Committee for Safety and Defense, Member of Villagers' Committee for Women Affairs, and Village Accountant. These six cadres form a "core group," with the Secretary and the Chairman as leading figures, and make all of the important decisions behind closed doors. As in Minlu, peasants in Beishuai have few chances to participate in the decision making over public affairs.

Unlike Minlu's, Beishuai's Party Secretary is unable to dominate the decision making, and thus must form a "coalition" with other cadres. It is not because the Party Secretary does not enjoy the advantages that his counterpart enjoys in Minlu, but because the members of the Villagers' Committee in Beishuai work hard to share the decision-

²⁵ Interviews B-10, B-11, and B-20.

making power with the Secretary. As in Minlu, the Committee members are elected by villagers, but the elections are manipulated by township officials. For instance, the officials decide who can become candidates of the Committee members and urge villagers to elect them by offering the voters some money.²⁶

Despite the manipulated elections, the Committee members in Beishuai think that they should share decision-making power with the Party Secretary. Their interpretation of the Organic Law on Villagers' Committee is different from that of the Party Secretary in Minlu. According to them, members of the Villagers' Committee are in charge of village affairs, while the Party Secretary is mainly responsible for the Party affairs, although the latter plays the role of leadership. As one of the Committee members said, "If the Party Secretary decides everything, Villagers' Committee is useless and we do not need it at all."²⁷ Thus, the members of the Villagers' Committee maintain that they should play a more important role in dealing with public affairs, such as land allocation, road construction, and fiscal management. Over eight years ago, several former Committee members exerted some pressure on the former Party Secretary so that they could share the decision-making power with him, and in the end succeeded. These days, usually the six cadres together make important decisions over public affairs.²⁸

The six cadres often discuss village affairs and make decisions on informal occasions, especially when they play mahjong or drink wine together at one of their homes or restaurants, because they like the "atmospheres" (*qifen*). Playing mahjong or drinking can

²⁶ Interviews B-17 and B-54.

²⁷ Interviews B-4.

²⁸ Interviews B-3 and B-4.

help them decrease their divide and reach compromises. They know one another very well, including everyone's prejudices and preferences. When they make decisions, usually it is the Party Secretary or the Committee Chairman who first delivers his proposal. Then, he will ask others about their suggestions. If all of the others support and accept his proposal, it will become the final decision. If others have some suggestions, they will engage in further discussions to reach a compromise. If their divide is too big and no compromise can be reached, they will postpone making the final decision. Moreover, they have never used formal methods such as voting to make decisions, since they are afraid that the methods would hurt their feelings and friendship.²⁹

Besides the six village cadres, there are eight team heads in the village, each for one team. But the team heads, as ordinary villagers, have few chances to participate in the decision making over village affairs. The heads are selected and appointed by the village cadres, and the heads' task is to help the cadres relay government policies and the cadres' decisions to their team members and implement them. For example, with regard to birth-control policy, the team heads report to the village cadres the number of children each family in their respective teams has. The heads are also responsible for pressing villagers to pay taxes and fees on time. Of course, the team heads enjoy some benefits; in addition to allowances, they might obtain better land or get promoted to become village cadres.³⁰

Xin Village

²⁹ Interviews B-1, B-3, and B-4.

³⁰ Interviews B-5, B-29, and B-66.

Xin Village is located in the western part of Jiangxi province – a relatively poor region in south China, where the Communist Party led peasant movements during its early time. The village is in a mountainous area, about 300 miles to the south of the Yangzi River. High mountains pose some difficulties for transportation, and only recently have highways passed by the area.

Like Minlu and Beishuai, the village mainly relies on agriculture for its economy. Rice and peanuts are widely planted here. Per capita farming land is close to the national level, about 1.5 *mu*. Peasants still use “primitive” farming methods, and the level of mechanization is very low. With the collapse of the collective farming in the late 1970s, some peasants began to do business, especially transporting pigs from northern China to the southern part. At that time, only a few households were involved in the business. Today, about one-fifth of households in the village are engaged in it, in addition to farming.³¹ The business helps many of them become much richer than before, and some have purchased their own trucks. At the same time, some young villagers have gone to urban areas, especially nearby Guangzhou and Shenzhen metropolises, to look for job opportunities.³²

There are 2,057 people in the village. Unlike those in Minlu and Beishuai, peasants here strongly prefer boys to girls, and most households have more than one child. If some

³¹ Interviews X-6 and X-7.

³² Interviews X-9.

couples have more than one girl, they will secretly give her to other households to avoid heavy fines or other punishments by the government. Thus, they can try again to see whether they can have a boy. The village's population increases relatively faster than both Minlu and Beishuai, although there is no accurate statistical data available. Most families have two or more children. One reason why villagers steadfastly want boys is their chief reliance on man-labor for farming. Since there is no welfare system, the villagers look to their sons to support them when they become too old to do onerous farming work. Another reason is that it is closely related to the strong lineage system that emphasizes the importance of agnatic offspring. If a family has no son, it is believed that the family has no future and comes to an end. Daughters are regarded as persons of their husbands' family, once they get married. As the villagers often mention in a saying, "The married daughters are like water poured out." (*jiachuqu de nüer jiuru pochuqu de shui*)³³

In contrast to those in Minlu and Beishuai, lineages are strong and active in Xin village. As an administrative village, Xin consists of seven natural villages. Each natural village is a mono-lineage community. Although the lineages were attacked during Mao's era, especially in the Cultural Revolution (1966-1976), they have been reviving since then. They rebuild temples, compile genealogical records, practice rituals, and own property. The lineages are well-organized, with their heads as leaders, and the heads are usually senior members in senior generations, who demonstrate their capabilities of leadership and administration of justice. The larger lineages are divided into several branches called "*fang*," and each *fang* includes several sub-branches called "*zhi*." The *fangs* and *zhis* have sub-heads. The lineage heads are responsible for public affairs with regard to the whole

³³ Interviews X-13, X-15, X-29, X-56, X-62, and X-78.

lineages, and the sub-heads mainly deal with affairs with regard to their branches or sub-branches. The latter often assist and coordinate with the former.

Among the seven lineages, the largest is called Chen, with 1,053 members, and all of them share the surname. According to its genealogical records, the lineage moved here from a place in a nearby township during the rule of Emperor Chunxi (1174-1189) of the Song dynasty, which means the lineage has over 800 years of history. In the fall of 1995, leaders of the Chen lineage proposed to renew the compilation of the genealogical records, together with those who have the same ancestors as the Chen but live in other villages. In the end, the compilation involved 9,500 people living in 25 villages. In the “Preface” of the *Chen Lineage Records (chenshi jiapu)*, it indicates that the aim of the compilation is “to be in memory of the ancestors (*zhui zugen*), to harmonize the lineage (*mu jiazhu*), and to elaborate generations (*ming zhangyou*).” The project was under the leadership of the Council of Compiling the Chen Lineage Records, and the Councilmen consisted of some lineage heads and educated members. In order to complete the huge and costly project, each male member of the lineage paid 60 *yuan*, and each female member paid 10 *yuan*, with unmarried females paying 8 *yuan* each. After over a year of work, the project was finished in November of 1996, and the result was six volumes of genealogical records printed as hard copies.

Among other things, the genealogical works record the rules of behavior of the lineage members. In the Ming dynasty, the lineage began to establish regulations to supervise the conduct of its members. The regulations encouraged good behavior and punished

undesirable conduct, such as filial piety, protecting the young, loving brothers, living with neighbors peacefully, supporting education, no gambling, no stealing, and no adultery. Those violating the regulations would be punished, often corporally. Today, many types of the good behavior are still strongly encouraged, such as supporting parents and respecting the elders, although the lineage no longer punishes the violators corporally.

Unlike many others, the Chen lineage still has some common property, including three small hills and quite a few temples. The hills have been partly used as cemeteries and orchards for hundreds of years. In 1976, the lineage had a property dispute regarding one of the hills with a neighboring village that belongs to a different county. In 1987, the dispute escalated into a violent conflict, and dozens of people on both sides were injured. Five cars of the neighboring county government were destroyed, when the officials came to intervene with the conflict and were considered partial to the party under their jurisdiction. The conflict has not been resolved, and members of the Chen lineage indicate that they “will fight forever for their property that they inherit from their ancestors.”³⁴ At the same time, the lineage has fourteen temples, and many of them are old and dilapidated. In 1998, leaders of the lineage decided to build a large and new temple to accommodate its over 1,000 members. It cost the lineage over 200,000 *yuan*. The money came from the rents of lineage property and donations from members.³⁵

Similarly, the other six lineages in Xin have also been active in dealing with public affairs during the post-Mao era. They have recently compiled genealogical records and

³⁴ Interviews X-19, X-25, X-45, X-46, and X-79.

³⁵ Interviews X-32, X-33, and X-34.

built new temples. In addition, it is necessary to note that there are some conflicts, especially over land and irrigation, among the seven lineages in Xin. Three years ago, the Chen lineage and Na lineage had a bloody fight over irrigation. Both lineages used water from a reservoir for irrigation, and they developed a dispute over the time of irrigation. Later, the dispute escalated into a fight in which a number of people from both lineages were involved and injured.³⁶ According to villagers, bloody conflicts among the seven lineages are not frequent, and only three conflicts have involved some violence in the past 20 years.³⁷

The institutional structure of Xin village is deeply influenced by the active and well-organized lineages. Although village cadres usually organize decision-making meetings and initiate proposals, lineage leaders and some senior villagers often participate in the meetings and make suggestions, especially with regard to important public affairs. Since the village is organized along the lines of lineages, and lineage leaders are very influential in peasant life, the cadres rely on the leaders to mobilize villagers and implement village decisions. If the cadres act alone, they will find that they face immense difficulties to put their policies into practice, since the lineage leaders can easily organize villagers to resist the policies. Thus, the cadres recognize that it is important to ask the lineage leaders and some senior villagers to participate in the decision making over public affairs and to offer advice.³⁸

³⁶ Interviews X-21 and X-50.

³⁷ Interviews X-17, X-44, and X-87.

³⁸ Interviews X-3, X-7, X-8, X-10, X-26, and X-48.

At the same time, the selection of the village cadres, in fact, is also influenced by lineages. Usually, the leading cadres, especially the Party Secretary and the Chairman of Villagers' Committee, are from the two larger lineages, the Chen and the Na, while other cadres are from the smaller lineages. Of course, in some cases, the smaller lineages' interests are not well-represented among the cadres, since the Party Secretary and the Chairman, playing a larger role in the decision making, tend to protect their own lineages' interests. Thus, it is not difficult to understand why the smaller lineages do not like the arrangement of the "administrative village" that binds natural villages (lineages) without common interest. One villager from a small lineage said that, "we do not need the 'administrative village'; we natural villages can take good care of our affairs. The 'administrative village' is like big fish eating small fish, and small fish eating shrimp."³⁹

As in Minlu and Beishuai, although members of the Villagers' Committee are elected in theory, the elections are often controlled and manipulated by township officials. Since the officials know the influence of the lineages here, they take into account this factor when selecting candidates of the Committee members. The officials usually do not pick up candidates of the Committee Chairman from the smaller lineages, because this will run the risk of resistance from the larger lineages. As one township official told me, "If cadres are from the larger and powerful lineages, the implementation of our policies will be easier in most cases."⁴⁰

³⁹ Interview X-69.

⁴⁰ Interview X-TO.

In addition, there are seven teams in Xin, and each lineage (natural village) is a team. Thus, it is no wonder that team heads are usually lineage leaders or senior lineage members. Moreover, the team heads play a relatively larger role here than those in Minlu and Beishuai, because the teams have to deal with more public affairs independently. For instance, roads are constructed by several teams rather than by the administrative village in Xin, as we will discuss in Chapter Four.

Linhai Village

Linhai lies in the eastern part of Zhejiang province, a coastal and relatively rich region in southeastern China. The village is adjacent to the East China Sea, and forms itself around a mountain. It is about 8 miles from the township seat and 12 miles from the county seat, and several high mountains between the village and the seats pose some difficulties for transportation.

Despite the region's booming private businesses, the village is an agricultural and fishing area. Rice and watermelon are the major crops. Since this is a mountainous area and one of the most populated regions in China, arable land is very limited, about 0.5 *mu* per capita.⁴¹ Thus, it is very difficult for villagers to rely on farming to make a living here, especially for those households with school-age children. About one-fifth of households

⁴¹ Interview L-5.

in the community are engaged in the fishing business. At the same time, more and more households have recently opened small, private enterprises, making metal instruments and tools, shoes, and fish products.⁴² These households are becoming richer and improving their living conditions. At a rough estimate, per capita income here is about 3,500 yuan, a little higher than that in the three other villages of this project.

There are 1,934 people and 607 households in the village. It is divided into 21 teams, with about 30 households in each team. Many households are nuclear families, including a couple and one child, and some of them include grandparents. Like those in Minlu and Beishuai, more and more young couples prefer only one child in this village. Since many of them are aimed at opening and operating small businesses, they believe that girls are equally capable of helping them manage the businesses. Thus, they do not think it is necessary to have a boy. At the same time, young villagers believe that children's education is crucial for their future, and thus want to invest more in their children's education.⁴³

Like Minlu, this village is also a multi-lineage one, with 18 lineages. The larger lineage has about 150 people, and the smaller one has only 21 members. There is no lineage property or temples and few lineage activities in the village. Even marriage and funeral ceremonies are not necessarily attended by lineage members, and friends become more and more important in peasants' everyday life. Although some brothers open and operate

⁴² Zhejiang province is well-known for numerous private, rural enterprises. In a village I visited during my field trip to Linhai, there are over 100 shoe companies that hire 8,000 workers coming from other regions. Many neighboring villages have small, private businesses that produce metal tools, plastics, toys, etc.

⁴³ Interviews L-8, L-13, L-22, L-23, and L-45.

small businesses together, it is not very common for extended families to run businesses. This pattern is different from rural areas in southern Fujian in Chen's (2004) study, which focuses on property rights of rural enterprises. According to Chen, Jinjiang's private businesses are deeply embedded in local institutions of clan and lineage. Kinship networks and clan identity play a significant role in organizing and running private enterprises. This recent study is consistent with earlier observations of strong lineages in Fujian province (Freedman 1958; 1966).

The institutional structure of Linhai village is most open among the four cases. The key feature of its structure is that many villagers have opportunities to participate in decision-making processes over public affairs. Although both the Party Branch and the Villagers' Committee have been established in Linhai for some time, neither the Party Secretary nor the Committee members have dominated public decision making since the dismantling of collective farming in the late 1970s and early 1980s. As in many other villages, the Party Secretary is appointed by township officials. Sometimes the officials ask Party members of the village for suggestions and advice, but the officials have the final say in deciding the position of the Secretary. As one Party member says, "To solicit opinion from us is nothing more than a form (*xiang women zhenqiu yijian zhibuguo shi yizhong xingshi*). The real power lies in the hands of the township government (*zhengzheng de quanli zai zhengzhengfu de shouli*)."⁴⁴

Meanwhile, the members of the Villagers' Committee are elected, but, as in the other three villages, the township officials exert some influences on the elections, especially

⁴⁴ Interview L-7.

candidate selection. For the officials, it is important to pick up appropriate candidates, in particular for the position of the Chairman of the Villagers' Committee, because this, to a large degree, determines whether government policies and programs can be implemented in an effective and timely manner. The officials prefer those who are influential in the village on one hand, and follow the township government closely on the other.

Despite these, the Party Secretary and the Villagers' Committee do not dominate decision making in Linhai. Instead, many villagers actively participate in the decision-making processes over public affairs in one way or another. First of all, when making some decisions, village cadres usually hold a meeting attended by all Party members and Villagers' Representatives (*cunmin daibiao*) to discuss the key issues involved. The main aim is to get the support of the Party members and the Representatives. The village cadres know that, with their support, the decisions are often implemented more easily, since the Party members and the Representatives can influence many villagers, at least those in their own families.⁴⁵ There are 49 Party members and 55 Villagers' Representatives in the village. The Party members are recruited through an application procedure, while the Villagers' Representatives are recommended or elected by villagers.⁴⁶ Nine Party members are also Villagers' Representatives. Thus, including Party Secretary and members of Villagers' Committee, about 100 people, over five percent of all villagers, have chances to participate in a decision-making process over

⁴⁵ Interviews L-3, L-4, L-15, and L-46.

⁴⁶ According to Article 21 of the Organic Law on Villagers' Committee, Villagers' Representatives might be recommended or elected by villagers in populated villages or in villages where households are geographically scattered. Every five to fifteen households recommend or elect one Representative, or each team recommends or elects one or several Representatives.

public affairs. Moreover, most of the Party members and the Villagers' Representatives are ordinary peasants, and they share some common interests with their fellow villagers.

Second, after the village cadres make some proposals with regard to public affairs, they, from time to time, ask team heads to inform villagers, especially family heads, of the proposals and to solicit suggestions. This is often done informally. The team heads of 21 teams usually go door to door to each household to discuss the proposals and issues involved. Then, the team heads inform the village cadres of the villagers' opinions. Taking into account part or all of these opinions and suggestions, the cadres, including Party Secretary and members of the Villagers' Committee, hold a meeting to make final decisions.⁴⁷ In this case, the team heads are like intermediaries between the village cadres and the villagers.

The third way of peasant participation in village decision making is slightly different from the second one. After the village cadres propose some plans or programs, they let team heads inform the villagers and discuss the plans or programs with them. Instead of informally talking with household heads for suggestions, team heads hold a formal meeting attended by most or all team members to discuss the plans or programs. Then, the team heads report to the village cadres about their team meeting, and the cadres make the final decisions.⁴⁸

⁴⁷ Interviews L-2, L-34, and L-56.

⁴⁸ Interviews L-2, L-34, L-72, and L-73.

Finally, when some key projects are launched and crucial decisions need to be made, such as road construction and land allocation, a session of the Villagers' Assembly is usually held and all adult villagers can attend and voice their opinions. After some discussions, the village cadres, usually including the Party Secretary, Vice Party Secretary, and members of the Villagers' Committee, propose several plans and ask the attendants to comment on them. If many attendants support a plan, and the village cadres consider it feasible, and few villagers oppose it steadfastly, the plan is usually accepted as the final one. Interestingly, the meeting usually does not use votes and strictly follows the majority rule to make a final decision. In some cases, the meeting does not make any final decision if it is difficult to reach an agreement among the villagers or between the villagers and the cadres.⁴⁹ For instance, two years ago, the village held a session of the Villagers' Assembly attended by over five hundred villagers to discuss the construction of a cement road, which will be discussed in detail in the next chapter.

These are the main channels through which many villagers participate in the decision making over public affairs. In contrast to the other three villages, especially Minlu and Beishuai, villager participation plays a relatively more important role in Linhai's decision making. In many cases, villagers can have their voice heard in one way or another, although the village cadres are still the leading figures in public affairs.

Why Do the Institutional Structures of the Four Villages Vary?

⁴⁹ Interviews L-2, L-5, L-21, L-22, L-48, and L-53.

The above discussion reveals that the institutional structures of the four villages in this study vary greatly. What are the reasons, then, for their variations? Or, why are the institutional structures of the four communities so diverse and different? Specifically, why is it that Minlu's structure is more closed and the Party Secretary dominates the decision making, while Linhai's is more open and many peasants participate in the decision making? Why is it that Beishuai's and Xin's structures are between Minlu's and Linhai's in terms of peasant participation?

The question is interesting and important in terms of understanding the transitional rural society. Unfortunately, however, I cannot provide a full and convincing explanation here, because I do not have enough data to enable me to answer the question. The villages do not record their history, and villagers' memory cannot go beyond several decades ago. At the same time, I believe that the question is a very complicated one, and the answer may be associated with many factors, including physical, socioeconomic, cultural, and historical variables. Thus, my effort to deal with the question, based on my limited information here, is nothing more than providing some clues that facilitate further investigations. Also, my discussion will draw upon other scholars' studies that provide some explanations of variations across villages in contemporary China. It is necessary to note that the analysis is not conclusive but tentative.

First of all, geographical and physical conditions might be a factor that contributes to the institutional diversity of the villages. Linhai and Xin villages are located in south China, which historically was in the periphery and frontier of the country and far from the center of the imperial authority. Thus, the penetration of the late imperial and Republican state into the villages was relatively limited. Peasants there have a long tradition of organizing their public affairs. Although the villages could not escape the control of the communist regime after 1949, their self-organizing tradition was revived, as soon as collective farming collapsed over two decades ago.

At the same time, Linhai's coastal location is favorable to commerce, and the region has a long tradition of petty commerce, as noted by Huang (1990, 262-263). Part of the reason is the convenience of sea traffic. Also, the population pressure and the low land-man ratio urged local people to engage in small businesses and trade. Thousands of petty traders from the region roamed all over the nation in search of opportunities. In a market town close to Linhai village, there is a business street with stores and shops that are over three hundred years old. The town is also one of the largest trading places of various metal tools and instruments in China. The commerce tradition leads to relatively high mobility among the people, and they are more open to the outside world. Such kinds of entrepreneurship and openness help facilitate the spirit of participation and self-organization. As Kuhn (2002, 135) put it, "The post-Mao opening to world commerce may have opened the door to de facto self-government in the coastal provinces, at least in economic affairs."

Second, social structure, especially lineage organization, is another important factor influencing the institutional diversity of the villages. The contrast between Xin and the three other villages clearly shows that the role of lineage is responsible for the difference. In Xin, the participation of lineage leaders and senior villagers in decision making is deeply embedded in the well-organized lineages and their frequent activities. Lineage organizations, to some degree, help check the power of the village Party branch and the Villagers' Committee. In contrast, the other three villages' lineages are relatively weak, and there are few lineage activities.

In a similar study to this project, Lily Tsai (2002) finds that social institutions, such as lineages and temple associations, contribute to different governing modes and strategies of village cadres in providing public services in rural China. The cadres in villages that actively practice and organize lineage rituals and activities tend to rely on lineage organizations for fundraising, and are more inclined to be sensitive to social disapproval if they impose unpopular policies. Also, when examining village elections, Thurston (1998) shows that villages in which villagers engage in a multiplicity of religious, political, social, economic, and familial associations are more likely to have competitive elections. In a village of Fujian province, she finds that lineages, religious organizations, and other associations contribute to the spirit of community, which helps check the power of village cadres and facilitates village self-governance. According to Chen (2004, 186), lineage and kinship groups in village elections operate more like voter constituencies and information networks in a village of Fujian. He maintains that, "large local families are the country's only institutional form of political pluralism."

Of course, we cannot idealize the role of lineages in village affairs. In fact, lineages might have a negative impact on public decision making in some communities. For instance, in multiple-lineage villages, larger and stronger lineages might dominate smaller and weaker lineages. The imbalance of lineages often leads to violent conflicts in some rural areas. As O'Brien (1994) notices, the resurgence of lineages might undermine village leadership and increase factionalism, especially in those multi-lineage villages.

Third, whether a village has relatively more or less collective property and resources might also be a factor that contributes to the diversity of the village institutional structures, although the cases of the study are too few to provide a definitive judgment. Both Minlu and Beishuai have relatively more collective resources, whether they are land and fish ponds in the former or village enterprise in the latter. In the two villages, cadres have strong incentives to control decision-making processes, since they can benefit and enrich themselves by taking advantage of the distribution of collective resources. Meanwhile, Xin has some collective resources, including a few small hills, but the resources are controlled by several lineages rather than by the administrative village. In other words, much of Xin's collective property is lineage property, and the lineages have owned the property for several centuries.

In contrast, there are very limited collective resources in Linhai, which undermines the incentive of village cadres to dominate village affairs. Except for per capita 0.5 *mu* of land, there is no resource owned collectively by villagers. Thus, village cadres have little

interest in dominating village affairs, especially in an environment where many villagers are opening and operating private enterprises. In fact, many young villagers are not interested in becoming village cadres in Linhai. If some of them choose to become cadres, it is because the cadres have a chance to know township or even county officials, and such kinds of connections with the officials will help them in opening and operating their private enterprises, such as obtaining licenses, escaping fines for pollution, and hiring child labor.⁵⁰

Several other studies provide some support for the proposition. Chan, Madsen, and Unger (1992) find that, in Chen village, the Party Secretary's dominance is closely related to his control over sizable public funds by renting out collectively owned land and buildings to foreign companies. Xiang's (2002) study of three villages with large collective economies indicates that the overwhelming collective property and resources in the villages are, to a large degree, responsible for the concentration of decision-making power in the hands of a few cadres. Some of the cadres are still using the Maoist measures to punish villagers, such as public humiliation by parading them through the streets, which was widely utilized during the Cultural Revolution. Also, according to Thurston (1998), villages with many private entrepreneurs and businesses are more likely to have competitive elections than villages with collective enterprises that are in fact managed by one person or a small group of people.

Some scholars, however, argue that villages with large collective economies and wealthy communities are more likely to implement political reforms more effectively, since the

⁵⁰ Interviews L-7, L-9, L-14, L-15, and L-53.

villages have the necessary resources to provide public services and complete tasks imposed by the government. In contrast, poor villages with few or unprofitable collective enterprises tend to become paralyzed and authoritarian communities with low public participation (O'Brien 1994).

Finally, a number of scholars propose that history, especially the legacy of Mao's era, has an important influence on today's rural governing structures, which echoes the thesis of "path dependence." In explaining the diverse property-rights arrangements of rural enterprises, Whiting (2001) emphasizes the role of Mao's legacy in rural industry. According to Whiting, political and economic resources inherited from Mao's era have a decisive impact on the forms of property rights of rural industry. The local cadres' control of surplus investment capital, derived from commune and brigade enterprises dating back to 1960s, leads to collective ownership of rural industry in Wuxi, while the lack of surplus investment capital in Yueqing is responsible for private enterprises. In a similar study, Chen (2004) also suggests the importance of path dependence in rural transformation. According to Chen, the dominance of collective enterprises in the Yangtze Delta is because of the pivotal role played by local governments in initiating and developing such enterprises, which can be traced back to the collectivism period under Mao. Nevertheless, the prevalence of private businesses in southern Fujian is closely associated with the lineage and kinship networks, which have a long tradition in the region.

In explaining the variation in informal finance across localities, Kellee Tsai (2002) finds that the diversity lies in local governments' orientation toward private businesses and their degree of tolerance of informal finance. Some local governments have been very supportive of the private sector since the earliest years of reform, while others have been less supportive. Tsai further suggests that the diversity in the attitude of local governments is a path-dependent function of economic structural legacies inherited from the Mao era.

Then, do Maoist legacies or local governments' policies have an influence on the different institutional structures of the four villages? My data on this issue is so limited that I cannot provide a full analysis here. Although I interviewed several township officials, I did not collect systematic data on local governments' history and policy orientations due to my time and financial constraints for this small project. Despite this, the interviewed township officials provide some useful information that helps further examination of this issue in the future. According to one official in Minlu's township and one official in Linhai's township, there are variations of institutional structures across villages in both townships. The official from Minlu's township indicated that not all villages within the jurisdiction are dominated by the Party Secretary, as in Minlu. He suggested that in some villages, the Villagers' Committee plays a more important role in dealing with public affairs. When I asked him whether there were villages where many villagers participate in decision making, he hesitated and then said, "To my knowledge, we have not had such kind of villages yet. Maybe some years later."⁵¹

⁵¹ Interview M-TO-01.

Also, the official from Linhai's township told me that villages in the township have different decision-making structures. According to him, in a neighboring village of Linhai, the Chairman of Villagers' Committee alone controlled decision making in most cases. The Chairman claimed that he was elected by villagers and had the authority to dominate village affairs. Two years ago, the cadre appropriated and embezzled 200,000 *yuan* of public funds, and was arrested after some villagers had reported his embezzlement to the county government.⁵²

The information provided by the two township officials indicate that, although local government policies or orientations might have some influence on the trajectories of villages and rural development, institutional structures of villages vary even within the same township. This suggests that other factors, such as villages' social structure and history, might also impact the villages' decision-making arrangements. Thus, it seems that the issue of institutional variations of the villages is very complicated and needs much more data to engage in further analysis.

Conclusion

This chapter provides some background information of the four selected villages and discusses their institutional structures. The analysis indicates that the villages share many

⁵² Interview L-TO-02.

similar physical and socioeconomic conditions, although there are some differences among them. The four communities' geographical features are a little diverse. Minlu is located on a flat plain in central China, with relatively easy transportation to nearby towns, while Beishuai is in a hilly region of northern China and close to the county seat. Both Xin and Linhai are in mountainous areas of southern China, while the latter is close to the sea, with more convenient transportation than the former.

The socioeconomic conditions of the four villages are quite similar. All of them are mainly agricultural communities. Most households rely on farming to make a living in the villages, although slightly more villagers are opening and operating small businesses in Xin and Linhai than those in Minlu and Beishuai. Per capita income of villagers among the four communities is very close, and Linhai's income is a little higher than the other three villages. All of the four villages are in the middle in terms of the level of economic development in rural China.⁵³ Demographically, the villages are also pretty similar. Three of them (Minlu, Xin, and Linhai) each has a population of around 2,000, and the other community's (Beishuai) people are about 700 less (see Table 3.1 for the physical and socioeconomic conditions of the four villages).

⁵³ Official statistics indicate that per capita income of peasants is 2622.24 *yuan* in China in 2003. See: <http://www.stats.gov.cn/tjsj/ndsj/yb2004-c/indexch.htm>.

Table 3.1 Physical and Socioeconomic Conditions of the Four Villages

<i>Village Name</i>	<i>Topographical Features</i>	<i>Major Crops</i>	<i>Population</i>	<i>Per Capita Income (Yuan)</i>	<i>Occupations (Percentage of households)</i>	<i>Distance from a Market Town</i>
Minlu Village (Hubei)	flat	rice and rape	2,002	2,600	80% planting; 15% working in urban areas; 5% doing small business	3 miles
Beishuai Village (Hebei)	hilly	corn, wheat, and beans	1,370	2,700	80% planting; 20% doing small business (opening stores, selling vegetables, and transportation)	0.5 mile
Xin Village (Jiangxi)	mountainous	Rice and Peanuts	2,057	2,500	70% planting; 30% long-distance transportation	4 miles
Linhai Village (Zhejiang)	mountainous	rice and watermelon	1,934	3,500	60% planting; 20% fishing; 20% opening business (producing metal instruments, selling tools, and others)	3.5 miles

However, the institutional structures of the four villages are very diverse. The key feature of Minlu's structure is its Party Secretary's dominance in decision making over public affairs. He does not even consult with other cadres in most cases, and villagers have few chances to be involved in the decision making processes. Beishuai's structure is characterized by all of its cadres' control over public decision making. Usually, the cadres together decide how to deal with village affairs in the community, and villagers are not allowed to voice their preferences and interests, which is similar to that in Minlu. Xin's structure is different from both Minlu and Beishuai. Although village cadres also play an important role in Xin, they do not dominate decision making over public affairs. Instead, lineage leaders and some senior villagers participate in decision making in many cases. Finally, Linhai's institutional structure is more open than the other three villages. Here, many villagers participate in decision making over public affairs in one way or another, although village cadres play a leading role in the community (see Table 3.2 for the features of the four villages' institutional structures). The enormous institutional diversity of the four villages is essential for this study, which is aimed at exploring and comparing their governance performance. The next chapter examines roads in the four communities.

Table 3.2 Institutional Structures of the Four Villages

<i>Village Name</i>	<i>Lineage Organization and Activities</i>	<i>Role of Village Cadres in Public Affairs</i>	<i>Villager Participation in Decision Making</i>	<i>Key Features of Village Institutional Structures</i>
Minlu Village	Not well-organized; few lineage activities	The Party Secretary plays a dominant role.	Little	The Party Secretary alone dominates decision making.
Beishuai Village	Not well-organized; few lineage activities	Several cadres play a dominant role.	Little	Several cadres together control decision making.
Xin Village	Well-organized; many lineage activities	All cadres play an important and leading role.	Some	Lineage leaders and some senior villagers are involved in decision making.
Linhai Village	Not well-organized; few lineage activities	All cadres play an important and leading role.	Much	Many villagers participate in decision making in one way or another.

Chapter Four Rural Roads and Village Governance

Introduction

Rural roads are crucial for peasants' everyday life and sustainable development in developing societies. Many studies indicate that rural roads help improve agricultural productivity, reduce poverty, and increase off-farm job opportunities for peasants (Antle 1983; Démurger 2001; Felloni et al. 2001; Jacoby 2000; van de Walle 2002). Developing countries, however, often devote more resources to urban roads and highways than to rural roads. For instance, in China, although public investment in roads has been a high priority since the 1980s, most of the investment has been spent on expressways and intercity highways. Rural roads have been under funded. Expressways increased from 147 kilometers in 1988 to 25,130 kilometers in 2002, an average annual growth rate of 44 percent; in contrast, the length of rural roads increased very little, by only 3 percent annually over the same period (Fan and Chan-Kang 2004).

With limited public investment, villagers usually have to rely on themselves to provide and even produce the roads, especially those within their villages. This requires them to establish institutional arrangements for, and make decisions over, the provision and

production of the roads.⁵⁴ The provision of roads is related to a series of collective-choice decisions, including: (1) whether or not to provide a road; (2) what quantity and quality of road to provide; (3) how to finance the construction and maintenance of the road; (4) how to regulate the use of the road; and (5) what institutional arrangements to be made to produce the road and to monitor the producers. The production of roads refers to the technical process of transforming resource inputs, including money, labor, and other materials, into roads (Schroeder 1997).

Thus, how the decisions are made and who makes them will have significant influence on the construction of the roads, their physical condition, their maintenance, and the spending for them. At the same time, how villagers evaluate the roads needs to be addressed, since the villagers are both payers and users of the roads. It is the aim of this chapter to examine whether and how the physical conditions and maintenance, the spending, and villager evaluation of the roads vary in the four Chinese villages with different institutional and decision-making structures.

Roads and the Collective-Action Problem

Before I discuss the decision-making arrangements and the conditions of the roads in the four villages, it is necessary to address a profound problem facing various types of public

⁵⁴ It is useful to make a distinction here between provision and production of roads as a public good, since it opens up the greatest possibility of organizing local public economies (see Ostrom, Tiebout, and Warren 1961; Oakerson 1999).

goods including roads, that is, the collective-action or free-riding problem (Olson 1965; Hardin 1982; E. Ostrom 1990; 1998). It is usually transformed into a question such as: why does a self-interested individual contribute to a public good if he/she cannot be excluded from enjoying it?

The first-generation theorists of collective action are relatively pessimistic about dealing with the problem, and thus they think that public goods are often underprovided or even not provided at all. For instance, Olson (1965) believes that, unless there are selective incentives or external coercion, individuals would not organize themselves to achieve common interests.

In contrast, the second-generation theorists of collective action are mildly optimistic about the problem. Having done extensive research in various settings, they find that individuals in some cases do make contributions to achieve common interests without external coercion or selective incentives, and that the collective-action problem can be, to some degree, mitigated through appropriate institutional arrangements, social networks, civic associations, trust, reciprocity, reputation, and other norms (Frohlich and Oppenheimer 1970; Frohlich 1974; Frohlich et al. 1975; Axelrod 1984; 1986; E. Ostrom 1990; Putnam 1993; 2000; Fukuyama 1995; E. Ostrom and Walker 2003).

Like other public goods, roads might well involve the collective-action problem in village communities. Then, do the villagers contribute to the roads in the four Chinese villages? My observations and interviews indicate that they are willing to contribute in many cases,

especially when they are sure that their contributions will be used properly. As one villager in Beishuai says, “If village cadres take care of public money and really use it to do something good for us, such as building roads and irrigation systems, I think most villagers are willing to pay, even if they have to borrow money from their relatives and friends in some cases.”⁵⁵ Although the collective-action problem does exist in the villages, several factors help alleviate it.

First of all, the villages are relatively small communities, and villagers communicate and interact with one another every day. Although the population is over 1,300 in all of the villages and over 2,000 in two of them, the villagers know one another very well. They frequently work together on the farms, go to local markets together, and play cards together during their leisure time. At the same time, intermarriages, especially between different lineages, are still quite common within the villages, and this helps the villagers know each other better. One household usually has lineage or marriage relationships with several or over a dozen other households. Thus, the villages are, to a large degree, “communities of acquaintances,” and trust is relatively high among the villagers, which is crucial for cooperation and collective action. One example of high trust is that the villagers frequently borrow money from each other, and the amount could be hundreds or even thousands. Moreover, in most cases, they do not have a written contract.

Second, some social norms, such as reciprocity or mutual help rooted in the Confucian teachings, help promote cooperation and collective action among the villagers. The fundamental principle of “do not do to others what you would not like yourself” (*ji suo*

⁵⁵ Interview B-26.

bu yu, wu shi yu ren),⁵⁶ similar to the Golden Rule “do unto others as you would have others do unto you,” lays the foundation of how human beings relate to one another (V. Ostrom 1997, 181, 259). Landa’s (1981; 1999) research on overseas Chinese merchants shows that mutual help rooted in the Confucian code of ethics facilitates cooperation and provision of public goods among the merchants in Southeast Asia, and that the spirit of mutual help, like the contract law, helps reduce transaction costs and contract uncertainty. According to Landa, the tradition of mutual help functions as social capital among the Chinese merchants. Similarly, in the Chinese villages, mutual help is very common in various activities. For instance, the villagers often help each other work on the farms during harvesting time; they babysit the children for each other when they need to go into the fields or a market town.⁵⁷

Third, “face” (*mianzi*) plays a role in facilitating cooperation and collective action in the village communities. Although, as a cultural phenomenon, “face” exists in many societies, it plays a crucial and unique role in structuring human relationships in China (Ho 1976; Yu 2001). “Face” is a very important socio-cultural concept in Chinese society, especially in local, solidary communities, and it denotes interpersonal relationship.⁵⁸

⁵⁶ Chapter XXIII of Book XV of *The Analects* states, “‘Is there any one word,’ asked Tzu Kung, ‘which could be adopted as lifelong rule of conduct?’ The Master (Confucius) replied: ‘Is not Sympathy the word? Do not do to others what you would not like yourself.’” Also, Chapter II of Book XII states, “When Chung Kung asked the meaning of virtue, the Master (Confucius) said: ‘When abroad, behave as if interviewing an honored guest; in directing the people, act as if officiating at a great sacrifice; do not do to others what you would not like yourself; then your public life will arouse no ill-will nor your private life any resentment.’ ‘Though I am not clever,’ replied Chung Kung, ‘permit me to carry out these precepts.’”

⁵⁷ To be sure, the tradition of mutual help exists in local communities of many societies. For example, Pradhan (1980) finds that there is a local tradition of mutual help among villagers, and that contributions of voluntary labor are part of the culturally recognized system of *Parma* in some rural Nepali communities – a household labor exchange system on a reciprocal basis. Such a tradition of sharing labor and mutual aid makes planting, harvesting, and construction of individual homes and public works much easier.

⁵⁸ Ho (1976, 883) defines “face” as “the respectability and/or deference which a person can claim for himself from others, by virtue of the relative position he occupies in his social network and the degree to

“Face” is regarded as the locus of dignity and reputation. If a person loses his/her “face,” it means he/she also loses his dignity and reputation (Yu 2001). Those who care about their dignity and reputation will try to save their face by bearing their responsibilities and contributing to public goods and services. For instance, if many villagers have made their contributions to a road project in a village, the rest will feel that they will lose their “face” if they do not contribute. In many cases, the villagers think that their “face” is more important than wealth or even their life.⁵⁹

All of these help mitigate the collective-action problem in the villages, and promote villagers’ contribution to roads and other public goods. To be sure, this does not mean that roads and other public goods are provided and produced at the same quantity and quality in all the villages. In fact, the physical conditions and maintenance of and the spending for the roads and other public goods vary much in the four villages. The variations are closely related to the institutional and decision-making structures of the villages, which have a significant influence on how villagers’ contributions are used. Here, I turn to discuss the decision-making process over the provision and production of roads in the four villages.

Decision Making over Roads in the Four Villages

which he is judged to have functioned adequately in that position as well as acceptably in his general conduct; the face extended to a person by others is a function of the degree of congruence between judgments of his total condition in life, including his actions as well as those of people closely associated with him, and the social expectations that others have placed on him.”

⁵⁹ In Chinese vocabulary, there is a phrase “*si yao mianzi*,” meaning that a person would rather choose to die than lose his/her “face.”

The provision of roads is related to a series of decision-making processes, such as where to locate roads, what kind of roads to construct, how to fund them, and how to maintain them. Then, who makes these decisions in the four villages? How are they made?

As mentioned in the previous chapter, it is the Party Secretary who dominates village decision making in Minlu. He makes all of the key decisions regarding road projects, including whether to construct a road, determining the quality of the road, and how to fund the road. Usually, he pays little attention to roads in the village, even though many villagers have often complained about them. Five years ago, under pressure from the provincial government requiring every village to improve its roads, the Party Secretary of Minlu decided to reconstruct its only major road connecting 16 hamlets.⁶⁰

Although villagers hoped to improve the earth road substantially by changing its surface, the Party Secretary just wanted to put some more earth on the road and widen it a little. His aim was to meet the minimal requirement established by the government rather than to better transportation and please the villagers. Thus, even without talking with other cadres and villagers, he decided to reconstruct the road simply by putting more earth on it.⁶¹

⁶⁰ Interviews M-5 and M-6.

⁶¹ Interviews M-3, M-4, M-24, M-25, and M-72..

The Party Secretary alone decided how to reconstruct the road. He did not want to spend money on it, and required each villager to contribute their labor to the reconstruction. He alone made the plan of how to distribute the burden of labor among households.⁶² At the same time, despite the fact that some villagers proposed to establish arrangements for maintenance of the road, the Party Secretary dismissed the idea.⁶³

In Beishuai village, decision making over public affairs is usually controlled by several cadres, including the Party Secretary, Chairman of the Villagers' Committee, Village Accountant, and a few others. In 1991, when the village enterprise of auto parts was booming, the cadres decided to construct two major roads. At first, the cadres held a small meeting at the home of the Village Accountant, discussing what kinds of roads to build. After two hours of discussion, they decided to construct tar roads.⁶⁴ Then, they talked about how to fund the roads. Since the project needed lots of money, two of the cadres proposed to ask the village enterprise to pay for the project and others agreed. They pressed the enterprise to pay about 500,000 *yuan*, and later they, in fact, received 400,000 *yuan* from it.⁶⁵

The next step for the cadres was to decide which construction company they would contract to for the project. The Village Accountant, at a meeting of the cadres, indicated that he had a close friend who just established a construction corporation a year ago, and

⁶² Interviews M-11, M-12, and M-67.

⁶³ Interview M-16 and M-45.

⁶⁴ Interview B-3.

⁶⁵ Interviews B-4 and B-5.

advised other cadres to contract the project to his friend. Although one cadre expressed his concerns, they finally agreed with the Accountant's suggestion.⁶⁶

After the roads were constructed, the cadres made the decision over maintenance. When they discussed whom they would hire for the maintenance job, two of them recommended their own younger brothers, since they thought it was a good chance for the brothers to make some money. Other cadres did not explicitly express their disagreement, and thus the recommendation became the decision.⁶⁷ At the same time, under the cadres' pressure, the maintenance was also funded by the village enterprise.

In contrast, the decisions over the provision and production were made by village cadres, lineage leaders, and several senior villagers together in Xin village. In fact, the decisions were made by several hamlets as "natural villages" rather than Xin as "administrative village," since these hamlets are located relatively scatteredly and they do not share all of the roads. There are four major roads in Xin. Three hamlets make decisions over three roads respectively, each in one hamlet, and four other hamlets make decisions over one shared road.

About six years ago, heavy rain severely damaged the earth roads in all of the hamlets making transportation very difficult. Thus, all of the hamlets decided to reconstruct their roads. The decision-making processes were quite similar in the hamlets. First of all, it was hamlet cadres who organized the decision-making meeting attended by lineage

⁶⁶ Interviews B-4 and B-5.

⁶⁷ Interview B-5.

leaders and some senior villagers.⁶⁸ At the meeting, they discussed whether to reconstruct the road and what kind of road they needed. They agreed that their road needed to be improved, and most of them thought that gravel road was both economical and practical, because the hamlets were close to a mountain with lots of gravel. The suggestion became the decision after some discussions.⁶⁹

Then, the hamlet cadres, lineage leaders, and senior villagers talked about how to fund the reconstruction, and decided to mainly rely on villagers' labor. Since the reconstruction was undertaken in winter, they thought that the villagers would be available to contribute to it. As for maintenance of the roads, several lineage leaders suggested to follow their long tradition that the burden of maintenance was distributed along the line of lineage branches and sub-branches. Without disagreement, this proposal became the final decision.⁷⁰

Although several lineage leaders and senior villagers are able to participate in the decision-making process in Xin, many villagers are actively involved in decision making in Linhai village. The decision making over its major road two years ago is a good example. At the beginning, over two dozen villagers proposed to improve their major road so that they could get access to local markets and do their small businesses more

⁶⁸ In Xin Village, besides village cadres such as Party Secretary and members of Villagers' Committee, each hamlet has its own cadres. Thus, in the village, there are two kinds of cadre systems. Generally speaking, the village cadres are responsible for the affairs related to the whole village, such as helping local governments enforce birth-control policy and collect taxes, while hamlet cadres deal with the issues related to their own hamlet, such as constructing roads and allocating land.

⁶⁹ Interviews X-5, X-14, X-23, and X-30.

⁷⁰ Interviews X-5, X-14, X-23, and X-30.

easily.⁷¹ Then, the village cadres organized a public meeting to make decisions regarding the road, and over five hundred villagers participated in the meeting. When one cadre described the meeting to me, he said, “The meeting has been one of the largest in the past twenty years. It is very successful! Many villagers speak at the meeting.”⁷²

At the meeting presided by the Chairman of the Villagers’ Committee, participants first discussed whether to improve the road, and almost all of the participants thought the road should be improved to meet the increasing needs of doing business. The next issue was to decide what kind of road to be constructed. Some suggested that to build a tar road was relatively cheap, while most villagers proposed to construct a cement road, which generally lasts longer. The latter gave some evidence of how the tar road deteriorated very quickly in a neighboring village. In the end, almost all of the villagers agreed to have a cement road.⁷³

They then went on to discuss how to fund the road. The cadres indicated that the village fund still had over 1,200,000 *yuan*, but the proposed road needed more than that. Many attendants maintained that the funding burden should be distributed evenly among all the villagers. Several others argued that this was not fair for those households that were relatively far from the road, and suggested that those households close to the road should pay a little more than others. After some heated debates, the attendants reached an

⁷¹ Interview L-5 and L-39.

⁷² Interview L-3.

⁷³ Interviews L-7, L-8, L-12, and L-58.

agreement that for those households close to the road, each member would pay 230 *yuan*, and for others, 150 *yuan*.⁷⁴

The next step was to decide the arrangements for maintenance after the road was constructed. One village cadre proposed that maintenance be rotated among the 21 teams in the village, and that each team be responsible for the maintenance for one month. The proposal was accepted immediately. At the same time, the participants of the meeting decided to invest about one-third of its annual revenue to the maintenance, including repairing of the road.⁷⁵ The final important decision was how to select the construction company, and the unanimous suggestion was to use the method of bidding.⁷⁶

The decision-making patterns of providing and producing the roads in the four villages vary much. In Minlu Village, it is the Party Secretary who dominates the decision-making process over the provision of the road, while several village leaders together control the decision making over the road project in Beishuai. In contrast, in Xin Village, hamlet cadres, lineage leaders, and some senior villagers all play some role in making the decisions over the roads. In Linhai, hundreds of villagers participate in the decision-making meetings.

Construction of the Roads and Their Physical Conditions

⁷⁴ Interviews L-9, L-10, and L-73.

⁷⁵ Interviews L-13, L-14, L46, and L-55.

⁷⁶ Interviews L-16 and L-79.

After elaborating the decision-making processes over the roads, I shall compare the conditions and maintenance of, and the spending for, the roads in the four villages. In Minlu, the only major road is an earth one, and it was reconstructed by villagers about five years ago. The reconstruction of the road mainly relied on villagers' contribution of their labor.⁷⁷ Each household was assigned, by the Party Secretary, a length of the road to be constructed based on its population. In fact, only adult male members of each household worked on the construction, since it was an onerous task. The main job was to dig and pile earth from both sides of the road, and then to level it. Since some households did not have enough male labors or their labors went to urban areas for jobs, they had to pay to have others work on their share.⁷⁸

Since the surface of the road is earth, the transportation is difficult in Minlu, especially during the rainy season. In the summer, when there is plenty of rain in the region, the road becomes very muddy and rough. Nevertheless, since summer is also harvesting time, villagers have to rely on the road for the transportation of their crops.⁷⁹ As one villager complained, "The busier we are in the summer, the more muddy the road is. No cadre cares about it. They care only about money!"⁸⁰ Moreover, the villagers frequently use the road to go to a nearby market town for buying and selling goods, and its muddy and rough conditions make traveling slow.

⁷⁷ Interview M-6.

⁷⁸ Interviews M-17 and M-18.

⁷⁹ Interviews M-22, M-23, M-27, and M-69.

⁸⁰ Interview M-46.

Furthermore, the rugged conditions of the road are partly responsible for over a dozen traffic accidents in the village every year. Most villagers rely on bicycles for their everyday transportation, but riding bicycles on the road is difficult, especially for children. Some households have motorcycles, but driving them on the road is sometimes dangerous. Many of the accidents on the road have involved motorcycles.⁸¹

The two major roads in Beishuai Village were constructed by a private company owned by a friend of Village Accountant, since they were surfaced by tar, which needed technical experts. The construction process, however, was not smooth. According to the contract, the company should have finished the project within two months, but, in fact, it spent five months completing it, partly because of its outdated equipment. This delay caused villagers great inconvenience. Some households' small businesses were disrupted, since the roads were closed for too long a time.⁸²

More disappointingly, the quality of the roads failed to meet certain criteria. It was only three months after the construction that the roads cracked in some parts. However, the construction company was not held accountable because of the close relationship between the Village Accountant and the boss of the company.⁸³ Today, many parts of the roads are cracked or damaged, lots of trash is piled up on the roads, and some covers of sewer system wells have disappeared.

⁸¹ Interviews M-30 and M-31.

⁸² Interviews B-27.

⁸³ Interviews B-23 and B-24.

In Xin Village, the four major roads were constructed by several hamlets independently or collaboratively. Three hamlets constructed three roads, each in their own hamlet, and four other hamlets collaboratively constructed one road. The collaboration of the four relatively small hamlets was arranged by lineage leaders of the hamlets, which is a long tradition for them. The four small hamlets share some common interests, and they frequently help and cooperate with each other.⁸⁴

All of the roads were constructed by villagers themselves. Unlike in Minlu village, the amount of the burden was assigned to each household based on its number of adult males rather than its whole population in all of the hamlets.⁸⁵ This method of assigning the tasks took into account the labor-intensive nature of road construction and also reflects the view of villagers on justice or fairness. For the villagers, to let those larger households with fewer adult males bear the same burden as those with more adult males is unfair, because the construction work needs heavy labor, which is beyond the capabilities of females and teenagers.⁸⁶ Thus, to villagers, it is fair to distribute the burden based on the number of adult males rather than the whole population of each household, even though females and teenagers definitely use the roads.

Since there is plenty of rainfall in the region, the roads were surfaced by gravel, coming from the nearby mountain. The villagers mixed gravel with earth and consolidated them on the surface of the roads. Thus, the roads are able to withstand frequent heavy rain.

⁸⁴ Interviews X-33, X-34, X-37, and X-54.

⁸⁵ Interview X-19 and X-20.

⁸⁶ Interestingly, the villagers do not follow the definition of “adult” in the law, which means over 18 years old. Instead, their view of “adult” focuses on whether a young villager is tall and strong enough to undertake the task and whether he regularly works on a farm. Interviews X-5 and X-17.

Although these roads are not as good as tar or cement roads, they make villagers' transportation of goods much easier than before.

Like in Beishuai, the construction of the major road in Linhai village was conducted by a private company. However, unlike in Beishuai, the selection of the company was through a competitive bidding process, which involved 15 construction enterprises, since cadres and villagers in Linhai wanted to spend less money but have a high-quality road. The company's bid was 1,600,000 *yuan*, which was 200,000 *yuan* lower than any other competitor's bid. At the same time, the winner guaranteed that the project would be finished within one and a half months.⁸⁷

At the same time, the village organized a temporary committee of five people, including two incumbent cadres and three ordinary villagers, to supervise the construction process and provide local knowledge and information for construction experts. The committee played a pivotal role in undertaking both types of tasks. In particular, their provision of local information and knowledge was crucial to the appropriate design and construction (Ostrom, Schroeder, and Wynne 1993, 49-55).⁸⁸ Since the villagers know about local topographical and other indispensable information much better than outside experts, they provided invaluable suggestions to guide the construction.

The road is of high-quality and made of cement. It was constructed two years ago, and has showed no signs of cracking or other kinds of deterioration. The road makes

⁸⁷ Interviews L-14, L-17, and L-49.

⁸⁸ For discussions of "time and place information" or "local knowledge," see Hayek (1945) and Geertz (1983).

villagers' transportation to market towns, schools, and hospitals much easier. Since big trucks are able to come to the village now, more and more households are engaged in small businesses, such as selling fish and producing metal tools.

The construction of the major roads in the four villages indicates different patterns of undertaking the projects. In Minlu and Xin, the roads were constructed by villagers themselves, while in Beishuai and Linhai, the constructions were contracted out to private companies. Moreover, Minlu and Xin villages followed different methods of distributing the burden of construction among households. The former set up the criteria based on population of a household, while the latter considered only the number of adult males in a household. At the same time, Beishuai and Linhai also used different methods to contract out their projects. The former was through a friendship between the Village Accountant and the boss of that company, while the latter relied on competitive bidding.

Also, the physical conditions of the roads vary greatly in the four villages. The road in Minlu is the worst in terms of its conditions among the four villages, while the road in Linhai is the best. The condition of the roads in Beishuai and Xin is between Minlu and Linhai. Further, although the roads (tar roads) in Beishuai look better than those (gravel roads) in Xin, the rapid deterioration of the former is ruinous.

Maintenance of the Rural Roads

After the roads have been constructed, maintenance is indispensable to help slow their deterioration. Without appropriate and regular maintenance, the roads often deteriorate much faster than many expect. Although the costs of maintenance are not high in most cases, it has often received insufficient attention, since it usually produces no immediate or noticeable improvement in the operation (Ostrom, Schroeder, and Wynne 1993, 28).

Village cadres might have some interest in constructing a road, but they rarely want to spend any resources on its maintenance. One reason is that they fail to appreciate the importance of maintenance for the sustainability of the road. Another is that many of them care about short-term interests so much that they concentrate the limited resources on those projects that bring them immediate gains. Villagers, however, have the incentives to care about maintenance of the roads, since they contribute their labor and/or money to the construction. Thus, villagers' participation in the decision-making process is more likely to have some impact on the maintenance of the roads in the villages.

In Minlu village, there are no arrangements for maintenance of the roads. Although the earth road is easily damaged by heavy rain or animal carts, village cadres have never considered the question of its maintenance. It is true that their resources are quite limited. The issue, however, is that the cadres, especially the Party Secretary, would rather spend some of the resources in pleasing township officials than invest them in road maintenance, since the officials have a significant influence on the selection of the village cadres. Three years ago, a group of villagers requested that the cadres engage in regular

maintenance of the road, but the cadres claimed that each villager should pay 20 *yuan* for this every year. Nevertheless, the villagers rejected it, since they paid hundreds of *yuan* for the provision of village public goods and services every year.⁸⁹

In Beishuai village, maintenance of the roads was undertaken in the beginning but was later discontinued. After the roads had been constructed in 1991, arrangements for their maintenance were established by village cadres. They planned to hire two maintenance workers, and required the village enterprise to pay each of the workers 200 *yuan* per month. The cadres then selected two villagers, who were brothers of the Village Committee Chairman and the Village Accountant, respectively, although they had been known for their indolence. The job of the two workers included mainly cleaning the roads and reporting damages. Consistent with villagers' expectations, the two have never performed their duties well.⁹⁰

One and a half years later, the village enterprise had financial difficulties in continuing to pay the two maintenance workers. At the same time, many villagers complained about the unresponsiveness of the workers and urged the cadres to remove them. Thus, the maintenance of the roads stopped, and has never been resumed.⁹¹

In contrast, maintenance of the roads is regularly undertaken in both Xin and Linhai villages. Like the construction of the roads, their maintenance is conducted by several hamlets in Xin village, which is a long tradition in the hamlets. Historically, the

⁸⁹ Interviews M-18, M-19, and M-65.

⁹⁰ Interview B-15.

⁹¹ Interviews B-16 and B-17.

maintenance was arranged by lineage leaders and local gentry.⁹² At present, both village cadres and lineage leaders play some role in organizing the maintenance task. Basically, the maintenance is conducted by villagers, and the rule of distributing the task is that branches and/or sub-branches of lineages take turns undertaking it. Each branch or sub-branch, including about 5-15 households, is responsible for the maintenance for three months. The basic task is to fill potholes on the road with gravel and make them level.⁹³

In Linhai village, the arrangements for the cement road's maintenance are a little different from those in Xin. The burden of the maintenance was distributed based on the teams in the village, and each team was required to conduct the maintenance for one month.⁹⁴ There are 21 teams in the village, each consisting of about thirty households. Thus, each team is responsible for one month of maintenance within a two-year period.

The maintenance task is quite extensive, including cleaning the road, repairing its damages, and supervising its use. Each team is responsible for all of these activities during the time of its duty, and may further distribute the burden among its households. If any team fails to complete the required task, its head will be held accountable. He or she might be criticized publicly, fined, or even lose his or her position. Since the road was constructed two years ago, its maintenance has been undertaken well. During that time,

⁹² There are many cases documenting the leading role of local gentry in arranging construction and maintenance of roads in imperial China (see Hsiao 1960, 281-282).

⁹³ Interviews X-23, X-24, X-27, and X-70.

⁹⁴ Interviews L-9 and L-11.

only one team head was removed because of his team's failure to supervise the use of the road.⁹⁵

The discussion of road maintenance in the four villages indicates that the patterns are closely related to their institutional structures. In Minlu, where the Party Secretary dominates, there is no maintenance at all; in Beishuai, with several cadres controlling the decision-making process, the maintenance could not last longer than one and a half years. In contrast, in Xin and Linhai villages, where some or many villagers have the chances to participate in the decision-making process, road maintenance has been undertaken well. Especially in Linhai, the arrangements for road maintenance have been carefully crafted, and those who fail to finish the maintenance work can easily be held accountable.

Village Spending for Roads

Construction and maintenance of roads need lots of resources, especially money and labor. This requires villages to not only make efforts to mobilize the resources but also to distribute them wisely among various projects. Then, how do villages mobilize resources for public goods and services? Villages do not have the authority to tax in China, since they are not part of the formal government system. Village cadres, however, are required to help township governments to collect taxes and surcharges, and then the governments,

⁹⁵ Interviews L-17, L-18, L-21, and L-59.

in theory, will return part of the surcharges to the villages for some public works. At the same time, villages often collect various types of fees from peasants for public goods.⁹⁶ Although, in some cases, villagers are reluctant to pay the fees because of either free-rider problems or untrustworthy cadres, the villagers, as I mentioned earlier in this chapter, are willing to pay them in many cases.

After the surcharges and fees are collected, the issue lies in how they will be spent on various programs and activities. In other words, it is how the revenue is distributed among the programs and activities. Ideally, the choice of what proportion of the revenue to devote to roads as opposed to other public services is a decision based on the economic and other merits of investing in roads vis-à-vis alternative activities (Schroeder 1997). But, in reality, there are some factors that have an impact on the spending and the distribution of the revenue in a village.

One factor is who will play the key role in making decisions over public affairs. If one or a few leaders control the decision-making process, they are more likely to spend more resources on the programs from which they personally benefit. Roads are usually not given a priority under such a situation, since the leaders cannot benefit from them more than others in terms of using the roads. In some cases, however, the cadres benefit a lot from the road projects, since construction companies pay them a commission. Under such a situation, the cadres will be interested in spending some, or even plenty of, resources on roads.

⁹⁶ This will be discussed in detail in Chapter Seven, which is about fiscal management in the villages.

At the same time, if many villagers play an important role in the decision-making process, more resources are likely to be devoted to road projects, since villagers can benefit a lot from them in terms of improving agricultural productivity, obtaining off-farm job opportunities, and getting out of poverty (Antle 1983; Démurger 2001; Fan and Chan-Kang 2004; Felloni et al. 2001; Jacoby 2000; van de Walle 2002). Thus, I suggest that in Minlu and Beishuai villages, their spending on roads is relatively low or the cadres benefit much personally from the road projects, while in Xin and Linhai, spending on roads is relatively high. The findings support my proposition.

In Minlu, with the Party Secretary dominating, spending on construction and maintenance of their major road is very limited. In the past ten years, the village has spent only 8,500 *yuan* on the road, which is about two percent of its annual revenue.⁹⁷ It needs to be noted that the spending does not include the labor contributed by villagers for the construction of the road. Although the construction relied mainly on the labor of the villagers, they are still required to pay fees for public goods and services, including roads, every year.

The spending of the 8,500 *yuan* was mainly for three repairs to the road, which was severely damaged by heavy rains during the summer. Specifically, the money was spent in renting bulldozers and hiring workers to repair the road, which was not usable for transportation. Although the cadres wanted the villagers to contribute their labor to the repairs, the villagers were busy with harvesting during that period of time.⁹⁸

⁹⁷ Interviews M-7 and M-8.

⁹⁸ Interviews M-10, M-13, and M-48.

In contrast to Minlu, Beishuai spent 407,200 *yuan* on the construction and maintenance of the two tar roads, which nearly amounts to its annual revenue. It took the village 400,000 *yuan* for the construction and 7,200 *yuan* for the maintenance of the roads for one and a half years. All of the spending was contributed by the village enterprise owned collectively by the villagers. It is part of the reason why the village cadres were willing to spend so much on the construction and maintenance of the two roads. Both the cadres and villagers suggested that, if the enterprise had not made the contribution, the village would not have spent so much in constructing the roads.⁹⁹ Although it is true that the enterprise was owned by the village, it was an independent company.

At the same time, although the spending of Beishuai was much higher than that of Minlu, a large part of the spending (about 150,000 *yuan*) was, in fact, appropriated by the village cadres. They took advantage of the opportunity of constructing the roads to enrich themselves. It was estimated that the project needed only about 250,000 *yuan*, and villagers indicated that the five cadres gained at least 100,000 *yuan* from the project.¹⁰⁰ According to some villagers, if the cadres had not gained from the project, they would have been reluctant to spend so much on it. It was widely believed that personal gain was the driving motivation of the cadres to spend a lot on the roads. Otherwise, they would spend the money in constructing a new office building, which was proposed as an alternative project by a few cadres.¹⁰¹

⁹⁹ Interviews B-6 and B-49.

¹⁰⁰ Interviews B-12, B-13, B-15, and B-18.

¹⁰¹ Interviews B-20, B-21, and B-23.

In Xin village, spending for construction and maintenance is managed by several hamlets. About six years ago, all of the hamlets spent a total of about 150,000 *yuan* on the reconstruction of the four gravel roads, because they mainly depended on villagers' labor. The money was used to hire several drivers and to rent three trucks for transporting gravel from the mountain to the hamlets.¹⁰² At the same time, the hamlets spent about 25-30 percent of their revenues on maintenance of their four roads each year. Among the three hamlets with one road each, the largest one spent 25 percent of its revenue on the road and the other two 28 percent. The rest four hamlets sharing one road spent 30 percent on it. The actual spending varies a little from hamlet to hamlet, from year to year, but it has been relatively stable over the past decade. For instance, the largest hamlet has annual revenue of about 140,000 *yuan*, and its annual spending on the road is around 35,000 *yuan*. The four small hamlets sharing one road collect 32,400 *yuan* each year, and spend 9,720 *yuan* on the road. Thus, it is clear that the average spending for the roads in Xin is higher and more stable than that in both Minlu and Beishuai villages.¹⁰³

The spending in Xin is mainly used for repairs of the roads. Since the region has plenty of rain in the summer, the roads are frequently damaged by heavy rain. If the damage is not severe, the villagers on maintenance duty will fix it. If the damage is severe, the hamlet(s) will rent tractors and bulldozers to move stones and earth from a nearby mountain to repair it. Much of the spending is devoted to these activities.¹⁰⁴

¹⁰² Interviews X-14 and X-15.

¹⁰³ Interviews X-22, X-23, and X-28.

¹⁰⁴ Interview X-25.

As for Linhai Village, its spending for the road is higher than all of the other three villages. It spent 1,600,000 *yuan* in constructing the road, which amounts to a total of over three years of its annual revenue (about 460,000 *yuan*). It took the village over ten years to save half of the construction funds to build the road, and the other half was collected from villagers during the year of the construction.¹⁰⁵

Also, the village devoted about thirty-five percent of its annual revenue to regular maintenance of the road, an amount of about 161,000 *yuan* every year. The spending for maintenance is the highest among the four villages. It is mainly used to repair damages to the road and to clean it.¹⁰⁶

The discussion of the spending on the roads in the four villages indicates that their institutional structures have an impact on the patterns of the spending. Specifically, peasant participation in the decision-making process tends to increase the spending for the roads. Minlu, with the Party Secretary dominating, spends the least on the road among the four villages. Although Beishuai, with several cadres controlling, spends more than Minlu, the cadres appropriated much of it. Moreover, there is no spending for maintenance of the roads in Beishuai today. In contrast, the spending for the roads in Xin and Linhai is higher and more stable.

Villager Evaluation of the Roads

¹⁰⁵ Interviews L-14, L-16, and L-64.

¹⁰⁶ Interviews L-24 and L-25.

Having discussed construction and maintenance and the spending for the roads in the four villages, I now turn to the attitudes and evaluations of villagers. Since the goal of providing public goods and services is to meet the needs of the villagers, the discussion is incomplete without taking into account their evaluation of the goods and services. The aim is to investigate whether and how the villagers' attitudes towards physical conditions and maintenance of and spending for the roads vary in the four villages. The analysis will not only address the general attitudes or overall evaluation of the villagers towards the roads, such as "satisfactory" or "unsatisfactory," but also provide some informative comments and remarks.

Moreover, the discussion is based on all of my interviewees in each of the four communities. As mentioned in Chapter One, however, the interviewees are not randomly selected; instead, they are selected based on their fellow villagers' recommendations and their knowledge on the issues with which are dealt in this study. Thus, their evaluations of the roads and other services are not necessarily representative of the total population in a village. Rather, villager evaluation is only intended to complement other indicators of governance performance.

Further, as mentioned in Chapter One, some of the interviews were conducted with one villager at a time, while others were undertaken with a group of villagers. Although both types of interviews have some advantages/disadvantages, group interviews are more

likely to have an impact on villager evaluation of public goods and services. Since evaluation questions are more or less sensitive in some cases, interviewees might be reluctant to disclose their real attitudes toward public goods and services in front of others. In this study, the villagers in group interviews were quite outspoken in most cases in terms of answering my evaluation questions – even in Minlu village, where the Party Secretary was so dominant. Nevertheless, in other cases, the interviewees in groups were a little reluctant to reveal their real attitudes, especially when there were village cadres, team heads, or the cadres' friends present. This was clearer in Minlu and Beishuai than in Xin and Linhai, since the former two were controlled by one or a few village cadres.

Thus, it is necessary to note that the discussion of villager evaluation in this section has some limits because of the group interviews. Although I provide the specific numbers and percentages of interviewees with different attitudes toward roads in the following discussion, the numbers and percentages need to be understood in the context of the group interviews.

Furthermore, the limits of the group interviews do not only apply to the villager evaluation of roads in this chapter, but also to the villager evaluation of education, land allocation, and fiscal management in the next three chapters. Therefore, it is necessary to keep in mind the limits of the group interviews while reading the specific numbers and percentages in the sections of villager evaluation in the chapters.

Now, I will begin to discuss and compare interviewees' attitudes towards roads in the four villages. Consistent with my expectation, most of my interviewees gave a negative evaluation of the road in Minlu village. Among the 120 interviewees, 85 maintained that they were "strongly unsatisfied" with the village's road, which is 70.83 percent of the total number. Meanwhile, 16 villagers indicated that they were "unsatisfied" with the road, 13.33 percent of the 120 interviewees. Nevertheless, 8 villagers (6.67 percent) expressed their satisfaction with the road, and 11 interviewees (9.17 percent) said that they "do not know."

These indicate that most of my interviewees were unsatisfied with the road in Minlu. Of the 120 interviewed villagers (84.16 percent), 101 asserted that they were "strongly unsatisfied" or "unsatisfied." Many of the interviewees criticized the bad conditions of the road, and were eager to see some improvements made. The rugged earth road put the villagers in great inconvenience, especially during their harvesting time. The villagers have complained about the road frequently, but the Party Secretary does not pay attention to their complaints. To the villagers' great disappointment, there is no maintenance of the road in the village. One villager angrily commented, "The cadres have spent so little on the road. Where does our money go? Go to their stomachs!"¹⁰⁷

Similarly, most of my interviewed villagers in Beishuai expressed their dissatisfaction with the roads. Out of 117 interviewees (57.27 percent), 67 claimed that they were unsatisfied with the roads, and 5 villagers (4.27 percent) said that they were strongly unsatisfied. Thus, 61.54 percent of the 117 interviewees were unsatisfied with the roads

¹⁰⁷ Interview M-39.

in the village. In the meantime, 30 villagers (25.64 percent) indicated that they were satisfied with the roads, and 13 interviewees (11.11 percent) responded with “strong satisfaction.” Also, two villagers gave a “don’t know” answer.

These figures illustrate that the majority of the interviewees were unsatisfied with the roads in Beishuai, although the percentage (61.54 percent) is much lower than that (84.16 percent) in Minlu. The villagers were disappointed with the low quality of the roads, especially when they learned that there were lots of cracks after only three months from when the roads had been constructed. The villagers were more frustrated when the cadres failed to hold the construction company accountable. Moreover, the villagers were unsatisfied with the maintenance of the roads, which lasted for only one and a half years. Although the villagers suggested that maintenance should be renewed after that, the village cadres did not make any effort to arrange it. Further, when the villagers learned that the construction of the roads needed only 250,000 *yuan* and that the village cadres had appropriated about 150,000 *yuan*, they became angry.

Meanwhile, it is clear that the percentage of unsatisfied villagers in Beishuai is lower than that in Minlu, and that the percentage of satisfied villagers (36.75 percent) in Beishuai is higher than that (6.67 percent) in Minlu. One reason is that Beishuai’s tar roads are much better than Minlu’s earth road, although the quality of the former decreased soon after construction. As one villager asserted, “Despite the cracks, our tar roads are still much better than those dirt ones in neighboring villages.”¹⁰⁸

¹⁰⁸ Interview B-68.

In contrast, most of my interviewees in Xin gave a positive evaluation of their roads. Of the 119 interviewed villagers, 68 maintained that they were satisfied with the roads, which is 57.15 percent of the total number. Seven interviewees (5.88 percent) claimed that they were strongly satisfied. At the same time, 26 villagers (21.85 percent) expressed their dissatisfaction with the roads, and 12 interviewees (10.08 percent) were strongly unsatisfied. In addition, 6 villagers (5.04 percent) gave a “don’t know” answer.

Most of the interviewed villagers were pleased with the physical conditions of their gravel roads, although they hoped that the roads would be improved in the future. As one villager put it, “The gravel roads are fine, but I hope that we can have cement roads, since more and more villagers are engaged in the business of transportation.”¹⁰⁹ Also, the villagers expressed their satisfaction with the maintenance arrangements of the roads, which have a long tradition in the village. The villagers indicated that, in most cases, maintenance was undertaken in a timely manner. Furthermore, they were glad that the village spent so much money on the roads.

Similarly, most interviewed villagers in Linhai revealed their satisfaction with their cement road. Of the 115 interviewees (66.96 percent), 77 said that they were satisfied, and 25 villagers (21.74 percent) were strongly satisfied with the road. In the meantime, 12 respondents (10.43 percent) claimed that they were unsatisfied, while one villager answered with “don’t know.”

¹⁰⁹ Interview M-37.

Many villagers said that they dreamed of the cement road for a long time, and were very glad that their dream came true. The road makes their transportation much easier and facilitates their operation of small businesses. One villager commented with praise, “The road is the key to our development, and it is helping us become rich.”¹¹⁰ The villagers also thought highly of the maintenance of the road, which was conducted regularly and effectively. The timely and effective maintenance helped to slow down the deterioration of the road. Further, the villagers were very pleased that the village spent so much money on the road.

The above discussion shows that villagers’ evaluation of the roads varied in the four villages, and the variation is consistent with the conditions and maintenance of, and spending for, the roads. In Minlu and Beishuai, with relatively worse performance, most of the interviewed villagers expressed their strong dissatisfaction or dissatisfaction with the roads, respectively. In contrast, in Xin and Linhai, most of the interviewees were satisfied with their road(s), and more villagers disclosed their strong satisfaction in the latter (see Table 4.1 for the comparisons of villager evaluation of roads in the four villages).

¹¹⁰ Interview L-75.

Table 4.1 Villager Evaluation of Roads in the Four Villages

<i>Villager Evaluation</i>	<i>Minlu</i>	<i>Beishuai</i>	<i>Xin</i>	<i>Linhai</i>
Total Number of Interviewees	120	117	119	115
Strongly Satisfied (Percent)	0 (0.00%)	13 (11.11%)	7 (5.88%)	25 (21.74%)
Satisfied (Percent)	8 (6.67%)	30 (25.64%)	68 (57.15%)	77 (66.96%)
Unsatisfied (Percent)	16 (13.33%)	67 (57.27%)	26 (21.85%)	12 (10.43%)
Strongly Unsatisfied (Percent)	85 (70.83%)	5 (4.27%)	12 (10.08%)	0 (0.00%)
Don't Know (Percent)	11 (9.17%)	2 (1.71%)	6 (5.04%)	1 (0.87%)

Conclusion

When Thurston (1998, 2) went to some Chinese villages and asked peasants “whether there was anything they felt was absolutely their right and something they deserved to have,” she found that, “The answer often came quickly and without hesitation: ‘Yes, roads.’” The “answer” shows how villagers appreciate roads and how important roads are in villagers’ everyday life. At the same time, research shows that the marginal returns to rural roads are much larger than those to urban highways. The rural roads raise more poor people out of poverty per *yuan* invested than the highways, making them a win-win strategy for growth and poverty alleviation (Fan and Chan-Kang 2004). Thus, it is very

important to improve rural roads in order to better the living conditions of villagers and to achieve the goal of sustainable development.

This chapter examined the provision and production of the roads in the four villages. It focused on the physical conditions and maintenance of, spending for, and villagers' evaluation of the roads. The analysis indicates that all of these vary in the villages, and the variations are consistent with the institutional structures of the villages. In the two villages, where one or several cadres control decision making, the roads are relatively worse, while in the two villages, where some or many villagers participate in decision making, the roads are relatively better. Further, lineages and their leaders play an important role in the provision of the roads in one (Xin) of the two villages with better performance, and many villagers' participation in decision making is crucial in the village (Linhai) with best road conditions. These findings suggest that peasant participation makes a difference in improving roads, one of the essential infrastructures for rural development (see Table 4.2 for the comparisons of the roads among the four villages).

Table 4.2 Comparisons of the Roads among the Four Villages

<i>Village/Roads</i>	<i>Number of Major Roads</i>	<i>Physical Condition of Roads</i>	<i>Maintenance of Roads</i>	<i>Spending for Roads (yuan or percentage of annual revenue)</i>	<i>Evaluation of Most Interviewees (Percentage of the Total Number)</i>
Minlu Village	1	Earth Road	No maintenance	8,500 for maintenance	Strongly Unsatisfied or Unsatisfied (84.16%)
Beishuai Village	2	Tar Roads	One year and half of maintenance	400,000 for construction; 7,200 for maintenance	Strongly Unsatisfied or Unsatisfied (61.54%)
Xin Village	4	Gravel Roads	Regular maintenance	150,000 for construction; About 25-30% of annual revenue for maintenance	Strongly Satisfied or Satisfied (63.03%)
Linhai Village	1	Cement Road	Regular maintenance	1,600,000 for construction; about 35% of annual revenue for maintenance	Strongly Satisfied or Satisfied (88.70%)

Specifically, in Minlu, with the Party Secretary dominating decision making, the physical conditions of its major road are characterized by rugged and earth surfaces, the worst among the four villages. There is no regular maintenance of the road at all, and the spending for the road is lowest among the villages. Moreover, the villagers expressed their strong dissatisfaction with the conditions and maintenance of, and the spending for, the road.

Although Beishuai's tar roads are better than Minlu's earth one, their quality is low, full of cracks. At the same time, unlike in Minlu, the maintenance of the roads was undertaken in Beishuai, although it lasted only one and a half years. The spending for the roads in Beishuai is much higher than that in Minlu, but it involved notorious appropriation of village funds by the cadres. Further, most of my interviewees also reveal their dissatisfaction with the roads in Beishuai.

In contrast, the physical conditions and especially the maintenance of the roads in Xin, a village with some lineage leaders and senior villagers participating in decision making, are much better than those in Minlu and Beishuai. The roads are gravel ones, and their maintenance is regularly undertaken. The spending for them is higher than that in both Minlu and Beishuai. Also, most of my interviewed villagers gave a positive evaluation of the roads in Xin, although some of them hoped to improve the roads in the future.

Xin's better road conditions are closely related to the important role of lineage organizations and lineage leaders. In imperial China, as we discussed in Chapter Two,

roads, bridges, and other community goods were often provided by lineages, especially in southern regions of the country. Even today, some villages still rely mainly on lineages to raise funds for road construction. In a single-lineage community examined by Lily Tsai (2002, 16), villagers voluntarily contributed over 20,000 *yuan* to pave the village road. In donating money, the villagers, following lineage norms and supporting lineage unity, thought that they had a responsibility to their lineage and their community.¹¹¹ Although Xin village, in this study, does not draw upon voluntary donations for its road construction and maintenance, many villagers, demonstrating their spirit of community, said that they were glad to contribute money or labor to improve their community life.¹¹² Lineage leaders and some senior villagers, like their forerunners in traditional China, think that they are responsible for organizing the provision of community goods and leading the way.¹¹³

Finally, the conditions of the road surfaced by cement in Linhai, where many villagers participate in decision making, are the best among the four villages. Like in Xin, regular maintenance of the road has been well conducted in Linhai. At the same time, the spending for the road in Linhai is the highest among the villages. Furthermore, most of the interviewed villagers gave a positive evaluation of the road in Linhai.

¹¹¹ Lily Tsai (2002, 11) also reports that, besides lineages, religious associations fund and organize the provision of roads in some villages. For instance, she finds that, in a community of Fujian, a village temple committee has taken over road construction in the village. The temple committee manages around 400,000 *yuan* in annual donations from worshippers, which is far more than the village's annual revenue. Every year, two villagers from each of 12 small groups (former production teams) are appointed to sit on the committee. This religious organization paved four village roads in 2000, each costing between 70,000 and 120,000 *yuan*. In the four villages of this study, however, I find no religious association.

¹¹² Interviews X-18, X-22, X-23, X-47, X-54, X-55, and X-86.

¹¹³ Interviews X-14, X-29, and X-52.

Linhai's better performance in road construction and maintenance is closely related to many villagers' participation in decision making at various stages of the road project. In the beginning, some villagers proposed to improve the major road in the village in order to get easier access to local markets and engage in small businesses. Later, at public meetings, many villagers voiced their opinions and preferences for a cement road. They also actively participated in the discussion on how to fund the road, and some of them were credited for the final proposal that households paid different amounts of money for the project according to the distance between their homes and the road. Moreover, the villagers' participation and local knowledge during the time of constructing the road is crucial. All of these suggest that villagers' inputs are instrumental to Linhai's provision of the road.

The findings of this chapter suggest that villager participation plays an important role in providing and improving roads and possibly other infrastructures that are indispensable for sustainable rural development. Villager participation makes village cadres more responsive to the needs of the villagers. When the villagers are interested in improving rural infrastructures, including roads, the cadres are more likely to devote resources to them that help the villagers get access to local markets and open businesses, as we have seen in Xin and Linhai. Also, villagers' participation enhances the responsibility and accountability of the cadres so that they can be held accountable when they fail to perform their duty and appropriate public funds.

The next chapter will turn to the examination of elementary schools in the four villages. School facilities, provision of utilities for the schools, teacher hiring, spending for the schools, and other issues will be elaborated.

Chapter Five Peasant Participation, Village Schools, and Rural Education

Introduction

Education plays an important role in rural development and transformation. It is widely agreed among scholars that education, especially primary education, of peasants helps improve farming efficiency and agricultural productivity, sustains rural income growth, increases their off-farm opportunities, and raises their accessibility to urban employment (Shultz 1964; Lockheed, Jamison, and Lau 1980; Psacharopoulos 1985; Phillips 1994; Zhao 1997; Li and Zhang 1998; Yang 2004). Thus, to provide education for peasants is crucial for sustainable rural development.

However, the provision of education is confronted with many challenges in developing countries. One of them is the centralization and bureaucratization of education, which distances local communities and parents as important stakeholders from education management. Only recently have more and more theorists and practitioners recognized that better education needs local people's involvement and participation. Some studies show that local participation can help mobilize more resources, improve school facilities,

render schools more relevant to local needs, hold educational administrators accountable, enhance students and teachers' performance, make schools more effective and efficient, and reach disadvantaged groups (Schaeffer 1992; 1994; Dimmock et al. 1996; Condy 1998; Bray 2001; 2003).

A comparative analysis of educational reforms in Nicaragua and Mexico finds that parental participation in education leads to better fit of services to recipient demand, mobilizes more resources, makes local people knowledgeable, and improves accountability and performance in Nicaragua (Gershberg 1999). Barrs (2005), in a recent case study, suggests that enhanced community governance has a positive influence on teachers' motivation, and that effective monitoring and accountability systems have improved teachers' attendance, quality of teaching, and the ethos of schools in rural Punjab, Pakistan. Similarly, in an investigation of Village Education Committees in rural India, Wankhede and Sengupta (2005) indicate that, if decision making over the schools is dominated by a few members of the Committees, the schools would not improve. The participation of common people and school teachers is indispensable for the improvement.

Many policymakers often underestimate the extent to which community members can contribute solutions to educational problems. Actually, even those parents who themselves have low levels of education are commonly both able and willing to make contributions to education (Bray 2001). According to Rose (2003), numerous domestic or international programs aimed at improving rural education have failed and even become extractive, partly because local people are required to make contributions only in money

or labor rather than be encouraged to be involved in decision-making processes over the establishment and operation of village schools.

In fact, community participation in education has a long history in many societies. Until the twentieth century, schooling was mainly provided by churches, lineage organizations, voluntary associations, and local communities. Governments played a very limited or even no role in education, and it mainly relied on self-help of local people (Archer 1979; Cummings and Riddell 1994; Bray 2001; 2003; Rose 2003). At that time, involvement of local people and community in education was common, and education was a part of the community and not a separate institution imposed by the state (Shaeffer 1992).

In Kenya, local people were actively involved in the provision of basic education for their children through Harambee, a voluntary, self-help arrangement organized by the people themselves for raising development funds to provide certain local public goods and services (Thomas 1987; Wilson 1992). In imperial China, education was usually organized and provided by clans, villages, or individual teachers. Clans usually devoted much of their resources to educating their young generations, thus enabling them to participate in the civil service examinations to become scholars and officials. Many clans made efforts to promote education by providing school facilities for their members, especially those who belonged to families of modest means. They established *tsu-hsüeh* (clan schools) that were also known in different cases as *chia-shu* (family schools), *tz'u-hsüeh* (shrine schools), or simply *i-hsüeh* (welfare schools) (Hsiao 1960, 340-341). This

tradition was closely related to the Confucian notion that education was open even to the poorest people, if they were talented and interested in learning (Thøgersen 2002, 19-31).

As in many other developing societies, education in today's China is primarily controlled by the state. After the communist regime came to power in 1949, education was politicized and designed to meet the needs of the party-state (Sautman 1991). With economic reforms in the late 1970s and early 1980s, some aspects of the Chinese education system have changed significantly. Fiscal reforms in the past two decades have had a profound influence on the investments of public education. The central government runs and finances a limited number of institutions of higher education, and local governments, including provincial, county, and township governments, are responsible for tertiary, secondary, and primary education. In rural areas, in fact, local governments' financing of education, especially primary education, is very limited. Many of them provide only teachers' wages, and other costs have to be covered from local resources, such as village funds, student fees, and school-generated revenues (Tsang 1996; Hannum 2003; Park et al. 2003; Adams and Hannum 2005). Villagers often find that they have to contribute lots of resources to school facilities and their maintenance, utilities, and even teachers' salaries, especially *minban* teachers.¹¹⁴

¹¹⁴ *Minban* teachers are those who are employed and paid partly or completely by local communities, and they are in contrast with *gongban* teachers who are employed and paid by governments. *Gongban* teachers usually graduate from specialized secondary schools for teachers or colleges, while most *minban* teachers graduate from ordinary secondary schools or even elementary schools. *Minban* teachers originated before the Communist regime dominated China in 1949. Since there were not enough well-trained and certified teachers during Mao's era and the early time of economic reforms, *minban* teachers played a significant role in China, especially in rural areas. In 1980, there were about 4.5 million *minban* teachers accounted for half of the elementary and secondary teacher population in China. The total number was reduced to around 3.1 million in 1987. In 1996, *minban* teachers were over 2 million, and 40 percent of them were in rural areas. Since the late 1990s, the Chinese government has been attempting to eliminate the *minban* teachers, but they are still needed in many poor rural regions. It is estimated that there were about 1 million *minban*

Thus, as Davis (1989) and Adams and Hannum (2005) emphasize, the bulk of local community resources might have an influence on the provision of primary education. But, the more important thing is how decisions over the use of the resources are made, because it is closely related to how much of the limited resources are devoted to education and other public goods. Some relatively rich villages do not have better schools than other relatively poor villages. Furthermore, besides resources, villages can influence their schools in other ways, such as teacher hiring and supervision over school management.

This chapter is aimed at understanding how villages impact their schools and education, especially elementary education, in rural China. The analysis focuses on the variations of education in the four villages with different institutional structures. In other words, it would explore whether villages with more peasant participation provide better schools and education.

It is necessary to note that I shall limit the major part of my discussion to primary schools or primary education, since villages are usually responsible for providing only primary schools in rural areas.¹¹⁵ Secondary and higher education are mainly provided by township, county, municipal, provincial, or central governments. Also, my analysis shall be limited to only some aspects of primary education, including school facilities,

teachers working in rural schools in 2000. Many village schools now re-label them as “substitute teachers” (*daike jiaoshi*). See Wang (2002) and Bray (2003).

¹¹⁵ There are 384,004 primary schools in rural China in 2002, which is over 80 percent of all primary schools (456,903) in China. See Chinese Ministry of Education (2003).

provision of utilities for the schools, village spending for education, and teacher hiring, because villages are mainly responsible for, or can exert significant influences on, these issues. Although teacher hiring, in theory, lies in the jurisdiction of township or county government, villages usually play an important role in the hiring process. At the same time, township, county, or even higher governments are responsible for other aspects of primary education in villages, such as teachers' salaries, textbooks, and pedagogical methods.

Besides primary education, I shall discuss a little about whether the villages have arrangements for supporting the children who go to college. There is a long tradition in China that talented children were supported to get good education by lineages or village communities (Hsiao 1960, 340-341; Thøgersen 2002, 19-31). Some villages are following the tradition and make arrangements for supporting those who are diligent and pursuing higher education. The arrangements are very helpful for those children from poor families and rural education in general.

School Facilities in the Four Villages

The availability and quality of school facilities are indispensable for education. In rural China, villages are generally responsible for providing school facilities for primary education, such as classrooms, desks, and playgrounds. This is not just an issue of

whether a village has resources, but an issue of how the village makes decisions over the use of its resources and how much the village devotes them to education. Thus, who makes the decisions is an important issue. If many peasants participate in the decision making, the village is more likely to devote resources to its school, because they want their children to have better education facilities. If the decisions are made by one or a few cadres, the village is less likely to put resources on education, unless the cadres can benefit personally from the facilities.

In Minlu Village, where the Party Secretary dominates decision making, its elementary school facilities are the worst among the four villages. The school has only one building, which is over forty-years old. It has never been remodeled, although heavy rain in summer often leaks into several of its rooms. Both teachers and parents have complained about the leaking many times, but the Party Secretary has been unwilling to invest in the remodeling or reconstruction of the building.¹¹⁶ At the same time, there are no air-conditioning or heating systems, and no fans in the building.

There are eight rooms in the building. Six of them are classrooms, and each grade occupies one of them. The classrooms are relatively small and dark, and some of their windows and doors are broken or damaged, allowing chilling winds to blow into the rooms in the winter. Desks and benches are worn out, and they are not quite fit with students of grades one and two. Moreover, since the classrooms are limited and small, students are required to take exams outdoors in order to avoid cheating during the time of regular finals and county- or municipality-organized examinations. Students have to

¹¹⁶ Interviews M-29 and M-30.

overcome very cold or hot weather to finish their exams, and some of them suffer chilblain in winter or sunstroke in summer.¹¹⁷

Of the remaining two rooms in the building, one is a teachers' office, and the other is a schoolmaster's office. Fifteen teachers share the only office of about thirty square meters. Since the space of the office is so limited, the teachers have to share desks. Their working place is very small and crowded. One teacher joked with the tone of satire and complaint, saying, "Our office is like a bird cage. Fifteen birds live in the cage. Are we happy birds? You know it!"¹¹⁸

Further, the school's playground is quite small, less than 0.5 acres, and there is little sports equipment. There is no table for table tennis, which is a very popular sport throughout China. Without necessary sports equipment, certain sports classes are unable to be offered in the school.¹¹⁹

The bad school facilities in Minlu are closely associated with the dominance of its Party Secretary over decision-making processes. Although many villagers and teachers believe that the school building needs to be remolded or reconstructed, the Party Secretary maintains that the building can still be used for several years. He often compares the current school building with the one he used when he was a student several decades ago, and concludes that the current one is much better. In his view, bad school facilities and

¹¹⁷ Interviews M-33, M-34, and M-35.

¹¹⁸ Interview M-50.

¹¹⁹ Interview M-31.

learning conditions help force students to work harder to move out of the village.¹²⁰

Ironically, however, he spent a lot of money in providing a very good learning environment and some expensive equipment at home for his own children some years ago.

Beishuai's school facilities are a little better than Minlu's in certain aspects. Its two-story building was constructed about fifteen years ago, when the village's auto enterprise was profitable. The building looks fine, but its walls are so thin and of low quality that they cannot effectively insulate noise. Thus, adjacent rooms in the building often disturb each other, when one or both of them have classes.¹²¹ Also, the building has no air-conditioning system or fan in summer, but there is a coal stove for heating in each room in winter.

The building has ten rooms. Six of them are classrooms, one room per grade. The classrooms are better than those of Minlu's school, and they are bigger and brighter. But, like in Minlu's school, students here also have to take exams outdoors, since the classrooms are limited.¹²² At the same time, there are two rooms for teachers' offices in the building, and five teachers share one room. Each teacher has a desk and a chair. Two other rooms in the building are for the schoolmaster's office and meeting place, respectively. In addition, the school's playground is bigger than Minlu's, but, like in Minlu, there is little sports equipment here.

¹²⁰ Interview M-27.

¹²¹ Interviews B-27 and B-30.

¹²² Interview B-32.

The conditions of the school facilities in Beishuai are significantly influenced by the group of its cadres led by the Party Secretary, Chairman of Villagers' Committee, and Village Accountant. About fifteen years ago, the cadres decided to reconstruct the school building, and one important reason for the reconstruction was that they could extort money from the village auto company. In fact, they originally planned to spend money installing TV cable lines in the village. At that time, heavy rain did some damage to their old school building, and several children were hurt with minor wounds, one of which was the son of the Chairman of Villagers' Committee. Thus, the cadre proposed to use the money for the installation of cable lines to reconstruct the building, and urged other cadres to follow his proposal. Finally, the proposal was accepted with the exception that only part of the money for cable lines was used to construct the building.¹²³

School facilities in Xin village are better than those in both Minlu and Beishuai. Its two-story school building is relatively well furnished and equipped. Although it does not have an air-conditioning system, all of its rooms have stoves for heating in winter and teachers' offices are equipped with fans. All sets of furniture, including desks, chairs, and bookshelves, in the building were made or bought new just three years ago.

The building has seven classrooms, one of which is for preschool kids.¹²⁴ The classrooms are relatively spacious and bright. There are also four offices for teachers in the building, and three teachers share one. At the same time, a very small library is located in the

¹²³ Interviews B-3, B-4, B-5, and B-28.

¹²⁴ Preschool education is not provided in many, or even most, rural areas of China, which is in contrast with urban areas. Only recently have some villages begun to provide organized preschool education for rural children.

building, with about five hundred volumes, most of which were donated by the teachers.¹²⁵ Also, the school has a small playground with a few sets of sports equipment, including a table for table tennis.

The construction of the school building in Xin five years ago was, to a large degree, a suggestion by some lineage leaders and senior villagers. Before construction, the village school had long used several old clan temples as its teaching locations. Although the temples played a pivotal role in the village's education history, they were not appropriate for learning and teaching places. They, for example, are dark and either too large or too small, and it is difficult to set up modern equipment in them. Thus, several lineage leaders and some senior villagers held a meeting that proposed that their school needed a new building. They then urged village cadres to consider their proposal so that future generations could receive a better education. Later, the cadres invited several lineage leaders and senior villagers to discuss the issue together, whereupon they decided to construct the school building.¹²⁶

Linhai's school facilities are the best among the four villages. The school has two major buildings, one for teaching and the other for offices. Both buildings have heating systems and fans in each room. The teaching building includes eight classrooms, a musical learning room, a small library, and a small computer room. Two of the classrooms are for preschool children. Unlike the students in Minlu and Beishuai, they do not need to take exams outdoors, since the school has enough classrooms, including two for preschool

¹²⁵ Interviews X-35 and X-36.

¹²⁶ Interviews X-32, X-33, and X-38.

children. When the students are in the time of exams, the preschool children are asked to take several days off from school.¹²⁷

Its musical learning room is equipped with some electronic audio systems and musical instruments, and students regularly take music classes in the room. The computer room was set up two years ago, when some teachers and parents felt that the students needed to learn a little about computers in the computerized era.¹²⁸ Although the computer room has only four used computers, the students have a chance to learn some basics about how to use a computer.

The office building includes offices for teachers, a schoolmaster, and a treasurer, and also meeting rooms. There are four offices for teachers, and two of them share one furnished with desks and chairs. In addition, the school's playground is also relatively small with a few sports equipment.

Linhai's school facilities were closely related to many villagers' participation in decision-making processes. Seven years ago, when several village cadres proposed to remodel the school's old building, many villagers, nevertheless, suggested constructing a new one.

The village held a large, public meeting attended by over two hundred villagers to discuss the issue. Although a few cadres and team heads preferred to remodel the old building to save some money for future road construction at the meeting, most attendants wanted to build a new one, because they believed that education is the long-term goal of villagers

¹²⁷ Interview L-31.

¹²⁸ Interviews L-29 and L-33.

and future generations. In the end, the proposal of constructing a new school building was accepted by both cadres and most villagers.¹²⁹

In addition, many villagers of Linhai played an important role in setting up a computer room and purchasing four used computers in the school two years ago. From some TV programs and their children working in urban areas, the villagers came to know that the use of computers was becoming crucial for their kids to find jobs in the future and that every urban child knew how to use computers. They talked about the idea with both school teachers and village cadres, and urged them to consider some arrangements that could help the school children learn some basic computer skills. Several teachers suggested that the school set up a computer room. After some discussions among teachers, cadres, and villagers, the cadres agreed to buy several used computers for the school.¹³⁰

The above discussion of school facilities in the four villages indicates that Minlu's facilities are the worst among them, while Linhai's are the best. Those of Beishuai and Xin are between Minlu and Linhai in terms of quality, and Xin's are a little better than Beishuai's. The analysis suggests that the decision-making structures of the villages have some influence on the quality of their school facilities.

Village Provision of Utilities for the Schools

¹²⁹ Interviews L-27, L-30, L-31, and L-36.

¹³⁰ Interviews L-29, L-33, and L-34.

Since the schools are located in villages, the villages are usually responsible for providing utilities, such as electricity and water, for the schools. But electricity and water are relatively scarce in rural China, and one reason is that the government usually gives first priority of the utilities to urban areas. Although local governments and utility companies issue regulations and set up standards on the provision of utilities,¹³¹ villages usually decide how to distribute the scarce utilities, who gets priority, and even whether and how much the users will actually pay. Thus, whether village schools are provided utilities, especially electricity and water, in an adequate and timely manner, and whether and how much they are charged, are important issues that reveal the influences of the villages on their schools. This section focuses on these issues in the four villages.

In Minlu, its school does not enjoy any priority of the use of electricity and water. Instead, the school is often faced with the problem of no electricity and water. It is estimated that during a third of each year, the school has no electricity or water.¹³² Although the provision of electricity is subject to the local electricity company, the village is responsible, in most cases, for the failure of providing electricity to the school. As in other village affairs, the Party Secretary alone makes the decision over who gets priority for the use of electricity. First of all, several small family businesses, including a mill and a winery, are in his favor. One owner of the businesses is his brother, and a few others are his friends. Thus, the Party Secretary usually gives them priority of the use of electricity,

¹³¹ The provision and production of utilities were monopolized by the state in Mao's China. Only recently have some reforms of the utility sector begun. One effort was to change utility "bureaus" into "companies." But my interviews with several managers of local utility companies indicate that the "companies" are still operating like government bureaus.

¹³² Interview M-33.

benefiting personally from the policy. Secondly, when his own or his team's farming fields need irrigation, the Party Secretary will put priority on his or his team's use of electricity.¹³³ Thus, when the priority is given to other users, the school often finds that electricity is cut there.

The provision of water for the school has no relation to local governments or water companies. The village itself pumps water from underground and provides it for the school and households. The Party Secretary decides the scheme of water supply, including supply frequency and charging standards, and appoints a peasant worker to manage the water supply. In principle, water should be pumped once every two days, and each time, it should last for two hours. But, the Party Secretary often asks the pumping worker to pump water once every three days in the name of saving money.¹³⁴ The school often finds that its stored water is not enough for use during the two- or three-day interval. At the same time, the pumping worker often fails to carry out his duties on time, especially when he is busy with his farming fields.¹³⁵

In addition, the village's provision of electricity and water for the school is not free of charge. The school has to pay 1,500 *yuan* for it every year.¹³⁶ Although this is not a big sum of money, it certainly impacts the operation of the small and poor school.

¹³³ Interviews M-35 and M-36.

¹³⁴ Interview M-34.

¹³⁵ Interview M-37.

¹³⁶ Interviews M-35 and M-36.

Like Minlu, Beishuai's provision of electricity and water for its school is also not reliable. The school frequently lacks electricity and water, especially in summer. Decisions over the provision are made by several village cadres together in Beishuai. They tend to give priority of electricity to agricultural use, partly because some of them are planting economic crops and vegetables for sale. In summertime, both agricultural and home use of electricity is in great need, which leads the cadres to frequently cut electricity for the school.¹³⁷

At the same time, the school does not enjoy sufficient and timely provision of water from the village. Although a tap water system was installed in the village about ten years ago, many parts of the village, including the school, often have little running water, because the system does not function well. When the cadres designed and set up the system, they failed to take into account water pressure, geographical features, and other factors.¹³⁸ Moreover, when taps, water pipes, and other equipment in the school need to be repaired, the village-employed plumber usually reacts very slowly. The cadres do not take any actions to hold him accountable or replace him.¹³⁹

Further, as in Minlu, the school has to pay for electricity and water provided by the village. Every year, the village charges the school 800 *yuan* for the provision. The cadres maintain that the amount is much less than the actual payment the village has to make for the provision.¹⁴⁰

¹³⁷ Interviews B-34 and B-35.

¹³⁸ Interview B-36.

¹³⁹ Interviews B-37, B-44, and B-62.

¹⁴⁰ Interviews B-4 and B-5.

In contrast, Xin's provision of electricity and water for its school is better than Minlu's and Beishuai's. Some effective arrangements for the provision are made in Xin by its cadres together with some lineage leaders and senior villagers. First of all, the village gives first priority of using electricity to the school. As long as electricity is available in the village, the school will be guaranteed for its use. Secondly, the village electrician is required to deal with any problems the school has with the provision of electricity in time. Thus, the school usually has electricity, as long as it is available from local power companies.¹⁴¹

Similarly, the village's provision of water for its school is reliable in most cases. Unlike Beishuai, Xin does not have a tap-water system, and villagers depend on small wells for water. The village drove a well for the school, and employs two workers to pump water manually for the school every morning. If the workers fail to carry out their duties on time, they will be replaced.¹⁴²

Further, unlike in Minlu and Beishuai, the school of Xin is not required to pay for electricity and water provided by the village. The decision is closely related to several lineage leaders and senior villagers' perception of the school. In their eyes, the village owns the school, or using their own words, "the school and the village belong to one family."¹⁴³ Thus, they think that there is no reason for the village to charge the school for the utility provision. Moreover, they argue that, historically, the village rarely charged the

¹⁴¹ Interviews X-31 and X-34.

¹⁴² Interview X-6.

¹⁴³ Interviews X-37 and X-39.

school for utilities. Although, at a village meeting three years ago, one cadre proposed to charge the school 300 *yuan* annually for the provision of electricity and water, it was not accepted because of opposition from several lineage leaders.¹⁴⁴

Like Xin's, Linhai's provision of electricity and water for its school is quite reliable and even better. Decisions over the provision are made by village cadres together with many villagers in Linhai. The village held some meetings to discuss how the village provided electricity and water for its school. Many villagers, especially those having school-age children, attended the meetings and participated in the discussions. Several decisions were made at the meetings. First of all, like in Xin, Linhai gives first priority of using electricity to its school. This, however, is a tough decision, since electricity is much scarcer in Zhejiang province, which is known for its tens of thousands of private enterprises. The province often enforces electricity rationing or rotated use of electricity, especially in summer, when electricity is in greater need. Thus, like other villages in the province, Linhai often finds that electricity is cut in the village in summer. In order to guarantee the provision of electricity, the village bought several small electricity generators. When electricity is not available from power stations, the village will use the generators to generate electricity for the school if necessary.¹⁴⁵ Second, the village employs an electrician for the school, who is responsible for any problems the school has with regard to the provision of electricity.¹⁴⁶

¹⁴⁴ Interview X-7.

¹⁴⁵ Interviews L-37 and L-38.

¹⁴⁶ Interview L-39.

Linhai also provides water for its school reliably. The village built a tap-water system over a decade ago, and the school's water is provided through the system. The village employs two plumbers, and one of them is mainly responsible for the school. Last year, the village fired a plumber working for the school, because he was found playing cards rather than fixing a water pipe that was broken in the school.¹⁴⁷

Like Xin, Linhai provides electricity and water for its school free of charge. Many villagers in Linhai believe that the education of their children is crucial for their families and the village, and that the village is responsible to do whatever is required to improve the school's conditions. Thus, they persuade village leaders to provide utilities for the school without charging fees.¹⁴⁸

The discussion of village provision of utilities for the schools indicates that it varies in the four villages. Minlu and Beishuai do not give priority of utility provision to their schools, and often fail to provide electricity and water for their schools sufficiently and on time. Also, the two villages charge their schools fees for utility provision, although Beishuai's school pays less than Minlu's. In contrast, both Xin and Linhai put first priority of utility use on their schools, and provide electricity and water for their schools more sufficiently and on time. At the same time, both of them do not charge their schools fees. Among the four villages, Linhai's performance is the best in terms of providing utilities for school, while Minlu's is the worst.

¹⁴⁷ Interview L-40.

¹⁴⁸ Interviews L-39 and L-40.

Village Spending for Education

The villages have to decide how much to spend on education, especially elementary education, including providing school facilities, teaching equipment, and utilities. The spending for education is an important indicator showing whether a village is willing to invest in education to improve school conditions. This is closely related to the decision-making structure of a village. If one or a few cadres make decisions over spending for education in a village, it is less likely to spend on its school, because they gain little personally from the investments in education. Instead, if some or many villagers participate in decision-making processes over village spending for education, the village is more likely to spend on its school, because they and their children can benefit a lot from the investments. Following this proposition, I now discuss the spending for education, especially primary education, in the four villages.

Minlu spends only about 7 percent of its annual revenue on elementary education, which is the least among the four villages in terms of revenue percentage. The spending is about 30,000 *yuan* every year, and is mainly used for repairing the school building and desks and buying teaching equipment and materials, such as chalk and paper. Although many villagers and teachers want more to be spent on the school in the village, the Party Secretary does not accept their proposals. He thinks that, in contrast with his school-age

days, the conditions of the school are very good, and it is not necessary for the village to spend more on it.¹⁴⁹

At the same time, the village is often unable to make payments on time for its school. Sometimes, the school has to wait for the payments from the village for several weeks or even months. Two years ago, a carpenter repaired desks for the school, but waited for three months without getting payment from the village. He became angry and took several desks away from the school. He did not return the desks back to the school until the village paid him.¹⁵⁰

Beishuai's spending for education is higher than Minlu's, and it is about 18 percent of total revenue annually. This is around 45,000 *yuan*, which is mainly used for teaching equipment and materials. Several cadres in the village make decisions over the amount of spending on education. Before the mid-1990s, the cadres often forced the village enterprise to pay for its school's expenditure. After the enterprise collapsed, the cadres were often reluctant to pay much for the school. They even urged the school to make some money for itself by opening a store. But the store was soon closed, because very few students shopped there.¹⁵¹

Like Minlu, Beishuai often fails to make payments for its school's expenses on time. It is normal for the school to wait for two or three weeks to get delayed payments from the

¹⁴⁹ Interviews M-37 and M-38.

¹⁵⁰ Interview M-38.

¹⁵¹ Interviews B-36 and B-37.

village. Some local workers are reluctant to work for the school, because they are afraid that the village will be slow to pay them.¹⁵²

Xin's spending for education is about 31 percent of the village's annual revenue, which is much higher than both Minlu's and Beishuai's. The amount of the spending is close to 85,000 *yuan* per year. Although a few village cadres think that the spending for education is too high in the village, some lineage leaders and senior villagers maintain that it is necessary for the village to devote one third of its annual revenue to education. They indicate that, historically, the village has spent a lot on education.¹⁵³

Unlike Minlu and Beishuai, Xin usually makes payments for its school's expenses on time. As soon as the school reports to the village any repairs to the school building or purchases of teaching materials, the village will make payments to the school or pay the workers or stores directly.¹⁵⁴

Linhai's spending for education is the highest among the four villages, which is around 40 percent of its annual revenue. The amount of the spending is about 180,000 *yuan* every year. To decide on the annual spending for education, the village held three public meetings attended by hundreds of villagers six years ago. At the first meeting, participants' preferences varied widely; some villagers wanted the village to devote 50 percent of its annual revenue to education, while others preferred 30 percent or less. No agreement was reached at the meeting. At the second meeting, most attendants agreed

¹⁵² Interview B-39.

¹⁵³ Interview X-32.

¹⁵⁴ Interviews X-33 and X-35.

that 40 percent was more realistic in terms of the village's capacity. The last meeting worked out some details on how to guarantee the spending.¹⁵⁵

Like Xin, Linhai makes payments for its school on time, and in many cases, pays in advance. When the school needs to repair its building, desks, and chairs, it will report to the village. Once the repairs have been done, the village will pay the workers. At the same time, the village often makes payments of several thousands *yuan* or more to the school in advance so that the school can buy teaching materials and equipment at the beginning of every semester.¹⁵⁶

The discussion in this section indicates that the spending for education varies in the four villages in terms of amounts and making payments. Minlu and Beishuai spend relatively less on education, although Beishuai spends more than Minlu. Also, they frequently fail to make payments for their schools on time. In contrast, Xin and Linhai spend relatively more on education, and the latter's spending is the most among the four villages. Moreover, Xin and Linhai usually make their payments for their schools on time or even in advance.

Teacher Hiring and Unqualified Teachers

¹⁵⁵ Interviews L-37, L-38, and L-39.

¹⁵⁶ Interview L-40.

Although teacher hiring in village schools is, in principle, controlled by township and/or country governments, villages often exert their influences on the selection of teachers in one way or another. In villages where one or a few cadres dominate, teacher candidates who have a close relationship with the cadres or win their favor are more likely to be employed in village schools. In villages where some or many villagers have chances to participate in public decision making, the teachers who are more qualified for their jobs are more likely to be selected. In this section, I focus on the process of teaching hiring and whether unqualified teachers are hired in the four villages.

In Minlu's school, proposals and plans for teacher hiring are usually initiated by a Township Education Team (*jiaoyu zu*), an office of township government. When the director of the Team has a preliminary plan on how many teachers the village school should employ and who are candidates for the jobs, he/she will talk about it with the village Party Secretary and its schoolmaster formally or informally and listen to their opinions. The director of the Education Team often relies heavily on the Party Secretary's suggestions, because he/she knows that the plan and other education policies will have great difficulties to be implemented in the village without the Party Secretary's cooperation and support. Thus, the Party Secretary actually plays a very important role in formulating and even finalizing the plan.¹⁵⁷

The role of the Party Secretary in the decision making over teacher hiring has a negative influence on the composition of teachers in the village school. Among sixteen teachers in the school, four of them are unqualified for their teaching positions. They are neither

¹⁵⁷ Interviews M-3, M-8, M-39, and M-40.

government-employed teachers (*gongban* teachers) nor certified community-employed teachers (*minban* teachers). In fact, three of them have only a junior high-school level of education, and the other one studied in a senior high school for two years but did not graduate.¹⁵⁸ Although many other village schools are still hiring *minban* teachers, they usually hire only those who graduate, with relatively good performance, from senior high schools.

Among the four unqualified teachers in the school of Minlu, two of them are relatives of the village Party Secretary. They graduated from junior high school but failed to be admitted to senior high school. After a brief experience of looking for jobs in urban areas, they returned to the village. The Party Secretary persuaded the director of the Township Education Team and the schoolmaster to employ the two men to teach first-year students. At the same time, two other unqualified teachers also have a good relationship with the Party Secretary and a township official.¹⁵⁹

In Beisuai, several village cadres have some impact on teacher hiring in its school. As in Minlu, the Township Education Team plays a leading role in hiring teachers for the school of Beishuai. At first, the director of the Team selects some candidates for the school, and then discusses them with the village cadres and schoolmaster. The cadres usually suggest to the director who is, and who is not, qualified for the jobs. They might also propose some candidates whom they want to become teachers in the school. After

¹⁵⁸ Interview M-37.

¹⁵⁹ Interviews M-38 and M-39.

some discussions, the director will, based on the suggestions of the cadres, make decisions as to who will be employed as school teachers.¹⁶⁰

As in Beishuai, the influence of the cadres on teacher hiring is responsible for two unqualified teachers in the school. Although both of them graduated from a senior high school, their academic performance was among the worst in their classes. They did not pass exams required for becoming certified *minban* teachers. Moreover, many villagers are told by their children in the school that the two teachers are not responsible and are frequently late.¹⁶¹

The reason why the two were hired as teachers is that they have a close relationship to one or a few of the cadres. One teacher's father was a comrade-in-arms (*zhanyou*) with the Chairman of the Villagers' Committee 20 years ago. The two comrades always help each other, and the Chairman worked hard to get the teaching job for his comrade's son. The other unqualified teacher is a good friend of the Village Accountant, who is an important figure among the cadres.¹⁶²

Teacher hiring in Xin is influenced by some lineage leaders and senior villagers. Here, a little different from Minlu and Beishuai, the Township Education Team and the schoolmaster together initiate the process of teacher hiring and selecting candidates for teaching jobs. Then, the village will hold meetings attended by the director of the team, village cadres, lineage leaders, and some villagers. Although the director, the

¹⁶⁰ Interview B-42.

¹⁶¹ Interviews B-38 and B-40.

¹⁶² Interviews B-39, B-41, and B-42.

schoolmaster, and the cadres all play a role in making decisions over teacher hiring, they take lineage leaders and senior villagers' suggestions seriously and even follow them.¹⁶³

An example is helpful to reveal this. Four years ago, one of the village cadres wanted to let his daughter, who just graduated from a senior high school, to teach in the village school. But his daughter was not a diligent student, and her academic records were mediocre. Thus, several lineage leaders and senior villagers were strongly against the proposal, and suggested that the school hire a graduate from a specialized secondary school for teachers. After some heated discussions, the cadre's daughter was rejected to become a teacher in the village school.¹⁶⁴

Among the 13 teachers in Xin's school, there are no unqualified teachers. Although there was one senior teacher with only a junior high-school level of education who failed several times to pass the exams to be a certified *minban* teacher, he was an outstanding teacher and his students liked him very much. Thus, the village and the school agreed to give him three more years to take the exams, during which he finally passed them.¹⁶⁵

In Linhai, many villagers have chances to participate in the process of teacher hiring in its school. As in Xin, the Township Education Team and schoolmaster usually start the process of teacher hiring in Linhai. They propose some candidates for the teaching jobs, and then meet with village cadres. The cadres either hold a village meeting attended by many villagers or let each team organize team meetings attended by team members or

¹⁶³ Interview X-35 and X-36.

¹⁶⁴ Interview X-38.

¹⁶⁵ Interviews X-37 and X-39.

household heads to discuss the proposed candidates for teachers. The villager attendants often make some very useful suggestions, since they have some knowledge and information about these candidates coming from either this village or nearby ones.¹⁶⁶

There is no unqualified teacher in Linhai's school. Among its nine teachers, one graduated from a normal college, six from specialized secondary schools for teachers, and two others transformed from *minban* teachers to *gongban* ones through in-service teacher training.¹⁶⁷ Several years ago, one teacher often went to class late and dismissed students early, because he opened a small business at home. Many villagers maintained that the teacher should be fired. The village organized a public meeting attended by over 100 villagers, village cadres, and the director of the Township Education Team. After serious discussions, the teacher was removed.¹⁶⁸

This section investigates the decision-making process over teacher hiring and whether there are unqualified teachers in the four villages' schools. It indicates that the process and the number of unqualified teachers vary in the villages. In Minlu, the Party Secretary has a dominant impact on teacher hiring, which leads to four unqualified teachers in the school. Similarly, teacher hiring is under the influence of several village cadres in Beishuai, and they are responsible for the two unqualified teachers in the village school. In Xin, some lineage leaders and senior villagers play some role in teacher hiring, and there are no unqualified teachers in its school. Many villagers have a chance to

¹⁶⁶ Interviews L-33, L-34, and L-37.

¹⁶⁷ Interview L-35.

¹⁶⁸ Interviews L-36 and L-38.

participate in the process of teacher hiring in Linhai, and as in Xin, no unqualified teachers are employed in its school.

Support for Students Going to College

The above discussion is limited to elementary education in the villages. This section talks about whether the villages have arrangements for supporting students who are admitted to colleges, which indicates the villages' attitudes towards promising students and higher education. In imperial China, many local communities and lineages had a tradition of supporting poor but talented students to prepare for civil service exams (Lee 2000; Thøgersen 2002, 19-31). Today, some villages, following the tradition, make arrangements for supporting children who have a chance to get a higher education, while others do not have such kind of policy. With the reforms of higher education, such arrangements become more necessary than before, since college tuitions and fees are now beyond the financial capabilities of many rural households. Numerous poor families have great difficulties supporting their children who are admitted to colleges, especially in rural China.

This section explores whether there are arrangements for supporting children going to college in the four villages. Both Minlu and Beishuai do not have such arrangements, although some students are admitted to colleges in the two villages. In Minlu, many

villagers, especially those from poor households, hope that the village gives some support for children going to college, but the Party Secretary is not interested in such a program, partly because he is rich enough to support his own daughter in college. Last year, one student from a very poor family in the village was admitted to a provincial college, and requested the village to help get a loan from a township bank.¹⁶⁹ The Party Secretary rejected his request on the grounds that no one could guarantee that he would pay back the loan in the future.¹⁷⁰

Beishuai's cadres do not make any arrangements for supporting students going to college, although they talked about the possibility in 2001, when five students in the village were admitted to colleges, including a famous university. The cadres indicated that they would like to show some moral support for the students, but no financial support, because the village was still poor and other programs needed to be funded. But many villagers suggested that supporting education is necessary for the long-term interests of the village.¹⁷¹

In contrast, both Xin and Linhai have arrangements for supporting students admitted to colleges. In Xin, there is a long tradition of supporting poor but diligent students. Some clan records show that dozens of students from poor families were supported by lineages or hamlets and passed civil service exams at different levels in imperial China. Many of them became magistrates or higher officials. Now, the village is following the tradition to

¹⁶⁹ In China, it is extremely difficult for individuals, especially peasants, to get loans from banks that are still tightly controlled by the state.

¹⁷⁰ Interview M-35.

¹⁷¹ Interviews B-37, B-40, and B-41.

support those talented children. Over 20 years ago, when the village had its first college student after the restoration of college admission exams in the late 1970s, several lineage leaders and senior villagers suggested that the village should give some support to the students and those admitted to colleges in the future. Village cadres held a meeting attended by the lineage leaders and some villagers to discuss the issue, and they agreed that the village would give an award of 50 *yuan* to those going to college at that time. Now, the award is 500 *yuan*. Last year, the village gave six awards to six students who were admitted to colleges and universities.¹⁷²

Linhai's arrangements came from a proposal provided by a group of villagers in 1995. At a village meeting focusing on electricity issues, the villagers proposed that the village should make a policy supporting students admitted to colleges, since more and more students were going to college in the village and tuitions and fees were increasing. The proposal was discussed at the meeting for over an hour, and the attendants came up with various plans. A week later, the village held another meeting, and discussed the practicability of several plans. In the end, the attendants accepted a policy that awards those admitted to key universities (*zhongdian daxue*) 5,000 *yuan*,¹⁷³ those admitted to ordinary four-year universities (*putong benke*) 3,000 *yuan*, and those admitted to two- or three-year colleges (*dazhuan* or *zhongzhuan*) 2,000 *yuan*. The differentiation of the awards indicates that the villagers have different perceptions of the colleges or universities, although many of them know little about the real differences among these colleges or universities. Last year, the village awarded 15,000 *yuan* to five students – one

¹⁷² Interviews X-34 and X-35.

¹⁷³ Key university (*zhongdian daxue*) is a status given by the Chinese Ministry of Education. These universities are managed and mainly funded by the Ministry rather than by local governments.

admitted to a key university, two to ordinary four-year universities, and two to two-year colleges.¹⁷⁴

In addition, Linhai also awards those admitted to the County Key High School (*xian zhongdian zhongxue*), which is regarded as the best high school in the county. According to villagers, admission to this high school is very competitive, and most of its graduates are able to go to college. Last year, over 70 percent of its graduates were admitted to colleges. Thus, the villagers regard admission to this high school as an honor and a promising future. The award is 1,000 *yuan* for those admitted to the high school.¹⁷⁵

The discussion of support/nonsupport for students going to college discloses the different policies towards the students and higher education in the four villages. Minlu and Beishuai do not make any arrangements to provide support for their students admitted to colleges, and their cadres are more interested in other programs that are more likely to benefit them personally. In contrast, both Xin and Linhai have arrangements for supporting their students going to college and even high school, and such support not only helps those from poor families financially but also encourages children to pursue higher goals. Lineage leaders and villagers play an important role in making the arrangements possible in the two villages, respectively.

Villager Evaluation of Education

¹⁷⁴ Interview L-38.

¹⁷⁵ Interviews L-36 and L-39.

The above sections discuss school facilities, village provision of utilities for schools, spending for education, teacher hiring, and support/nonsupport for students going to college. I now examine how villagers evaluate these aspects of education in the four villages. Since the goal of providing education in the villages is to meet the needs of villagers and they pay for the service, their attitudes toward education need to be addressed as an important indicator. To what degree are they satisfied or unsatisfied with the aforementioned aspects related to education in the villages? Are there variations of their attitudes among the villages?

The discussion of villager evaluation involves all of the interviewees in each of the four communities. But, as stated in Chapter One, the interviewees are not randomly selected, and thus their attitudes are not representative of the whole population in a village. The analysis of villager evaluations is regarded only as a complement to other indicators of governance performance.

As expected, most of my interviewees gave a negative evaluation of village school in Minlu. Of the 120 interviewed villagers, 45 (37.50 percent) revealed that they were strongly unsatisfied with the school, and 64 (53.34 percent) were unsatisfied. Putting two figures together, we find that 109 of the 120 interviewees (90.84 percent) expressed their dissatisfaction with the school. Meanwhile, 8 villagers indicated that they were satisfied, and 3 respondents gave a “don’t know” answer.

Many of the interviewed villagers are very unhappy about school facilities and teacher hirings. They think that the village needs to construct a new school building, and that village cadres should invest more in the school. At the same time, the villagers are angry at the Party Secretary's interference with teacher hiring, and claim that the process of hiring teachers should be transparent. The villagers believe that the hiring of unqualified teachers in the school is hurting their children's education and future. As one villager remarked with anger, "The Party Secretary puts some awful people into the school. They are neither capable nor responsible! Our children dislike them and even are tired of going to school! They are hurting our next generation!"¹⁷⁶

Similarly, most of my interviewees in Beishuai express their dissatisfaction with the village school. Among the 117 interviewees, 76 (64.96 percent) maintained that they were unsatisfied with the school, and 23 (19.66 percent) disclosed their strong dissatisfaction. In the meantime, 15 respondents (12.82 percent) said that they were satisfied with the school, and two villagers (1.71 percent) stated that they were strongly satisfied. In addition, one interviewee responded with an answer of "don't know."

Many of the interviewed villagers in Beisuai are critical of the village's utility provision and teacher hiring. According to them, village cadres did a very bad job in terms of providing electricity and water for the school. Their failure to provide the utilities on time has a negative impact on the operation of the school. Also, the villagers are very critical of the cadres' interference with teacher hiring in the school. Many interviewees assert

¹⁷⁶ Interview M-63.

that unqualified teachers should be fired immediately, and otherwise they will refuse to pay their children's tuitions and fees.

In contrast, most of the interviewees evaluated their village school positively in Xin. Out of the 119 respondents (69.75 percent), 83 said that they were satisfied with the school, and 9 villagers (7.56 percent) were strongly satisfied. Overall, 77.31 percent of the interviewees expressed their satisfaction. Also, 18 villagers (15.13 percent) said that they were unsatisfied with the school, and 3 interviewees (2.52 percent) reported their strong dissatisfaction. Further, 6 villagers (5.04 percent) gave a "don't know" response.

Many of the interviewees think that the school facilities are very good, at least in contrast with those in neighboring villages. They also support the village's spending for education, which they think is necessary to educate their children. As one villager said, "I am very glad that our village spends much on the school. We have a tradition of supporting children's education. This is the reason why we have a lot of college graduates in our village."¹⁷⁷ At the same time, some villagers hope that the village's utility provision will be improved. Several suggest that the village should buy electricity generators to prepare for unavailability of electricity from power companies, especially in summer. They also hope to build a tap-water system for the school and the village.

As in Xin, most villagers with whom I interviewed gave a positive evaluation of their village school in Linhai. Of the 115 interviewees (53.04 percent), 61 maintained that they were satisfied with the school, and 34 villagers (29.57 percent) were strongly satisfied.

¹⁷⁷ Interview X-40.

Thus, 95 of the 115 respondents (82.61 percent) revealed their satisfaction or strong satisfaction with the school. Meanwhile, 14 interviewees (12.17 percent) said that they were unsatisfied, and two villagers (1.74 percent) were strongly unsatisfied. Also, four villagers (3.48 percent) answered my evaluation question by saying “don’t know.”

Many of the interviewees indicated that they were proud of their school facilities, and that their children have a very good learning environment. They praised the village’s policy that gives first priority of electricity and water to the school. The villagers are also very glad that the village spends over one-third of its annual revenue on education, which is necessary for their children to receive relatively high-quality education. They are content with the process of teacher hiring, and think that most teachers in the school are outstanding. As for the arrangements for supporting students admitted to colleges, the villagers always like to talk about them with pride.

The discussion of village evaluation in the four villages demonstrates that villagers’ attitudes toward their schools are consistent with the villages’ performance respectively. Minlu’s school is worst among the four villages, and correspondingly, villager evaluation of the school is most negative. Of the 120 interviewees, 90.84 percent were strongly unsatisfied or unsatisfied with the school in Minlu. Beishuai’s villager evaluation is also negative, although the percentage (84.62 percent) of strongly unsatisfied or unsatisfied interviewees is smaller. Nevertheless, Xin’s villager evaluation is positive, which is consistent with its better performance in education. Of the 119 interviewees, 77.31 percent stated that they were satisfied or strongly satisfied with their school. Finally,

Linhai’s villagers also gave a positive evaluation of their school, which is the best among the four cases. Of the 115 interviewees, 82.61 percent expressed their satisfaction and strong satisfaction with the school in Linhai (see Table 5.1 for the comparisons of villager evaluation of elementary education in the four villages).

Table 5.1 Villager Evaluation of Elementary Education in the Four Villages

<i>Villager Evaluation</i>	<i>Minlu</i>	<i>Beishuai</i>	<i>Xin</i>	<i>Linhai</i>
Total Number of Interviewees	120	117	119	115
Strongly Satisfied (Percent)	0 (0.00%)	2 (1.71%)	9 (7.56%)	34 (29.57%)
Satisfied (Percent)	8 (6.66%)	15 (12.82%)	83 (69.75%)	61 (53.04%)
Unsatisfied (Percent)	64 (53.34%)	76 (64.96%)	18 (15.13%)	14 (12.17%)
Strongly Unsatisfied (Percent)	45 (37.50%)	23 (19.66%)	3 (2.52%)	2 (1.74%)
Don’t Know (Percent)	3 (2.50%)	1 (0.85%)	6 (5.04%)	4 (3.48%)

Conclusion

Both theorists and practitioners recognize that education is crucial for sustainable development and rural transformation. China has a long history of appreciating education. Under the influence of Confucian teachings, education has been closely associated with dignity, humanity, wisdom, and enlightenment. The people always show enormous

respect for those who are educated, especially teachers. At the same time, owing to the imperial civil service examination system, education has been regarded as one of the most important channels of social mobility. Rural people are always supportive of education, and hope their children to become educated.

This chapter provides a comparative analysis of education, especially elementary education, in the four villages, and focuses on school facilities, utility provision, spending for education, teacher hiring, support/nonsupport for students going to college, and villagers' evaluation of education. It finds that all of these aspects vary, following a consistent pattern, in the four villages. More peasant participation in village decision making leads to better performance in the provision of schools (see Table 5.2 for the comparisons of education in the four villages). Specifically, in the two villages with one or a few cadres dominating decision making, all of the aspects related to education are relatively worse, while in the villages with some or many peasants participating in public decision making, their education is relatively better.

Table 5.2 Comparisons of Education in the Four Villages

<i>Village Name</i>	<i>School Facilities</i>	<i>Utility Provision/ Annual Charges (yuan)</i>	<i>Spending for Education (percent of annual revenue)</i>	<i>Unqualified Teachers</i>	<i>Supporting Students Going to College</i>	<i>Evaluation of Most Interviewees (Percentage of the Total Number)</i>
Minlu Village	Worst among the four villages	Not reliable/ 1,500	About 7%	4	No	Strongly Unsatisfied or Unsatisfied (90.84%)
Beishuai Village	A little better than Minlu's	Not reliable/ 800	About 18%	2	No	Strongly Unsatisfied or Unsatisfied (84.62%)
Xin Village	Second best	Reliable/ 0	About 31%	0	Yes	Satisfied or Strongly Satisfied (77.31%)
Linhai Village	Best among the four villages	Reliable/ 0	About 40%	0	Yes	Satisfied or Strongly Satisfied (82.61%)

Minlu, where the Party Secretary dominates, has the worst school facilities among the four villages. The community fails to provide electricity and water for its school in a timely and sufficient manner. Its spending for education is only 7 percent of their annual revenue, the lowest among the villages. The Party Secretary frequently interferes with teacher hiring, which is responsible for four unqualified teachers in the school. The village has no arrangement for supporting students admitted to colleges. Also, most of my interviewees expressed their strong dissatisfaction with education in the village.

Beishuai, with several cadres controlling village decision making, is similar to Minlu in terms of the provision of education, although Beishuai does better in some aspects. School facilities in Beishuai, especially school buildings, are better than those in Minlu. At the same time, like Minlu, Beishuai fails to provide electricity and water for the school reliably. Beishuai's spending for education is around 18 percent of its annual revenue, higher than Minlu's. The cadres also have a negative influence on teacher hiring in Beishuai, and they are responsible for two unqualified teachers in the school. Like Minlu, Beishuai does not have arrangements for supporting students admitted to colleges. Furthermore, villager evaluation of education is also negative in Beishuai.

With some lineage leaders and senior villagers participating in decision making, Xin's education is much better than both Minlu and Beishuai. Its school facilities are very good, except that the playground is too small. The village provides electricity and water for its school relatively reliably, although quite a few villagers hope the village builds a tap-water system for the school. Its spending for education is 31 percent of its annual revenue, which is much higher than both Minlu's and Beishuai's. The lineage leaders and senior villagers have chances to participate in the process of teacher hirings, and there are no unqualified teachers in the school. Unlike Minlu and Beishuai, the village makes arrangements for supporting students admitted to colleges. Finally, the villagers' attitudes towards education are positive in Xin, and most of my interviewees expressed their satisfaction.

The discussion shows that Xin's better performance in providing for the school is closely related to its lineages' long tradition of supporting education and the leadership of lineage heads. Historically, the lineages played a key role in building school facilities, hiring teachers, and helping students from poor families. Lineage heads took the lead in organizing meetings and raising funds. The tradition of valuing education has been very fruitful there. According to the genealogical records of Chen Lineage, quite a few members passed imperial examinations and became high-ranking officials in the Yuan and Ming dynasties.

In the post-Mao era, the lineage has again become active in supporting education. Several years ago, some lineage leaders and senior villagers proposed to build a new school building, and village cadres accepted the proposal. The lineage leaders organized meetings with their members to mobilize resources for the project, and also spent much time in supervising the project. Meanwhile, one member donated 10,000 *yuan* to establish a scholarship awarded to those who were admitted to colleges. Every year, the lineage treats and honors the college students during the holidays of Spring Festival. Until the end of 2000, 106 members have passed national entrance exams and gone to college. This is a remarkable educational achievement in a small lineage with 1,053 people.

With many villagers' participation in decision making, Linhai's school is best among the four villages. Its school facilities are very good, and students enjoy a decent learning environment. It gives first priority of electricity and water to the school. The village's

spending is around 40 percent of its annual revenue, the highest among the four villages. Many villagers have a chance to voice their opinions on teacher hirings, and most of the teachers in the school are considered outstanding. The village also sets up arrangements for supporting students admitted to colleges, and the students enjoy strong support from the village. Further, most of my interviewees were satisfied with the school in the village.

Villagers' participation is crucial for Linhai's performance in providing for the village school. When some village cadres proposed to remodel the old school building, many villagers urged them to build a new one in order to provide a better learning environment for their children. The villagers actively participated in the discussion, and persuaded the cadres to consider educational development as a long-term goal of the village. Also, at the villagers' suggestion, the village bought some used computers for the school so that students could learn some computer skills. Moreover, the villagers play an important role in the process of hiring and even supervising teachers. The villagers provide necessary information and local knowledge for finding good teachers, and monitor them in some cases. Further, many villagers' voice has an important influence on the village's relatively high spending for the school. In addition, the villagers initiate the arrangements for supporting students admitted to colleges.

The findings are consistent with some recent research that reveals participation of local people helps improve school and education in various ways. Local participation mobilizes more resources, makes the school relevant to local needs and conditions, makes the school more effective and efficient, and monitors student and teacher attendance. At

the same time, citizen participation helps lead to changes in knowledge attitudes, skills, greater awareness, and self-reliance at the individual level. Also, the participation brings about greater control over information and technology, the formation of networks and associations, and more effective management of local resources at the community level. At the social level, citizen participation helps lower development costs, increase equity of benefits, and maintain sustainability of education and development programs (Shaeffer 1992, 278-279).

In some parts of Bangladesh and India, local communities, largely via village education committees, participate in school governance widely. They help determine annual school calendars in light of local economic cycles, identify candidates for teaching posts and assist in interviewing and selecting them, encourage high enrollment and attendance of both teachers and students, and monitor and evaluate achievement of non-formal education centers. Local participation helps establish the link between good education and greater parental and community demand and support for education. In some communities in the Philippines, parents become active in observing classes, participating in training courses and parent education seminars, and organizing field trips and other school activities. As a result, parents become more active in motivating and helping their children at home and following their progress at school (Shaeffer 1992, 284-285). In Thailand, many primary schools have established committees and sub-committees for academic affairs, personnel, finance, and community relations, and the committees are comprised of parents, teachers, and benefactors. The committees often solicit suggestions from local citizens to enhance the curriculum, recruit volunteer teachers for co-curricular

activities, raise funds for equipment, and encourage active involvement of the community. These help establish strong partnerships between schools and communities, facilitate the operation of the schools, and obtain financial and other kinds of support from local people (Martin 1996).

In sum, the chapter suggests that villager participation in decision making has a significant influence on village schools and rural education. The participation improves school facilities and utility provision for the schools, enhances the transparency of teacher hiring, and maintains a certain level of public spending for education. The findings imply that it is essential to encourage villagers' participation for the improvement of rural education and the goal of sustainable development.

The next chapter turns to the discussion of land allocation in the four villages. It focuses on how land is allocated and reallocated, whether villagers obtain benefits from land leased out or expropriated, whether there are many land conflicts, and how villagers evaluate these aspects.

Chapter Six Land Allocation, Property Rights, and Village Governance

Introduction

With the establishment of the household responsibility system in the late 1970s and early 1980s, the organization of farming and production has changed dramatically in rural China. Individual households, in place of communes, have obtained decision-making power over crop choice, fertilizer use, and sale of grains.¹⁷⁸ Rural land systems, however, have not changed much since the introduction of family farming.¹⁷⁹ As in the collectivized era under Mao, land continues to be collectively owned by villagers under the household responsibility system.¹⁸⁰

¹⁷⁸ In some rural areas, however, local leaders, including government officials and village cadres, still put limitations on crop choice of households or force them to plant specific crops. The leaders also prevent villagers from converting farming land to non-crop uses, such as orchards, fishponds, and greenhouses (Brandt, Huang, Li, and Rozelle. 2002; Brandt, Rozelle, and Turner 2002).

¹⁷⁹ In this chapter, my discussion will be limited to the rural land system. Urban land is owned exclusively by the state in China. See Article 8 of Land Administration Law of China.

¹⁸⁰ See Article 8 of Land Administration Law of China. At the beginning of the rule of the Chinese Communist Party (CCP), farming land was privately owned by individual households. According to the Land Reform Law of 1950, the land confiscated from landlords was allocated to poor peasants “fairly, rationally and uniformly for them to own,” except for that owned by the state in accordance with the law. It also provided that the newly-created landowners could manage, sell, and lease their land freely. It is said that this land reform distributed 46.7 million hectares of land to about 300 million peasants, covering about one-half of China’s total arable land and affecting more than 60 percent of the total rural population. It proved a great success in creating agricultural productivity, and annual grain production increased from 113.2 million tons in 1949 to 166.8 million tons in 1953, and further to 192.7 million tons in 1956 (Li 2002). In addition, in imperial China, land was owned by the emperors in theory, although farmers could

The collective ownership of land has several distinctive, institutional features. First of all, there is institutional ambiguity about who is the real owner of rural land, since there are various types of “collectives,” such as the “administrative village,” “natural village,” and “village team.”¹⁸¹ The relevant laws and regulations do not specify which of the collectives at different levels own rural land (Ho 2001; Sargeson 2004).¹⁸² Second, under the laws, land ownership shall not be alienated, although the use rights of peasant households can be transferred.¹⁸³ In other words, although collectives own rural land, they cannot sell it. This is a substantial limit to the collective ownership of land.¹⁸⁴ Third, those who manage and administer land are different from those who own the land. If the land is owned by a village collective, then the village collective economic organization or Villagers’ Committee shall manage and administer it. If the land is owned by two or more village collective economic organizations respectively, the organizations or village teams shall manage and administer it. If the land is owned by town or township collectives, the town or township rural collective economic organization shall manage and administer it.¹⁸⁵ Fourth, rural land owned by collectives shall be contracted to the members of the

alienate their land. This practice led to the difficulty of naming the emperors’ collection as “rent” or “tax” (Yang 1987).

¹⁸¹ A nationwide investigation of 271 villages suggests that even in the late 1990s, rural land ownership belonged to different rural collectives. Among these villages, 105 (or 40 percent) identified the administrative villages as land owners and 119 (45 percent) identified the small groups as owners. In 39 villages (15 percent), the land was owned by both the village and the small group (Cai 2003).

¹⁸² It is believed that the institutional indeterminacy and ambiguity is intentionally and deliberately created by the central leadership for fear of large-scale social conflict (Ho 2001).

¹⁸³ Due to various limitations to transfer of land use rights, actual transfers are rare in rural China. A survey of 215 villages indicates that, in 1988, only 0.6 percent of cultivated land was transferred, and three quarters of the villages reported no land transfer at all. By 1995, less than 3 percent of land in the villages was transferred, and most of them occurred between relatives (Brandt, Huang, Li, and Rozelle. 2002).

¹⁸⁴ See Article 2 of Land Administration Law of China and Article 4 of Rural Land Contract Law of China.

¹⁸⁵ See Article 10 of Land Administration Law of China. Here, again, some undefined terms appear, such as “village collective economic organization,” “villagers’ team,” and “town or township rural economic organization.” Moreover, it is unclear why the law provides that the owners of the farming land are

collective economic organization, and the term of contract is 30 years.¹⁸⁶ Although the law does not prohibit rural land from being contracted out to nonmembers of the collective economic organization, such a contract must be consented to by two-thirds of the members of the village assembly or of village representatives and be approved by town or township government.¹⁸⁷ This provision makes contracting of farming land to nonmembers very difficult, if not impossible, and the transaction costs are extremely high. In addition, both rural land ownership and use rights shall not be used as collateral,¹⁸⁸ which, to a large degree, prevents villagers from getting access to credit. These institutional attributes of the current land system make collective ownership a “tricky category” (Putterman 1995).¹⁸⁹

With the slowing down of rural growth in the 1990s, many scholars have begun to examine the land system and consider the necessity of some reforms. Some maintain that the collective ownership needs to be fundamentally changed, because insecure land tenure discourages peasants’ long-term investment in land, hinders the development of

different from the managers and administrators of the land and why peasants as co-owners lose their rights to manage and administer the land. Further, the law fails to detail the contents, scope, and procedure of managing and administering rural land, which allows for the decision-making power to be easily abused.

¹⁸⁶ Article 14 of Land Administration Law of China provides, “Land owned by peasant collectives shall be contracted to members of the collective economic organizations for use in crop cultivation, forestry, animal husbandry, and fishery. The term of contract is 30 years....”

¹⁸⁷ See Article 15 of Land Administration Law of China.

¹⁸⁸ See Article 37 of The Collateral Law of China.

¹⁸⁹ It is necessary to note that “collective ownership” is different from “common property” in the literature of common-pool resources. According to Bromley (1991), common property represents “*private property for the group of co-owners* (since all others are excluded from use and decision making),” and “*individuals have rights (and duties) in a common property regime*” (Bromley 1991, 25-26; emphasis in original). In his view, common property has something very much in common with private property—exclusion of non-owners. Thus, common property can be regarded as “*corporate group property*” (Bromley 1991, 26). Nevertheless, the collective ownership of the land system in China is limited and controlled greatly by the state, and in some sense, the state or government becomes the *de facto* owner of the rural farming land. As Bromley notices, under the land-based property regimes in collective farms or agricultural cooperatives in former socialist countries, land in fact belongs to the state rather than the members of the collective, and it is not common property but state property (Bromley 1991, 26).

land markets, and prevents households from getting access to credit (Wen and Zhang 1993; Wen 1995; 2005; Prosterman et al. 1996; Jacoby et al. 2002; Krusekopf 2002; Deininger and Jin 2003). Others argue that it is not necessary to change the land system, since it does not discourage villagers' investment in land, and most peasants actually prefer the collective system and periodic land reallocation (Kung 1995; Dong 1996; Kung and Liu 1997; Kung 2000). Still others maintain that land rental markets work better than administrative land reallocation in terms of equity and efficiency,¹⁹⁰ but this does not require the reform of land ownership in rural China (Deininger and Jin 2005).

Without doubt, the debate over the land tenure system is important, since the discussion helps identify some institutional weaknesses of the system.¹⁹¹ Few of the studies, however, examine how the land system is practiced in villages, including who makes decisions over land allocation and reallocation, how land is actually allocated, whether peasants get benefits or compensations for rented or expropriated land, and what are the variations of the practices across the villages.

¹⁹⁰ Krusekopf (2002) points out that centralized schemes such as administrative land reallocation are less efficient than decentralized market-based approaches because of information problems. Individual households are better positioned than village leaders to make decisions about the optimal allocation of their resources, including how much land to contract.

¹⁹¹ Some of the weaknesses, such as ambiguous ownership and limitations to land transfer, prevent land from converting into capital, which is part of the explanation of the difference between developed and undeveloped countries (De Soto 2000). According to De Soto (2000), the difference lies in whether assets are able to be converted into active capital. He finds, in the Third World and former Communist countries, "the poor people have houses but not titles; crops but not deeds; business but not statutes of incorporation" (De Soto 2000, 7). By contrast, in developed countries, "every parcel of land, every building, every piece of equipment, or store of inventories is represented in a property document that is the visible sign of a vast hidden process that connects all these assets to the rest of the economy" (De Soto 2000, 6). Thus, one important reason for the underdevelopment in the Third World is that there is no effective property-rights system that acts as a mechanism of facilitating the conversion of assets into active capital.

In fact, despite the uniform regulations and laws made by the central government, land tenure arrangements are enormously heterogeneous and diverse in rural China.¹⁹² Land security and transfer rights differ not only among provinces, but also from township to township, and even from village to village (Liu, Carter, and Yao 1998; Rozelle and Li 1998; Krusekopf 2002; Brandt, Huang, Li, and Rozelle 2002; Brandt, Rozelle, and Turner 2002). In a survey conducted in the mid-1990s, townships in 39 of 44 sample counties (88 percent) reported different frequencies of land readjustment at the village level, and villages in 52 of 92 townships reported different frequencies. In 31 villages of six counties in northeast China, land resources were organized in almost 20 different ways (Rozelle and Li 1998).

At the same time, many villagers throughout China have been experimenting with various institutional arrangements tailored to local conditions to achieve development. For instance, villagers of Pingdu city in Shandong province initiated a two-farmland system in the late 1980s to avoid land fragmentation. Under the system, farmland in a village was divided into two categories, namely subsistence land and contract land. The former was allocated based on the number of villagers in the village, seeking to meet their basic consumption needs, and the villagers were responsible for paying agricultural taxes for the land they cultivated. The later was allocated based on the bidding of the villagers who were interested in and capable of cultivating more land, and the villagers winning the bid were required to pay a contract fee. Chen and Brown (2001) found that

¹⁹² A recent study by Chen (2004) finds that local institutions play a key role in shaping different property-rights arrangements of rural enterprises in China. According to Chen, lineage and clan systems are the foundation of the private and family-centered enterprises dominating southern Fujian, while local governments are, to a large degree, responsible for numerous collective enterprises in the Yangtze Delta region.

the experiment, addressing the problems of land fragmentation and economies of size, increased farm efficiency. Other models of rural land arrangements experimented on in China include the fixed responsibility farmland system in Meitan county of Guizhou province,¹⁹³ the collective farm system in Shunyi of suburban Beijing,¹⁹⁴ and the farmland shareholding cooperative system in Nanhai of the Pearl River Delta (Chen and Davis 1998).¹⁹⁵

These indicate that actors at the village level, including both leaders and peasants, play a crucial role in managing land and shaping diverse land institutions. In villages where a few leaders dominate the decision-making process over land management, they are more likely to manage land in order to obtain personal benefits and engage in rent-seeking behavior (Rozelle and Li 1998; Guo 2001a; Cai 2003). If the decision-making power of the leaders is somehow checked, they might, to some extent, take into account villagers' interests in land management (Brandt, Rozelle, and Turner 2002).

This chapter, along this line, explores how land is managed and administered in the four villages where I conducted field research. Although there are no distinctive models

¹⁹³ The system was initiated in 1987. It fixed contract land terms irrespective of demographical changes in households. Following the adoption of the policy, farmers were also granted inheritance rights on their land, to sublease land, and to exchange land with one another. The system was called quasi-private (Chen and Davis 1998).

¹⁹⁴ The invention of the system was closely related to rapid rural industrialization in suburban Beijing, where many farmers were working on their land only part-time. They returned their land to the village, and organized collective farms. The operation of the collective farms was different from that under Mao's commune system. Normally, the village provided agricultural machinery, and collective farms were titled as farming enterprises of the village with which villagers signed a contract. The collective farms operated independently, and their employees earned wages rather than working points of Mao's commune system (Chen and Davis 1998).

¹⁹⁵ The key aspect of the system is the distribution of land shares to individual peasants. After receiving land shares, the peasants return their land use rights to the administrative village. Then, the village establishes an agricultural company. The peasants, as land shareholders, are entitled to share dividends and participate in shareholder meetings (Chen and Davis 1998).

experimented in the villages, land management varies across them. The discussion focuses on how land is allocated and reallocated in the villages, whether villagers obtain benefits from land expropriated or leased out, whether there are land conflicts, and how villagers evaluate land management in their villages. I find that, in Minlu and Beishuai villages with one or several leaders dominating the public decision making respectively, land is allocated and reallocated to the leaders' advantage; villagers get less benefit from land expropriated by local governments or leased out by village leaders; there are relatively more land conflicts related to land mismanagement; and peasant evaluation of land management is more negative in the villages. By contrast, in Xin and Linhai, where some or many peasants have a chance to participate in village decision making, I find that land allocation and reallocation are more likely to take into account villagers' interests; villagers obtain more benefit from expropriated or leased-out land; there are relatively fewer land conflicts; and peasants' attitudes toward land allocation and management are more positive.

Land Allocation and Reallocation

Since land is collectively owned, how it is allocated among households is an important issue. In most cases, land allocation is on a per capita basis. In other words, land is equally shared among villagers, which is regarded as an egalitarian tradition in Chinese

history.¹⁹⁶ The equal share rationale, however, does not necessarily guarantee that each household gets the same land, since its quality, location, and irrigation conditions vary in a village. If village cadres dominate the decision-making process over land allocation in a village, they are more likely to allocate land with better quality, location, and irrigation conditions to themselves and those who win their favor.

Here, it is necessary to point out that, unlike the cases of roads and education discussed in the previous two chapters, the cadres at all three levels (administrative village, natural village, and team levels) play some role in deciding land allocation, although their role varies. Part of the reason is that land was controlled by production teams during the era of communes, and the production teams were dissolved into one or several village teams under the household responsibility system. Thus, village teams “inherited” land of the old production teams, and can decide, in some cases, how land is allocated among team members.

Now, I turn to land allocation in the four villages. Minlu, located in the Jiangnan Plain, has relatively rich land resources. Its average per capita land of 2.0 *mu* is the highest among the four villages.¹⁹⁷ The actual per capita land, however, varies across teams in the village. Some teams have over 2.0 *mu* of per capita land, while others have less than that. This is because the teams have different population sizes and/or “inherited” different land sizes from their old production teams.

¹⁹⁶ According to Vermeer (2004), the egalitarian tradition has existed from Wang Mang in the western Han dynasty to Sun Yat-sen’s “the farmer should have his land” and Mao’s people’s communes.

¹⁹⁷ 1 *mu* = 0.1647 acre.

Land was allocated to each household for use in Minlu in 1981, when the household responsibility system was spreading to many rural areas from Anhui province. At first, the village Party Secretary himself made a plan on how to divide land among its teams (*zu*), without discussing it with other cadres. Although a few cadres felt uncomfortable with the plan, none of them challenged the Party Secretary.¹⁹⁸ Generally, the plan was based on land boundaries among the old production teams (*shengchandu*),¹⁹⁹ but the Secretary made some changes in order to obtain better land for himself and his team, many of whose members were his brothers and close friends.²⁰⁰

The Party Secretary's old production team was dissolved into three teams with the introduction of the family farming system. The three teams "inherited" five pieces of land from the production team. Of the five pieces of land, two have relatively good irrigation conditions, since they are close to a small river. The other three have relatively bad access to irrigation water. Many villagers suggested that division of the five pieces of land among the three teams should be based on a balanced consideration, which meant each team should obtain both high-quality and low-quality land. The Party Secretary, however, claimed that land would be allocated based on its distance to the location of the teams in order to do farming work more conveniently. In other words, each team was

¹⁹⁸ Interviews M-7 and M-8.

¹⁹⁹ During the era of collectivized farming under Mao, rural China was organized into communes (*gongshe*), brigades (*dadui*), and production teams (*shengchandu*). A village was usually a brigade, and a brigade consisted of several production teams. Several villages formed a commune, which are called township (*xiang/zhen*) today. With the introduction of the household responsibility system, the brigade was renamed to "Villagers' Committee" (*cunmin weiyuanhui*), and the production teams were dissolved into teams (*zu*).

²⁰⁰ According to Huang (1999), dividing collective land held center stage in the early phase of the reform. The issue was not primarily how much land each household received but who got the rights to farm which piece of land. The official guidelines called for land to be distributed equitably based on population and/or labor power. In practice, there was always room for debate about the precise quality of a particular piece of land, which allowed village cadres to rig the process.

allocated land closest to the team's location.²⁰¹ It turns out that the Secretary's team is located most closely to both pieces of land with good irrigation conditions.

Faced with strong protests from villagers of the other two teams, the Party Secretary had to allocate one piece of land with good irrigation conditions to the two teams, although his own team itself got the other piece of good land. Some villagers were still not satisfied with the allocation, but the Party Secretary pressured team heads to deal with any protestors. In the end, the Party Secretary's allocation proposal prevailed, and his family and friends in his team obtained relatively high-quality land.²⁰²

At the same time, although land is frequently reallocated due to demographical changes in many villages throughout China,²⁰³ there has been no village-wide or large-scale land reallocation in Minlu. One reason is that it is too difficult and costly to undertake village-wide reallocation among the teams that "inherited" quite different quality and quantity of land from their old production teams. Each team, however, engages in some small-scale adjustment based on demographical change.²⁰⁴ When a household increases members through birth or marriage, the new members will be allocated their share of land for use.

²⁰¹ Interviews M-44, M-45, and M-46.

²⁰² Interviews M-21, M-53, and M-66.

²⁰³ In a survey of 215 villages in the mid-1990s, 72 percent of the villages had reallocated their land at least once since 1983, and some villages had reallocated land as many as five or six times. At the same time, it was found that decision making over land reallocations in most (86 percent) of the villages was at the village level, although it was township governments who made the decisions in some rural areas, especially in Yunnan province (Brandt, Huang, Li, and Rozelle 2002). Moreover, it was found that most villagers supported periodical land reallocation due to egalitarian traditions in rural China (Kung 2000). A recent survey of 3,000 households in two different regions of China finds that most villagers support periodical land distribution on a per capita basis in order to achieve equal security for food and at least some income for all members of the village collective. But poorer households were more in favor of land redistribution than richer households (Vermeer 2004).

²⁰⁴ A survey of 80 villages in four provinces indicates that demographic change is the predominant reason for reallocating land. Other reasons include villagers' request, instruction from local governments, labors moving out of agriculture, and fostering large farms (Kung 2000).

When members of a household decrease due to death, marriage, or becoming urban residents,²⁰⁵ their share of land will be taken away. Also, some households might return their land back to their team if they are able to find off-farm job opportunities in towns or cities. Under these circumstances, a team usually adjusts land share among its members, but the adjustment generally involves only those affected households.²⁰⁶

Team heads control the land adjustment process in their respective teams, although the Party Secretary intervenes from time to time. They, at first, investigate demographical change in each household of their team, and figure out which household is eligible to increase land and which household's land needs to be cut. Then, they decide the method and time of adjustment, and report them to the village Party Secretary for approval or advice. The method usually is to cut the land of those households with less members and allocate it to those with more members. The frequency with which the teams adjust the land varies. Most of them undertake land adjustment once every three years, and while the others do it once every two years or less.²⁰⁷

Land allocation and reallocation in Beishuai are similar to those in Minlu. Here, several cadres together play a dominant role in allocating land. In the early 1980s, when communes were dismantled in this region, Beishuai began to divide its land. The village's Party Secretary and Village Accountant initiated a proposal of dividing land

²⁰⁵ There are limited channels for villagers to become urban residents under the household registration system established in Mao's time, which strictly separates rural from urban residents. One channel is to go to college, and the other one is to become a soldier who might be offered an urban job after demobilization. The latter channel is becoming more and more difficult.

²⁰⁶ Interviews M-17, M-26, M-47, M-52, and M-58.

²⁰⁷ Interviews M-9, M-23, M-49, and M-55.

among its teams, and then the proposal was discussed and revised at a meeting attended by all of the village cadres. Although the original proposal was much biased towards Team Two, which both the Secretary and Accountant were members, the revised plan was a compromise among the cadres' interests. Since almost all of the cadres are from three teams, the teams obtained relatively better land in terms of fertility and irrigation conditions.²⁰⁸

After land was divided among the teams, they allocated it to each household. Most of the teams allocated land among its members by using a lottery. Although it seemed a fair method, several teams' heads cheated in the lottery and thus obtained better land for themselves. A few other teams divided land among their members by distinguishing high-quality from low-quality land. Usually, the team heads decide which piece of land is high-quality and which piece is low-quality. Those who were allocated high-quality land received less land in quantity, while those who were allocated low-quality land received more.²⁰⁹

As in Minlu, land reallocation is generally undertaken in each team in Beishuai. There has been only one village-wide land reallocation, because one team's land of 300 *mu* was expropriated by the county government for road construction and other facilities some years ago. Quite a few households lost most, or even all, of their land. Thus, the village cadres decided to reallocate land among all teams so that the households losing land

²⁰⁸ Interviews B-7, B-15, and B-64.

²⁰⁹ Interviews B-35 and B-43.

could obtain some. The village-wide reallocation changed the size of most households' land, but it did not change their locations much.²¹⁰

Before 2000, the within-team land reallocations were implemented based on demographic change in each team every three years. Each team counted the number of births and deaths in the three year span, and decided which households' land should be increased or decreased. Team heads played a crucial role in the process of adjusting land, and most of them made some effort to limit land adjustments to those affected households, since the adjustments were extremely time-consuming in many cases. As one team head says, "Every time, land adjustment almost killed me! I had to spend days or weeks in talking and coordinating with those affected families. I hope that there is no land adjustment for eight generations!"²¹¹ After 2000, land reallocation has become less frequent in Beishuai, once every ten years in all of the teams. It is said that the reason for this change is to avoid costly administrative work and to possibly decrease the birth rate. At the same time, according to village cadres and team heads, the township government instructed them not to adjust land too frequently.²¹²

In contrast with those in Minlu and Beishuai, land allocation and reallocation in Xin are not solely controlled by a few village cadres. Here, lineage leaders and some senior villagers also play an important role in allocating and adjusting land. At the end of 1980, the village adopted the household responsibility system, and divided land among natural villages and teams. At first, the village cadres organized a meeting attended by some

²¹⁰ Interviews B-27, B-54, and B-55.

²¹¹ Interview B-42.

²¹² Interviews B-4, B-48, and B-51.

lineage leaders and senior villagers to discuss land division among seven natural villages. The cadres proposed a plan that basically followed land boundaries of old production teams, but several lineage leaders of one natural village (lineage) challenged the proposal.²¹³

They maintained that, historically, their natural village had more land than it did during the time of communes, and that part of their land was taken away by another natural village while organizing old production teams. Thus, the lineage leaders argued that part of their land that was taken away should be returned, with the dissolution of the production teams. The issue was debated heatedly at the meeting, and in the end, the lineage leaders' claim was accepted. The village cadres revised their plan of land allocation that allowed the natural village losing part of its land to get back.²¹⁴

After the land was divided among the natural villages (teams), it was allocated among households. Team heads, together with lineage leaders and some senior villagers, were in charge of the allocation among households.²¹⁵ In each team, a group of team heads and lineage leaders first investigated and evaluated the quality of their land. Then, they classified different pieces of land according to their quality, and suggested that each household be allocated both high-quality and low-quality land. The allocation was undertaken by a lot system.²¹⁶

²¹³ Interviews X-23, X-45, X-46, and X-55.

²¹⁴ Interviews X-45 and X-46.

²¹⁵ Interview X-55.

²¹⁶ Interviews X-57 and X-58.

Land reallocation varies in the natural villages of Xin. The two largest natural villages completely reallocate their land according to demographical change every five years. Such kinds of grand reallocation (*da tiao*) lead to changes in both land size and land location for each household. One reason for the large-scale reallocation is the relatively high birth rate and thus rapid demographical change in the region. Most peasants in Xin prefer boys to girls, so they will continue to have children until they have at least one son. Most households have two or more children, and some have as many as four or five. The population pressure impels the peasants to share land equally. As one villager said, “Land reallocation is necessary, since many families have new babies every year. You must give land to these babies. They need to eat.”²¹⁷ Land reallocation plans are usually discussed at meetings attended by village cadres from the two natural villages, team heads, and lineage leaders and some senior villagers. The cadres and team heads of the natural villages are responsible for implementing the plans.²¹⁸

In contrast, four other small natural villages in Xin only make small-scale land adjustments in virtue of demographical change every two or three years. The adjustments are limited to those affected households, and only quantity changes of their land are involved. Team heads and lineage leaders work together to engage in the adjustments.²¹⁹ At the same time, the remaining small natural village has never reallocated its land since the introduction of the household responsibility system. According to several peasants and lineage leaders in the natural village, the village enjoys relatively abundant land, and

²¹⁷ Interview X-46.

²¹⁸ Interviews X-37, X-52, and X-53.

²¹⁹ Interviews X-66, X-68, X-73, and X-74.

it is not necessary to adjust the land frequently in response to population changes.²²⁰ This suggests that land endowment might be a factor that influences whether a village chooses to reallocate land or not in some villages. The finding is partly consistent with other scholars' research on land reallocation. Liu, Carter, and Yao (1998), for instance, find that in Jilin province, where land is relatively abundant, land reallocation is less frequent. In Henan and Jiangxi, where land is relatively scarce, land reallocation is more frequent. Nevertheless, they also find that in Zhejiang, where land is relatively scarce, reallocation is less frequent. The authors' explanation is that there are more off-farm job opportunities there, and thus land is of more modest economic importance to households.

Land allocation and reallocation in Linhai, to a large degree, takes into account villagers' preferences and interests. Here, many villagers participated in the decision-making process of allocating land in the early 1980s, when the village introduced the family farming system. In the beginning, village cadres informed team heads of the new system at an informal gathering and discussed preliminary plans on land division among the teams. Then, the team heads went back to their respective teams to engage in some conversations with their members about the issue.²²¹

Several weeks later, the village cadres organized a meeting attended by team heads and many household heads to discuss the methods of land division among the teams. Some attendants maintained that the division should follow the boundaries of the old production teams. Others argued that the division should be completely undertaken again rather than

²²⁰ Interviews X-61, X-62, and X-63.

²²¹ Interviews L-24, L-35, L-44, and L-47.

follow the boundaries of the production teams, since the organization of the production teams was compulsory. Still others claimed that the division might generally follow the boundaries of the production teams, but they needed to be redelineated in some cases for fairness. After several hours' debate, the attendants could not reach any agreement except for another meeting ten days later.²²²

At the next meeting, most of the attendants agreed that the village should first reinvestigate and reevaluate the quantity and quality of land, and then decide what kind of adjustments of the boundaries of the old production teams should be made. The attendants selected ten people to organize a special group, consisting of two village cadres, three team heads, and five villagers, to assume the task of reinvestigating and reevaluating land. After over three week's work, the group completed the reinvestigation and reevaluation and reported its findings at a village meeting. The report suggested that some significant changes needed to be made about the boundaries of the old production teams.²²³

Once the division was completed among the teams, they would further divide land among the households. The teams allocated land by following two steps. First, they identified relatively high- and low-quality land, and made sure that each household obtained both of them. Second, the teams used lottery to decide the locations of each household's plots.²²⁴

²²² Interviews L-44 and L-47.

²²³ Interviews L-55 and L-56.

²²⁴ Interviews L-49, L-57, and L-60.

As for land reallocation, Linhai has never undertaken village-wide reallocation. In the 1980s, each team engaged in some land adjustments every three years among its households on the basis of demographical change. Since the early 1990s, the teams have stopped making any land adjustments. Many team heads and villagers think that it is too time-consuming and difficult to adjust land among households, since they are busy with operating their businesses.²²⁵ This seems to lend some support for Liu, Carter, and Yao's (1998) finding mentioned above that land reallocation is less frequent in Zhejiang province, where Linhai is located, because of more off-farm job opportunities. Although most households still rely on farming and fishing in Linhai, a number of households are engaging in small businesses.

This section examines land allocation and reallocation in the four villages. The analysis indicates that in the villages with one or a few cadres dominating decision making, land allocation and reallocation are to the cadres' advantage, while in the villages with some or many peasants participating in decision making, land allocation and reallocation tend to take into account peasants' interests. In Minlu, its Party Secretary takes advantage of land allocation to enrich himself and his relatives. Meanwhile, he often exercises influence on land readjustment within teams. Similarly, Beishuai's cadres give their own interests first priority during the process of allocating land, while team heads often benefit from readjusting land within teams.

In contrast, besides village cadres, lineage leaders and some senior villagers have played an important role in undertaking land allocation and reallocation in Xin. The allocation

²²⁵ Interviews L-64 and L-65.

and reallocation of land is more balanced among its natural villages (teams) and households. In Linhai, many villagers participate in the process of dividing and adjusting land among teams and households. As a result, villagers' interests are better taken into account, and land allocation is conducted in a balanced manner.

Leased out or Expropriated Land and Benefit Distribution

Although most land is allocated to households for use in the villages, they still have some collective land, such as orchards or fishing ponds. Or, some households return their land to the villages when they find jobs in urban areas. Under these circumstances, the villages usually lease out the collective land to make some money. Thus, how the villages lease out the land and distribute the rent among villagers is an important part of land management.

At the same time, some land in two of the villages was expropriated by local governments. Since land is collectively owned by villagers, the governments usually gave compensations to the villages first. How the villages distribute the compensations among villagers is equally important. In this section, I explore the decision-making process over leasing-out collective land and the distribution of rents or compensations from leased-out or expropriated land.

There are three fishing ponds collectively owned in Minlu, and each of them is about 15 *mu*. Leasing out the ponds has been controlled by the village Party Secretary. Although quite a few villagers have been interested in the ponds, the Party Secretary has never adopted a competitive and transparent procedure like bidding to lease out them. Instead, he has always showed favoritism towards his relatives or close friends in the village. Several years ago, for instance, when the old contract of the ponds expired, over twenty villagers were interested in leasing them. The villagers requested the Party Secretary to use bidding to decide who could get the lease, but he rejected their request on the grounds that most of the villagers did not have the experience and capabilities of raising fish. Later, he leased the ponds to one of his close friends for 30,000 *yuan* for three years, although other villagers would have paid much more for the lease.²²⁶ Moreover, the Party Secretary has never distributed the rent among villagers, despite the fact that the ponds are collectively owned. The villagers do not even know whether he actually collects the rent from the leaseholder.²²⁷ As one villager remarked angrily, “No one knows where the rent is? Everything is done secretly. It is illegal! They (cadres) will certainly come to no good end. Heaven (*laotianye*) will punish them!”²²⁸

Meanwhile, about 130 *mu* of Minlu’s land was expropriated by the township government six years ago, and was then rented to a businessman from another province for use in opening a company of raising crabs.²²⁹ The township government forced villagers to

²²⁶ Interviews M-24, M-33, and M-64.

²²⁷ Interviews M-62 and M-64.

²²⁸ Interview M-79.

²²⁹ Article 2 of Land Administration Law provides that the state may expropriate land owned by peasant collectives when necessary for public interest. However, the law does not specify what conditions can meet the standard of “public interest.” Thus, the governments often expropriate land in the name of public interest, but then they sell or lease out the expropriated land to developers and businessmen to enrich

accept a cheap compensation of 200 *yuan/mu* annually for five years.²³⁰ Even so, the villagers received their compensation only in the first year. They received nothing for the next four years. The villagers proceeded to argue with the township government, whose officials asked them to talk once again with their village cadres. When they were confronted with the village Party Secretary, he indicated that the village received only part of the compensation from the township government.²³¹ This is a typical case of land expropriation happening throughout rural China, where villagers are unable to receive just, or even any, compensation in many cases (Guo 2001a; Bai 2001).

Beishuai has a similar story in terms of leased-out and expropriated land and distribution of rent and compensation. In 1998, the village leased out 31 *mu* of land to a company for constructing an auto-repair shop and several buildings, and the rent was 150,000 *yuan* annually. Although the lease was close to the market price in the region, the village distributed only a small part of the rent among villagers. For the first three years, every villager was allocated 10 *yuan* annually. After this period, since many villagers

themselves. In many cases, the governments become the biggest plunderer of rural land owned by villagers (Bai 2001, 184-185; Guo 2001a).

²³⁰ According to Article 47 of Land Administration Law, villagers whose land is expropriated receive compensation calculated according to a multiple of the crop value of the previous three years, a contribution toward labor redeployment, payment for unharvested crops, and the replacement cost of fixed assets. The compensation does not take into account location, infrastructural conditions, and market value of expropriated land. Moreover, villagers receive only part, or no, compensation in many cases. It is found that only about 10 percent of compensation payments ever reach those whose land has been expropriated, and the remainder is siphoned off by town and village cadres (Sargeson 2004).

²³¹ Interviews M-50, M-51, and M-66. According to (Guo 2001a), in many villages where land is expropriated, the villagers are not consulted and deals are sealed between the township government and village leaders. The full cooperation of the village administration illustrates a controversial aspect of the collective ownership of land. To the villagers, the village collective owns land, but to the local state, it does not. While institutional vulnerability subjects the village administration to the power of the township government, the economic interests provide sufficient incentives for the village leaders to comply with the township government. This cooperation enables the township government to exercise real control over the management of collective property.

complained about the amount, the allocation was increased to 20 *yuan* for each villager every year.²³²

Meanwhile, since Beishuai is close to a county-seat town, its 300 *mu* of land was expropriated by the county government for road construction and other purposes. The government agreed to pay 7,000 *yuan/mu* for compensation, and to complete the total payment in a 15-year period. But the village cadres decided not to distribute the compensation among the affected households. Instead, the cadres reallocated land among several teams so that the affected households would get their shares. Thus, the cadres promised to use the money to install cable TV systems and improve tap-water facilities for the village. However, six years went by, and none of the promised projects were begun. Now, the villagers are requesting that the cadres distribute the money, and are threatening to petition higher authorities through visits or letters (*xinfang*) for the distribution.²³³

In contrast, the processes of leasing-out land and distributing rent are more transparent in Xin. The village has a small hill with about 50 *mu* of chestnut trees, and leases it out every five years. The village cadres and lineage leaders together are in charge of the lease. They evaluate the market value of the 50 *mu* of land with chestnut trees after each contract expires, and announce it on the village blackboard or through a meeting. Then, each villager in the village can apply for the lease, informing the cadres of the rent he/she would like to pay. After a certain period of time, usually one month, the cadres will hold

²³² Interviews B-36, B-41, and B-49.

²³³ Interviews B-9, B-12, B-35, B-36, and B-67.

a meeting attended by lineage leaders and some senior villagers to discuss the leasing candidates. The applicant who offers to pay the most and who is interested in taking care of the hill will usually become the leaseholder in the end. If the cadres and lineage leaders do not trust an applicant for his/her promise or capabilities of looking after the hill, he/she will not get the contract, even if he/she offers to pay the most. The reason for this requirement is that the hill is very likely to cause floods in the summer if its vegetative cover is destroyed.²³⁴

The distribution of the rent for the chestnut land is also discussed at meetings attended by the village cadres and lineage leaders when a new contract begins. Usually, half of the rent is distributed among villagers, and the other half is kept by the village for public use, such as for road repairs and school maintenance. Under the current contract, the village receives a rent of 65,000 *yuan* every year, and 32,500 *yuan* is distributed among villagers annually.²³⁵

Linhai had no collective land for leasing out in the 1980s. Around a dozen households returned their land back to the village in the early 1990s, since they moved to urban areas to run small businesses. At that time, no other households in the village were interested in leasing it, since the price of grain was very cheap and many villagers began to work on off-farm jobs. Thus, the returned land was left uncultivated for two years. Later, at a village meeting, one villager proposed to make some adjustments of land locations so that the returned, fragmented land could be consolidated in one location, which might attract

²³⁴ Interviews X-17, X-29, X-71, and X-72.

²³⁵ Interviews X-34 and X-38.

someone's interest in leasing the land for the consideration of economies of scale. Most of the villagers supported the idea, and later several teams worked together to consolidate the returned land. At the same time, it was decided in the meeting that the land could be used to plant any kind of crops, and that anyone, including villagers in this village and any outsiders, was eligible to lease the land.²³⁶

These changes led quite a few villagers and outsiders to show interest in leasing the land. As requested by some of the villagers, the village decided to lease out the land through an open public bidding. Then, a meeting of the bidding was organized, and 13 bidders participated in the competition. In the end, a villager in a neighboring village won the bid, paying 120,000 *yuan* for the lease of the 65-*mu* land annually for five years. The leaseholder has been planting watermelon on the leased land, and has become a wealthy entrepreneur.²³⁷

After the returned land was leased out, the village held a meeting to discuss the distribution of the rent. Although several village cadres and team heads suggested that the village keep half of it and the rest be distributed among the households, many villagers were against this idea. Some of them maintained that most of the rent should be distributed, and others argued that all of the rent should go to the villagers. After some heated debates, the attendants decided to put 2,000 *yuan* of the rent into the village fund

²³⁶ Interviews L-9, L-27, L-45, L-52, and L-88.

²³⁷ Interviews L-14, L-27, and L-55.

for public use, and distribute the rest to villagers, over 50 *yuan* for each villager every year.²³⁸

The discussion of leased-out or expropriated land and distribution of rent or compensation in the four villages shows that their decision-making processes and the results vary greatly. In Minlu, the Party Secretary dominates the leasing of three fishing ponds owned collectively, and he prefers to lease to one of his friends than to others who would pay more. This decision leads to financial loss for the village. Moreover, villagers have received no benefit from the lease of the fishing ponds. They have received little compensation for the land expropriated by the township government, although it claims that some compensation has been given to the village. Beishuai's practice is similar to Minlu's, in that its cadres control the lease of land and the distribution of the rent and the compensation for requisitioned land. Villagers have obtained only a small part of the rent, and received nothing from the large amount of compensation.

In Xin, some lineage leaders and senior villagers, together with village cadres, decide how to lease out its chestnut land and distribute the rent. The village has a good contract for the land in terms of both financial gain and looking after the hill. Villagers there have acquired half of the rent. In Linhai, many villagers participate in decision making over leasing out its collective land and distributing the rent. The villagers' suggestions and proposals on how to consolidate and lease out the land are crucial to the success of finding the leaseholder and receiving a high rent. Meanwhile, the villagers themselves benefit much from the distribution of the rent.

²³⁸ Interviews L-25, L-34, and L-47.

Land Conflicts and Conflict Resolution

Land conflicts are quite common in rural China, as noted by other scholars (Guo 2001a; Cai 2003).²³⁹ Although there are various reasons for the conflicts, land mismanagement is an important one. In this section, I focus on the conflicts related to land mismanagement. The discussion examines whether land conflicts are relatively frequent and numerous, whether they involve violence, and whether and how they are resolved in the four villages.

Since decision making over land is dominated by the Party Secretary in Minlu, there is serious mismanagement and abuse of power, which have been analyzed in the previous two sections. Unsurprisingly, there are lots of land conflicts related to the mismanagement of land in the village. Although there is no exact number of the conflicts available, many villagers interviewed indicated that there are over two or three dozen land conflicts every year.²⁴⁰ Even the village cadre (*zhibao zhuren*), who is responsible for resolving conflicts, admits that land conflicts are frequent and numerous.²⁴¹

²³⁹ One village cadre told me that land conflicts might become the greatest of all conflicts in rural China in the next decades.

²⁴⁰ Interviews M-8, M-34, M-35, and M-60.

²⁴¹ Interview M-5.

Many of the conflicts are related to land allocation and adjustment. For example, when the Party Secretary allocated good land to his own team, some villagers in other teams protested against him. One day, several villagers were confronted with him and cursed him on the street, and the Party Secretary beat one of them. Also, since the leasing out of the fishing ponds was not transparent and fair, and the villagers whose land was expropriated could not get their compensation, quite a few conflicts occurred between the impacted villagers and the cadres, especially the Party Secretary.²⁴²

At the same time, many of the conflicts are violent. On the second day after I arrived in the village, I saw a violent, bloody land conflict between several villagers and a team head. The case was related to land adjustment. Three years ago, the villagers found job opportunities in an urban area, and returned their land to the team. They were told by the team head that they could get back their land when they returned. However, when they were later unable to find a job later and returned to the village, the team head told them that their land would not be returned in the next five years because it was leased out to two households in a neighboring village. Thus, the villagers requested that the team head make some adjustments among the team's households so that they could get some land for subsistence. Nevertheless, the team head rejected their request on the ground that the land adjustment would be too difficult and costly. When the team head lost his temper during the discussion, a bloody fight broke out.²⁴³

²⁴² Interviews M-22, M-26, and M-49.

²⁴³ Interviews M-37 and M-38.

Although one of the village cadres (*zhibao zhuren*) is responsible for mediating and resolving conflicts, including those related to land, there is no effective resolution mechanism in the village. Since many of the land conflicts are between villagers and the Party Secretary or team heads, and the cadre (*zhibao zhuren*) normally sides with the latter, the villagers are reluctant to seek his involvement. Thus, it is very difficult for the conflicts to be resolved peacefully in the village. In some cases, the villagers have no choice but to petition higher authorities through visits or letters (*xinfang*), but it is a great challenge for the villagers to win officials' sympathy except for a high-profile case.²⁴⁴

Similarly, there are a number of conflicts related to land mismanagement in Beishuai every year. Although most of the village cadres were unwilling to discuss their estimation of land conflicts, quite a few villagers indicated that they frequently saw or heard about the conflicts. Some of the conflicts involved violence, and several cases of injury were reported to the local police station.²⁴⁵

Many of the conflicts are related to land adjustment and the distribution of compensation for expropriated land in Beishuai. The cadres, together with team heads, often take advantage of land adjustment or reallocation to punish villagers who refuse to pay illegal fees and collections, violate birth-control policy, or otherwise challenge the cadres. Under these circumstances, the cadres often allocate bad land to the villagers, refuse to allocate more to them, or even take back their land, which easily leads to conflicts between the villagers and the cadres. Meanwhile, the distribution of compensation is an important

²⁴⁴ Interviews M-24, M-50, and M-72.

²⁴⁵ Interviews B-35, B-57, and B-61.

source of the conflicts. Many villagers are angry at the cadres' rejection to distribute the compensation and their failure to improve the village infrastructure.²⁴⁶

As in Minlu, there is no effective conflict-resolution arrangement in Beishuai. The cadres do not act as impartial mediators, since their own interests are, more often than not, involved in the conflicts. Some violent conflicts might draw local policemen's attention, but what they can do is nothing more than temporarily stop the violence. Although a few villagers are trying to sue local cadres in courts, the costs are prohibitive in terms of time and money. Moreover, it is extremely difficult for the villagers to win a case against the local cadres in a legal system with very limited judicial independence.²⁴⁷

In contrast with Minlu and Beishuai, Xin has fewer conflicts related to land mismanagement, although there are still a couple of cases every year. Some of them are between natural villages, and others are between villagers and cadres. Historically, the natural villages, as lineages, owned land and other kinds of property, but the collectivization of farming and reorganization of villages changed the old land boundaries in Mao's era. The dissolution of communes led to several conflicts over the land boundaries between the natural villages.²⁴⁸ At the same time, large-scale land reallocation in the two largest natural villages sometimes causes disputes between villagers and cadres, while no land adjustment in one natural village is also a reason for

²⁴⁶ Interviews B-20, B-22, B-41, and B-42.

²⁴⁷ For an excellent discussion of administrative litigation (*min gao guan*) in rural China, see O'Brien and Li (2004).

²⁴⁸ An official survey has found that conflicts arising from boundaries delineation accounted for up to 35.2 percent of all the conflicts recorded in 1988 – the second largest category (Kung 2000).

several conflicts between the team head and households that have more members but less land.²⁴⁹

Here, few of the conflicts are violent. In the past five years, there has been only one land conflict involving violence. The case was related to land reallocation in the largest natural village of Xin. One female villager was married to a man in a neighboring village, and following the custom practiced in most of rural China, moved to live in the village. It had reallocated land one month before her marriage, and she did not get her share. Thus, she requested cadres of her native village to keep her share of land until her husband's village readjusted land several years later. But the cadres rejected her request on the ground that female villagers are not regarded as members of their native village once they are married. Then, the female villager's brothers argued with the cadres, and an outbreak of violence occurred.²⁵⁰

Conflict resolution here is relatively effective, partly because lineage leaders and some senior villagers play a significant role in mediating conflicts. This has a long tradition in Xin. When a conflict breaks out, one or both parties often seek involvement of lineage leaders and senior villagers. Usually, they will meet with each party respectively, to discuss what's wrong. Then, the leaders and senior villagers will hold a meeting attended by both parties, and propose one or several resolutions. In order to persuade both parties

²⁴⁹ Interviews X-44, X-46, and X-47.

²⁵⁰ In the end, through the mediation of some lineage leaders and senior villagers, the dispute was settled by a compromise. According to the compromise, the female villager's land in her native village would be kept for two years. Interviews X-55 and X-56.

to follow their proposal(s), the leaders and senior villagers resort to various resources, including community custom and practice and local ethics.²⁵¹

Similarly, Linhai's land conflicts are relatively few. There have been only two cases in the past three years. One case was related to a land return from a villager in a team. The villager went to a city to open a business, and returned his land to the team to which he belonged. The team could not immediately find anyone who would like to lease the returned land. So, the team head required the villager to continue paying the agricultural tax until someone else leased his land, because the government collects the tax based on the quantity of land without considering whether the land is actually cultivated or not. But the villager felt that this was unfair, and refused to pay. A conflict thus broke out between the villager and the team head. The other land-conflict case concerned land boundaries between two households.²⁵²

Meanwhile, these cases did not involve violence, although one of them almost became bloody before some villagers separated the concerned parties. Many villagers indicate that they "have not seen violent land conflicts for some time."²⁵³ This can, to a large degree, be attributed to Linhai's relatively effective conflict-resolution mechanism. Here, when land conflicts happen, village cadres and/or team heads, together with several knowledgeable villagers in some cases, usually organize a meeting attended by the concerned parties and, if necessary, their family members and witnesses. Both parties talk about their viewpoints and propose resolutions at the meeting. Then, the attendants will

²⁵¹ Interviews X-63 and X-64.

²⁵² Interviews L-33, L-49, and L-67.

²⁵³ Interviews L-15, L-29, L-33, L-34, L-41, L-42, and L-54.

analyze and point out which party is wrong and which party is right. If it is not that clear-cut, they will urge the parties to reach a compromise. For example, the abovementioned conflict between the team head and the villager was resolved through a compromise, which required the village to pay half of the agricultural tax.²⁵⁴

The examination of land conflicts in the four villages indicates that, in the villages with one or a few cadres dominating, there are more violent conflicts related to land mismanagement and no effective conflict-resolution mechanism. Minlu is the worst among the four villages in terms of the number, frequency, and violence of land conflicts. Beishuai is very similar to Minlu. In contrast, Xin's land conflicts are much fewer, and most of them do not involve violence. Moreover, its conflict-resolution arrangements are relatively effective, and lineage leaders and some senior villagers play a crucial role in resolving the conflicts. Like Xin, Linhai has just a few, nonviolent land conflicts related to land management. Its conflict resolution relies on meetings attended by many relevant villagers and cadres, which functions relatively well.

Villager Evaluation of Land Allocation and Management

In the above sections, I have discussed land allocation and reallocation, leased-out or expropriated land and benefit distribution, and land conflicts. The discussion reveals how

²⁵⁴ Interviews L-20, L-44, L-45, L-56, and L-79.

land management is performed in the four villages. This section explores villagers' attitudes towards land allocation and management and whether their views vary across the villages. It is necessary to note that, since the interviewees in the villages are not randomly selected, the examination of their attitudes is not based on a statistical analysis. Thus, the examination is just an effort to provide a complement to the discussion of land allocation, land leasing, and land conflicts in earlier sections. In addition, the analysis of peasant evaluation is based on all of my interviewees in the four villages.

As expected, most of my interviewed villagers in Minlu gave a negative evaluation of land allocation. Among 120 interviewees, 62 (51.67 percent) stated that they were strongly unsatisfied with land allocation, and 42 (35.00 percent) were unsatisfied. Putting the figures together, 104 of the 112 respondents (86.67 percent) were unsatisfied or strongly unsatisfied. In the meantime, 8 villagers (6.67 percent) said that they were satisfied with land allocation, and 3 interviewees (2.50 percent) were strongly satisfied. Also, five villagers (4.16 percent) responded with "don't know."

Many of the interviewees criticize land allocation manipulated by the Party Secretary in Minlu. His handling of leasing out three fish ponds received the harshest critique from a number of villagers. They were angry at his rejection to distribute the rent. One respondent remarked with disgruntlement, "The fishing ponds can get a much higher rent, but the Party Secretary leases them out to his friends and relatives for less money. Even so, we have never got one cent of the money!"²⁵⁵ Also, numerous and violent conflicts

²⁵⁵ Interview M-58.

related to land mismanagement enraged the villagers, and they were very disappointed at the failure to provide an effective conflict-resolution mechanism in the village.

Similarly, the attitudes of most of my interviewees toward land allocation and management were negative in Beishuai. Of the 117 respondents, 63 (53.85 percent) asserted that they were unsatisfied with land allocation and management, and 32 (27.35 percent) were strongly unsatisfied. Meanwhile, 15 interviewed villagers (12.82 percent) said that they were satisfied, and 4 interviewees (3.42 percent) expressed their strong satisfaction. Three villagers (2.56 percent) responded with the answer of “don’t know.”

Many interviewees were angry at the cadres’ maneuvering of land allocation and adjustment. They suggested that the cadres were relatively richer, partly because they took advantage of land allocation and adjustment to enrich themselves at the cost of the villagers. The respondents were most critical of the cadres’ handling of the distribution/non-distribution of the rent and the compensation for leased-out and expropriated land. In particular, they were very afraid that a large amount of the compensation is appropriated by the cadres. As one villager said, “We cannot trust the cadres. If the money is in their hands, it will sooner or later go into their pockets. This has happened again and again. The safest choice is to distribute the money among villagers.”²⁵⁶

In contrast, most of the interviewed villagers gave a positive evaluation of land allocation and management in Xin. Of the 119 interviewees (61.34 percent), 73 indicated that they

²⁵⁶ Interview B-64.

were satisfied with land allocation and management, and 13 villagers (10.92 percent) insisted on their strong satisfaction. In the meantime, 20 respondents (16.82 percent) showed that they were unsatisfied with land allocation and management, while 7 interviewees (5.88 percent) disclosed their strong dissatisfaction. In addition, 6 villagers (5.04 percent) gave a “don’t know” response.

Many of the interviewees think that land allocation and reallocation are fair and take into account villagers’ interests. Although a few villagers do not like the grand land reallocation of every five years, they do not know whether there is a better alternative that deals with the demographic change and population pressure. The interviewees also expressed their satisfaction with the handling of leasing out the chestnut land and the distribution of the rent. They think both the leaseholder and the village benefit much from the lease. Further, the villagers think highly of their conflict-resolution mechanism and the role that lineage leaders and some senior villagers play in resolving conflicts. In the villagers’ view, the mechanism is effective in most cases, which is crucial for the relatively peaceful village life in Xin.

Similarly, most interviewees’ attitudes toward land allocation and management were positive in Linhai. Among the 115 respondents, 71 (61.74 percent) maintained that they were satisfied with land allocation and management, and 21 (18.26 percent) said that they were strongly satisfied. Nevertheless, 17 villagers (14.78 percent) claimed that they were unsatisfied, and 6 interviewees (5.22 percent) expressed their strong dissatisfaction.

Many of the interviewed villagers praised land allocation. A few respondents suggest that the village should not reallocate land, since the reallocation influences their investment in land. Meanwhile, the villagers were content with the process of leasing out the returned land and the distribution of the rent. In their eyes, the process is transparent and competitive, and provides a good example for leasing out more land in the future.

This section analyzed villager evaluation of land allocation and management in the four villages. It demonstrated that villagers' attitudes differ in the communities, and the differences are closely related to their performance in allocating and managing land. Minlu has the worst performance in terms of land allocation and management, and correspondingly, villager evaluation is most negative there, with 86.67 percent of the 120 interviewees expressing their strong dissatisfaction or dissatisfaction. Beishuai's performance is also relatively worse among the four cases. Villager evaluation is negative there, although a slightly lower percentage (81.20 percent) of the 117 respondents disclosed their dissatisfaction or strong dissatisfaction. Nevertheless, villager evaluation is positive overall in both Xin and Linhai, whose performance in land allocation and management is much better than Minlu and Beishuai. In Xin, 72.26 percent of the interviewees are satisfied or strongly satisfied, while 80.00 percent of the respondents voiced their satisfaction or strong satisfaction in Linhai (see Table 6.1 for the comparisons of villager evaluation of land allocation in the four villages).

Table 6.1 Villager Evaluation of Land Allocation in the Four Villages

<i>Villager Evaluation</i>	<i>Minlu</i>	<i>Beishuai</i>	<i>Xin</i>	<i>Linhai</i>
Total Number of Interviewees	120	117	119	115
Strongly Satisfied (Percent)	3 (2.50%)	4 (3.42%)	13 (10.92%)	21 (18.26%)
Satisfied (Percent)	8 (6.67%)	15 (12.82%)	73 (61.34%)	71 (61.74%)
Unsatisfied (Percent)	42 (35.00%)	63 (53.85%)	20 (16.82%)	17 (14.78%)
Strongly Unsatisfied (Percent)	62 (51.67%)	32 (27.35%)	7 (5.88%)	6 (5.22%)
Don't Know (Percent)	5 (4.16%)	3 (2.56%)	6 (5.04%)	0 (0.00%)

Conclusion

This chapter explored how land is allocated and managed in the four villages, including land allocation and reallocation, the process of leasing out land and benefit distribution, land conflicts and resolution, and peasant evaluation. It finds that all of these aspects vary across the villages. In the villages with cadres dominating, land tends to be mismanaged. Specifically, land is allocated and reallocated to the cadres' advantage; land is leased out to those winning the cadres' favor, and the villagers benefit little from the leased-out or expropriated land; there are many violent conflicts, and no effective resolution mechanism. In contrast, in the villages with some or many villagers participating in

decision making, land management is better. Land is allocated and adjusted in a balanced way, and villagers obtain both high-quality and low-quality land; the process of leasing out land is more transparent, and villagers receive much of the rent; there are fewer, nonviolent land conflicts, and they are more effectively resolved.

Minlu has the worst performance in terms of land allocation and management among the four villages. Its cadres, especially the Party Secretary, obtain better land at the cost of other villagers' interests through the manipulation of land allocation. He controls the process of leasing out collective land, and shows favoritism to his relatives and friends. Thus, one of his friends gets the lease for three fishing ponds at a low price, although other villagers would be willing to pay more. Also, the Party Secretary declines to distribute the rent among the villagers. Meanwhile, the mismanagement of land brings about plenty of violent conflicts between the villagers and the cadres, especially the Party Secretary, and there is no effective conflict-resolution mechanism. As expected, most interviewees were strongly unsatisfied with land management in Minlu.

Beishuai is similar to Minlu in terms of land allocation and management. Here, the cadres take advantage of land allocation and adjustment to enrich themselves, too. They often use the adjustment to punish villagers who do not follow them or government policy. Although the cadres lease out land at a market price, they distribute only a small part of the rent among villagers. At the same time, the cadres control a large amount of compensation for expropriated land, and decline to distribute it among the villagers. These lead to a number of violent land conflicts between the cadres and the villagers, and

as in Minlu, the village does not have an effective conflict-resolution arrangement. In addition, the villagers' evaluation of land management is also negative in Beishuai.

In contrast, Xin has a different story in terms of land allocation and management. Here, lineage leaders and some senior villagers play some role in allocating and managing land. They, together with village cadres, undertake land allocation and reallocation in a balanced way, and villagers obtain both high- and low-quality land. The process of leasing out the chestnut land is more transparent under the supervision of lineage leaders, and half of the rent is distributed among the villagers. Further, there is much fewer land conflicts related to land management in Xin, and the conflict-resolution mechanism relying on lineage leaders is more effective. The villagers' attitudes toward land management are relatively positive in Xin.

Linhai's land allocation and management is the best among the four villages. Many villagers participate in the process of managing land in one way or another, although cadres usually take the lead in organizing meetings and discussions. The participation of the villagers contributes to fair land allocation and adjustment. They provide suggestions for leasing out the returned land, which greatly benefits the village. Moreover, most of the rent is distributed among the villagers. Thus, the village has few land conflicts, and its resolution arrangement is relatively effective. As in Xin, the villagers of Linhai give a positive evaluation of land allocation and management (see Table 6.2 for the comparisons of land allocation and management in the four villages).

Table 6.2 Comparisons of Land Allocation and Management in the Four Villages

<i>Village Name</i>	<i>Per Capita Land (mu)</i>	<i>Land Allocation and Reallocation</i>	<i>Benefit (from Leased-out or Expropriated Land) Distributed among Villagers</i>	<i>Land Conflicts/ Conflict Resolution</i>	<i>Evaluation of Most Interviewees (Percentage of the Total Number)</i>
Minlu Village	2.0	Village cadres, especially the Party Secretary, obtain better land.	Little	Many, frequent, and violent/ Ineffective	Strongly Unsatisfied or Unsatisfied (86.67%)
Beishuai Village	1.3	Village cadres obtain better land.	A small part	Many, frequent, and violent/ Ineffective	Strongly Unsatisfied or Unsatisfied (81.20%)
Xin Village	1.5	Villagers and cadres obtain both good and bad land.	About half	A few and nonviolent/Effective	Satisfied or Strongly Satisfied (72.26%)
Linhai Village	0.5	Villagers and cadres obtain both good and bad land.	Most	A few and nonviolent/Effective	Satisfied or Strongly Satisfied (80.00%)

The findings of this project show that there is enormous diversity in land allocation and management in the four villages. Despite the fact that the land is collectively owned in all of the communities, the specific arrangements for land allocation and reallocation, land leasing, and distribution of benefits from land expropriated differ across the villages. For instance, land reallocation is undertaken by each team in Minlu, and the reallocation involves only those households with demographic changes. The frequency of reallocation

differs across the teams, from every year to every three years. Nevertheless, in Beishuai, land was reallocated every three years by each team before 2000, and thereafter, land reallocation will be engaged in once in every ten years. In Xin, the two largest hamlets (lineages) completely reallocate their land every five years, which involves changing the land size and land location of all of the households in the hamlets. Four other hamlets reallocate their land every two or three years, involving only those households with demographic changes. The remainder of the hamlets has never reallocated its land. Finally, since the early 1990s, Linhai has stopped reallocating its land.

The diversity in land allocation in the four cases provides some support for other scholars' findings. A survey of 215 villages in the mid-1990s indicated that land was reallocated once in 25 percent of the villages and twice in 20 percent of the villages between 1983 and 1995, whereas in 28 percent of the villages, land had never been reallocated during that time. Also, a small number of the villages reallocated their land every year (Brandt, Huang, Li, and Rozelle 2002). Another survey of 83 villages in four provinces in the 1990s revealed the significant variation in land reallocation across counties and even villages. Sixty-five percent of the villages reallocated land at least once since the introduction of the household responsibility system. In one county, only one village reallocated land, while in the two other counties, all the villages reallocated land. In one county of Jiangxi, one village had never reallocated land, while another village in the same county had reallocated land six times from 1984 to 1993 (Krusekopf 2002). These surveys, together with this study, illustrate that, despite the uniform collective ownership, land arrangements are immensely diverse in rural China. Many villages,

including the four in this project, do not follow the requirement of the 30-year land contract, and they reallocate their land as frequently as once a year. In fact, the diverse local practices and arrangements render the national land policy at least partly useless. This implies that policymakers need to take into account local conditions when engaging in reforms of the land system.

At the same time, the findings of this study suggest that villager participation is crucial for fair land allocation and reallocation, transparent process of land leasing, and distribution of benefits from land expropriated. Without peasant participation and peasants' supervision over the village cadres' power, the cadres take advantage of the collective ownership of land to enrich themselves and those in their favor at other villagers' cost, as we have seen in both Minlu and Beishuai. The cadres allocate better land to their own families, lease out land to their friends or relatives, and decline to distribute rents or compensations among villagers, which are responsible for many conflicts, especially between the cadres and the villagers. Nevertheless, with some or many villagers' participation, land is allocated fairer, land leasing is more transparent, and rents and compensations are distributed among the villagers. We have seen these practices in Xin and Linhai. In these two villages, villager participation becomes a mechanism of checking the cadres' power, and thus the villagers' interests are taken into account. Although institutional weaknesses of the collective ownership of land provide the cadres opportunities to control land, villager participation, to some degree, mitigates the problem, since the participation helps enhance transparency of land allocation and management.

In addition, the next chapter is going to examine another type of public service – fiscal management in the four villages. The analysis deals with how much the villages collect from villagers, whether fiscal records are kept and publicized, how much the villages spend irresponsibly, whether the villages have debts, and how villagers evaluate fiscal management.

Chapter Seven Fees, Peasant Burdens, and Fiscal Management in the Villages

Introduction

In rural China, peasants' fiscal burdens have become one of the most perplexing problems over the past two decades. Although agriculture and farming are close to a subsistence level in many rural areas, peasants are required to pay various taxes and fees.²⁵⁷ Although they vary across regions and even villages, the taxes and fees imposed on peasants can be classified under four types: 1) To the central government: agricultural tax (*nongye shui*), tax for the occupied arable land (*gengdi zhanyong shui*),²⁵⁸ special agricultural and forest products tax (*nonglin techan shui*), and animal slaughter tax (*tuzai shui*); 2) To the township government: five *tongchou* (unified levies), including fees for education supplement (*jiaoyufei fujia*), social help (*youfu fei*), family planning (*jihua shengyu fei*), road construction (*daolu jianshe fei*), and militia exercise (*minbing xunlian*

²⁵⁷ Even so, peasants, unlike urban residents, enjoy few welfare benefits, including medical services, pensions, and others. For discussions of the Chinese social welfare system and its reforms, see Wong (1994), Selden and You (1997), and Croll (1999).

²⁵⁸ The tax is levied on those individuals or units who use arable land for building houses or other nonagricultural purposes.

fei); 3) To the village:²⁵⁹ three *tiliu* (contributions), including public accumulation fund (*gongjijin*),²⁶⁰ public welfare fund (*gongyijin*),²⁶¹ and administrative fee (*guanlifei*),²⁶² and 4) Others: various raised funds (*jizi*) and apportionments (*tanpai*) imposed by local governments or village cadres²⁶³ (Li 2003; Yep 2004).

These taxes and fees often put peasants into financial difficulties, although they benefit little from the collections in many cases. They usually have to pay 10 percent or higher of their limited income for the taxes and fees. For instance, in 1991, peasants in a village of Jiangxi province had to pay 53.45 *yuan* per capita for taxes and fees, amounting to 13.3 percent of their 400-*yuan* per capita income. Among the 53.35 *yuan*, local levies were 36.6 *yuan*, which was 9.9 percent of *per capita* income of peasants (Gao 1999, 191). A recent study shows that villagers paid 292 *yuan* per capita for various taxes and fees in a village of Hubei in 1997, and the amount was equal to 18.6 percent of per capita peasant income of the previous year (Li 2003).²⁶⁴

²⁵⁹ This part is collected by the township government first and then partly or completely returned to villages in many rural areas.

²⁶⁰ The fund is intended to develop the village-level economy, such as undertaking agricultural or hydraulic works, afforestation, purchasing productive fixed assets, opening village enterprises (if any), etc.

²⁶¹ This fund is intended to provide some welfare services, such as supporting “five protected families” (*wu baohu*), subsidies for families in great difficulty, cooperative health, and others.

²⁶² The fee is mainly for remuneration of village cadres and other administrative expenses.

²⁶³ This last category includes different items in different rural areas or even villages, and it constitutes the part of the peasant burden that is most frequently referred to and criticized. In some places, the number of the items reaches as high as more than 100. Li (2003) finds that the category includes ten items in one village, such as contribution for the construction or restoration of schools, preventive medicine, corvées converted into money (*yizidailao*), common production fee, territorial development, grains quota collection, etc.

²⁶⁴ Another study shows that agricultural taxes and various charges imposed on peasants were over three hundred *yuan* per capita, which was 39 percent of household agricultural net income (Taubmann 1998, 56-57).

A big part of peasants' fiscal burdens is various fees imposed by local officials and village cadres, and these fees constitute one of the major sources of extra-budgetary revenue in China's fiscal scheme. In 1996, the total extra-budgetary revenue was 389.334 billion *yuan*, while the total budgetary revenue was only 740.799 billion *yuan*. The former amounted to over one-half of the latter. Even after several fiscal reforms, the extra-budgetary revenue was still 382.643 billion *yuan* in 2000. Of the extra-budgetary revenue, one item called "revenue from fund-raising programs of township governments" (*xiangzhen zichou tongchou zijin*) reached 40.334 billion *yuan*.²⁶⁵ To a large degree, local governments rely on the extra-budgetary revenue or non-tax levies for implementing the mandates of the center. The collection of the fees, however, is often chaotic, non-transparent, and on an ad hoc basis, which aggravates peasant burdens and thus leads to rural tensions and conflicts (Wong 1997; Lü 1997; Deng and Smyth 2000; Bernstein and Lü 2003; Johnson 2004).²⁶⁶

In order to tackle the problem, the central government launched a tax-for-fee (*feigaishui*) reform a few years ago. It was intended to remove various local informal fees through increasing the rates of formal agricultural taxes and thus to prevent arbitrary charges by local governments and village cadres.²⁶⁷ But the reform has been unable to deal with the problem of excessive fiscal predation by local officials and cadres (Yep 2004; Tao et al. 2004). The problem of peasant burdens is a result of the systematic institutional

²⁶⁵ *China Statistical Yearbook 2003*.

²⁶⁶ Another important reason for the aggravation of peasant burdens is local cadres' manipulation of statistics on peasant income. Exaggeration of rural income is regarded as one stone killing two birds – enhancing government performance and optimizing government extraction of fees. The direct victims are peasants. When officials are promoted because of exaggerated rural income, peasant burdens become aggravated (Cai 2000; Guo 2001b).

²⁶⁷ By 1997, the total number of surcharges and fees with official approvals had reached 6,800. See *Zhongguo caijing bao* (China Financial News), April 7, 1999. Cited in Yep (2004).

discrimination against peasants and the consequent deficit in financing rural governance.²⁶⁸ In fact, the solution requires some significant structural changes and peasants' control and supervision over local officials and cadres' collection of fees and use of public funds (Li 2003; Bernstein and Lü 2003; Yep 2004).

Thus, peasant participation in village decision making might provide a viable way to cope with the problem of very high levies and peasant burdens.²⁶⁹ Although villages do not have legal authority to tax peasants in China,²⁷⁰ they do collect various fees for providing some public goods and services discussed in earlier chapters, such as school construction, road maintenance, and water. The issues are how much the villages collect from peasants

²⁶⁸ Peasant burdens are a perennial problem in Chinese history, and the tax-for-fee reform had its origin at least one thousand years ago. In the Tang dynasty, the emperor implemented the "two-tax reform" (*liangshui fa*), which was intended to remove informal charges by collecting only two types of taxes (land tax and poll tax). Later, the Ming dynasty introduced a "one-whip rule" (*yitiaobian fa*) to unite land tax, poll tax, and informal taxes into one formal tax. In 1712, the Qing dynasty invented a new tax rule called "converting poll tax to land tax and no additional taxes any more" (*tandi rumu, yongbu jiafu*). However, all of these tax reforms failed to achieve its goal, and the problem of peasant burdens was like a vicious cycle. This was called "Huang Zongxi Law," and the name is after a famous Confucian scholar in the Qing dynasty, who pointed out the lingering problem three centuries ago (Qin 2001; Tao et al. 2004).

²⁶⁹ Some recent studies on experiments of participatory budgeting in municipal areas of Brazil, other Latin American countries, and Europe indicate that local citizens' participation in decision making over the use and allocation of financial resources and public investments in municipal public goods and services helps enhance budgeting transparency and accountability, decreases budget deficit and debt, promotes responsiveness of local governments, fosters trust between citizens and officials, and improve service delivery (Bretas 1996; Souza 2001; Navarro 2002; Teivainen 2002; Cabannes 2004; Koonings 2004; Wampler 2004). It is estimated that around 250 cities are currently applying participatory budgeting, and the majority of them are in Brazil, where it has origin in Porto Alegre. New initiatives are flourishing in Peru, Ecuador, Colombia, and some cities in Spain, France, and Germany (Cabannes 2004). Similar to participatory budgeting, in the north Indian State of Rajasthan, a grassroots association called Mazdoor Kisan Shakti Sangathan organizes public hearings of detailed accounts and official expenditure records, and these meetings are aimed at informing villagers of public spending. The meetings help local people know whether there are inconsistencies or corruption involved in the spending, and misappropriation of public funds and fraud of accounts are found in several villages. Some citizens find that they are beneficiaries of anti-poverty programs, although they have never received payment (Jenkins and Goetz 1999). In Kenya, an academic institution organizes some public meetings to provide inputs to the budgetary process, and a wide range of stakeholders attend the meetings to voice their opinions (Osmani 2002). In addition, Ebdon and Franklin's (2004) study on citizen participation in the budget process in two Kansas cities shows that their participation helps communicate spending preferences between citizens and officials, educate citizens about resource needs and limitations, and allows greater opportunities for citizens to be heard, although they find that citizen input has little effect on budget decisions.

²⁷⁰ But villages are often required to help local governments collect official taxes and other charges.

and how the village funds are used and managed, which are closely related to peasant burdens, at least at the village level.

This chapter is an effort to explore these issues to see whether, and how, peasant participation influences fiscal management in the four villages in rural China. The discussion focuses on how much per capita collection is imposed by the villages,²⁷¹ whether fiscal records are kept and regularly publicized, whether there are lots of irresponsible spending,²⁷² whether the villages have debts, and peasant evaluation of these issues. The analysis is aimed to show that in the villages with less peasant participation in decision making, their fiscal management is relatively worse in terms of per capita collection, fiscal records, irresponsible spending, and village debts. In contrast, fiscal management is relatively better in the villages with more peasant participation.

Per Capita Collection of Fees

Village communities rely on the collection of fees from their members to provide some public goods and services. The first thing is to decide how much to collect from each member. One important factor related to the amount of collection is who make decisions over the issue. If one or a few leaders dominate the decision-making process in a village,

²⁷¹ My discussion of the fees in this chapter is limited to those collected by the villages and does not include the fees and taxes imposed by the central and local governments.

²⁷² By “irresponsible spending,” I mean the spending on social eating by village cadres, visiting and sending gifts to township or higher-level officials, and showy projects that do little to benefit the peasants.

it is more likely to collect relatively more but provide less and worse goods and services in terms of quantity and quality. Nevertheless, if some or many villagers participate in decision making, the village is more likely to collect relatively less but provide more and better goods and services.

Minlu is a village where its Party Secretary dominates decision making over public affairs. In most cases, he himself decides what types of fees and their amount to collect from the villagers. Then, he informs other village cadres and team heads of his decisions, and urges them to work hard to collect the fees as soon as possible. Following the instructions of the Party Secretary, the team heads announce the decisions to their team members. At the same time, the Party Secretary makes the same announcement to all villagers through his loudspeaker, and simply warns them of paying the fees early in most cases.²⁷³

The major task of collecting the fees is often on the team heads' shoulders. They go to every household to collect the money by using whatever tactics and strategies to persuade or even threaten villagers to pay on time. If a household refuses to pay, the team heads, together with the village cadres in some cases, will visit the household repeatedly. To be sure, the task is very difficult in many cases, since villagers are reluctant to pay when they do not know how their money is being spent. In fact, it is not uncommon for the cadres to take grains or other belongings by force from those who steadfastly refuse to pay.²⁷⁴ The villagers dislike seeing the Party Secretary and other cadres, because the

²⁷³ Interviews M-3, M-4, M-19, and M-44.

²⁷⁴ Interviews M-27, M-36, and M-68.

villagers know that, when the cadres are present, they will always “ask for money (*yao qian*), ask for grain (*yao liang*), and ask for lives (*yao ming*).”²⁷⁵

Although the types of the fees change from year to year, they mainly include fees for road repairs, school maintenance, electricity equipment (poles and transformers), and the cadres’ salaries and allowances. The amounts of the fees also change annually. In this chapter, I calculate the annual average collection per capita based on the amounts of the fees in the past five years in order to make the comparison with other villages meaningful. It is necessary to note that the fees included in my calculation are only those levied by the village and do not include the fees and taxes imposed by the central and local governments.

According to the interviewed villagers, the annual average collection of fees is 217 *yuan* per capita in Minlu.²⁷⁶ It is about 8.35 percent of villagers’ per capita income, which is 2,600 *yuan*. The collection is a substantial burden for villagers, especially when we take into account the fact that the number includes only the fees charged by the village. The heavy burden is similar to the situation identified in Li’s (2003) study on a village also located in Hubei. In this village, peasants each had to pay 292 *yuan* for various taxes and fees in 1996, which is nearly 20 percent of their per capita income.

²⁷⁵ “Ask for lives (*yao ming*)” is related to the family planning policy. Village cadres, together with township officials, frequently visit households with childbearing-age women to ask them to do routine checks of pregnancy. If the women are illegally pregnant, they are often required to abort.

²⁷⁶ Interviews M-16, M-42, M-43, M-77, M-85, M-86, M-90, and M-98.

In Beishuai, village decision making over collection of fees is controlled by several cadres. Although each of them might propose a fee, they usually decide together whether a fee is collected and its amount at a meeting. After they make the decisions, they will call team heads together to discuss the difficulties and strategies of collecting the money. Then, the team heads will notify their members of the fee by visiting household by household or holding a meeting attended by household heads, and will urge the villagers to pay sooner rather than later. If some villagers are unwilling to pay, as in Minlu, the heads will use the “carrot and stick” approach to press them to do so. For instance, the heads might promise to reallocate better land to those who pay and worse land to those who do not. The heads, together with the cadres, can also take advantage of the birth-control policy or other policies to punish the villagers who reject to pay the fee.²⁷⁷ As one respondent said, “We know some fees are unreasonable or illegal, but we have no choice but to pay, because village cadres have plenty of measures to punish us. They can take our land, take our oxen, and even storm our houses! You understand the costs.”²⁷⁸

The fees imposed on villagers in Beishuai mainly include those for road and school maintenance, tap-water system maintenance, cadres’ salaries and subsidies, and administrative spending, especially office materials such as desks, chairs, paper, and pens. As in Minlu, the amounts of the fees change annually. Over the past five years, every villager paid an annual average of 185 *yuan*. The number is lower than that in Minlu, and is around 6.85 percent of per capita income, that is, 2,700 *yuan*.²⁷⁹ One reason for the lower amount of per capita collection is that Beishuai has received a large amount of

²⁷⁷ Interviews B-2, B-15, B-18, B-41, and B-78.

²⁷⁸ Interview B-32.

²⁷⁹ Interviews B-10, B-11, B-23, and B-57.

compensation for its expropriated land from the local government and has not distributed the money among villagers. Thus, the village cadres are often faced with complaints and even protests from many villagers when they attempt to impose the fees.²⁸⁰

Xin village has a different story in terms of collecting fees from peasants. Here, lineage leaders and some senior villagers play an important role in deciding fee collection and checking the extractive power of village cadres in some cases. Traditionally, lineage leaders and local gentry were responsible for collecting fees in order to provide some public goods and services in imperial China. Their collection criteria often took into account the wealth of a peasant household and exempted those poor households from part, or all, of the fees. In fact, in some cases, the relatively wealthy lineage and gentry leaders themselves funded some public goods and services, such as bridges, roads, and irrigation systems.²⁸¹

The influences of this tradition are still felt today. First, lineage leaders and some senior villagers participate in decision making over fee collection. When village cadres intend to impose a fee on villagers for providing a good or service, they will, at first, talk informally with or hold a meeting attended by the lineage leaders and senior villagers. After some discussions, the cadres take into account the lineage leaders and senior villagers' suggestions and concerns to decide whether a fee will be collected and its amount. Second, when a fee is proposed and collected, especially when its amount is relatively large, the lineage leaders and senior villagers often urge the cadres to consider

²⁸⁰ Interviews B-35 and B-36.

²⁸¹ Interviews X-26 and X-27.

those very poor households. The households are usually accommodated in several ways, such as making the payment by providing labor or grains instead of paying cash, and being exempted partly or completely from the fee.²⁸²

Similarly, fees that Xin collects from villagers are mainly those for road and school repairs, reservoir maintenance, cadres' salaries, and administrative expenses (mainly office supplies). Also, the amounts of the fees change annually. Based on the calculation of the amounts of the fees over the past five years, per capita collection is 133 *yuan* every year, which is 5.32 percent of per capita income – 2,500 *yuan*.²⁸³ The collection is lower than that in both Minlu and Beishuai, in terms of both absolute amount and percentage of per capita income.

In Linhai, many villagers participate in decision making over fee collection, although it is village cadres who propose the collection of fees and their amounts. When the cadres feel it is necessary to collect a fee, they usually organize a public meeting attended by villagers to discuss whether the fee is to be collected and its amount. If many villagers are against the fee or its amount, the cadres usually revise their proposal based on the villagers' suggestions. Then, the cadres might organize another meeting or ask each team's head to hold team meetings to talk about the revised plan. In some cases, the cadres have to drop their plan if quite a few villagers protest against it. For instance, after the village constructed its cement road several years ago, the cadres proposed a fee that was intended to be imposed on those households owning motor-driven vehicles. Almost

²⁸² Interviews X-27, X-30, and X-33.

²⁸³ Interviews X-6, X-11, X-40, and X-61.

all of the households were against the fee,²⁸⁴ and argued that more and more households would be purchasing the vehicles. In the end, the cadres gave up the fee.²⁸⁵

As in other villages, villagers in Linhai pay fees for road and school maintenance, tap-water system, cadres' salaries and subsidies, and other administrative expenses. The amounts of the fees vary from year to year. Over the past five years, every villager has paid an annual average of 238 *yuan* for the fees, which is equal to 6.80 percent of per capita income of the villagers (3,500 *yuan*).²⁸⁶ Although the average amount of the collection (238 *yuan*) is the highest among the four villages, its percentage of per capita income of villagers is lower than that in both Minlu (8.35 percent) and Beishuai (6.85 percent). Only Xin's collection percentage of per capita income (5.32 percent) is lower than Linhai's.

After we figure out the amounts of collections and their percentages of per capita income in the four villages, let us turn to the quantity and quality of their public goods and services. According to our discussions on roads, education, and land allocations in the past three chapters, we know that, among the four villages, road conditions and maintenance and school facilities are worst in Minlu. Its land allocation and reallocation benefit the village cadres the most, especially the Party Secretary, and lead to many violent conflicts between villagers and the cadres. Beishuai's roads and school are somewhat better than Minlu, and land allocation and adjustment are also to the village cadres' advantage and bring about some conflicts. Most aspects of Xin's road and school

²⁸⁴ At that time, over one third of all households in the village owned motor-driven vehicles.

²⁸⁵ Interviews L-2, L-3, L-28, L-33, L-57, and L-89.

²⁸⁶ Interviews L-14, L-46, L-49, and L-77.

conditions are as good as, or better than, those of both Minlu's and Beishuai's, although per capita collection is lowest in Xin among the four villages. Also, Xin's land allocations and adjustments, to a large degree, take into account villagers' interests and thus give rise to fewer conflicts between the villagers and village cadres. Linhai's road and school conditions are the best among the villages, while its collection percentage of per capita income is lower than both Minlu and Beishuai. Moreover, land allocations and adjustments are consistent with villagers' interests in Linhai, and thus there are few land conflicts.

Some might suggest that Minlu and Beishuai spend some, or much, of their money in providing other public goods and services than roads, schools, and land allocations and adjustments. However, these two villages, in fact, spend little in providing other goods and services. In the case of Minlu, besides roads, schools, and land allocations, the only other public good on which the village spends a noticeable amount of money is electricity equipment, such as wires, poles, and transformers. All of these cost the village about 5,000 *yuan* every year, which is not more than 1 percent of the total amount of its annual collections (564,200 *yuan*).²⁸⁷ As for Beishuai, its other important public good – other than roads, schools, and land allocations – is their tap-water system. The village annually spends about 6,000 *yuan* in maintaining the system and purchasing some equipment (water pipes, etc.), but the spending is only 2.37 percent of the village's annual total amount of the fees (253,450 *yuan*).²⁸⁸

²⁸⁷ Interviews M-39 and M-42.

²⁸⁸ Interviews B-25, B-26, and B-57.

The above discussion and the earlier chapters indicate that, in the villages with one or a few cadres dominating decision making, more money is collected from villagers but worse public goods and services are provided. Moreover, they do not provide more goods and services than the other villages. Minlu is the worst case among the four villages, and Beishuai is a little better than Minlu. In contrast, the villages with some or many villagers participating in decision making collect less money from their villagers while providing better public goods and services. Xin and Linhai are such kinds of cases, and Linhai performs best among the four villages.

Fiscal Records in the Four Villages

After the villages collect the fees from villagers, one of the important issues related to fiscal management is whether the villages keep and publicize their fiscal records, detailing the incomes and spendings of the villages. If village cadres dominate public decision making in a village, they are less likely to keep and publicize the records, since the cadres have no incentive to keep villagers informed about the village's fiscal situation. If some or many villagers participate in decision making in a village, it is more likely for the village to keep and publicize its fiscal records, because it is consistent with the villagers' interests.

With the Party Secretary dominating, Minlu keeps only a few fiscal records. Most of the large-amount incomes and expenditures are either not recorded or their records have been discarded. As Bernstein and Lü (2003, 114) note, “Bookkeeping was often chaotic” in many villages. Although there is a Village Accountant in Minlu, who is responsible for keeping fiscal records, he is subordinate to the Party Secretary. The reason is that the Accountant is chosen and appointed by the Secretary. Without detailed records, it is very difficult or impossible for villagers to know the village’s exact incomes and expenditures.²⁸⁹

At the same time, the village has never publicized its limited fiscal records. Although the village occasionally makes the number of each household’s children public under the high-profile birth-control policy, it fails to disclose fiscal information to villagers. It is true that a few laws and regulations require villages to regularly publicize fiscal records related to important incomes and expenditures,²⁹⁰ but the village has never followed and implemented the policy. Instead, its cadres, especially the Party Secretary, control the records tightly, and keep them from the villagers.²⁹¹

Similarly, Beishuai keeps only a small number of its fiscal records. Among these, most are about the village’s incomes, and few of them detail expenditures. Some of them are just numbers written on a piece of paper, and no date and other specifics are provided.

Although the village’s Accountant is supposed to keep the records, other cadres are, from

²⁸⁹ Interviews M-2, M-4, M-22, and M-45.

²⁹⁰ Article 22 of the Organic Law on Villagers’ Committee provides that the important public affairs involving fiscal issues should be publicized at least every six months.

²⁹¹ Interviews M-17, M-18, and M-51.

time to time, involved in writing the records and even take the records to their own homes. No wonder that the Accountant often has difficulty figuring out where the records are located.²⁹² Every cadre pays close attention to public money, although they do not care about whether their records are complete, clear, or well-documented.

Also, the village rarely makes its fiscal records public. According to some villagers, the village has publicized only part of the records once over the past five years. The case was related to compensations from expropriated land. When the village received the first portion of the compensations from the local government, the cadres were reluctant to disclose it. After several villagers obtained some information related to the compensation from a township official, they, together with other villagers, pressed the cadres to publicize the money the village received.²⁹³

In contrast to Minlu and Beishuai, Xin keeps quite a few fiscal records, and most of them record large sums of village incomes and expenditures. The Village Accountant is mainly responsible for keeping the records, although other cadres help him make the records clearer and more readable in some cases. The accountant has only three years of formal education, but he has over twenty years of accounting experience and is very familiar with the fiscal matters of the village.²⁹⁴

Xin publicizes its fiscal records once every year, usually before the end of the lunar New Year. The method is to write down the most important items of incomes and expenditures

²⁹² Interviews B-1, B-20, and B-44.

²⁹³ Interviews B-33, B-34, B-35, and B-48.

²⁹⁴ Interviews X-4, X-14, and X-66.

on a blackboard so that the villagers can read them. Although some elderly people are illiterate, most young villagers are able to read the records. Meanwhile, if some lineage leaders and senior villagers want to read the records during the time when they are not publicized, the leaders and villagers can request the cadres to do so.²⁹⁵

Linhai keeps most of its fiscal records, although some of them, especially those small expenditures, are not detailed. For instance, the records often use “administrative expenses” to denote various kinds of spending, from purchases of office supplies to traveling costs, but the records do not specify what items the money is spent on and how much each of them cost. Several team heads have urged the Village Accountant to improve the records by detailing and elaborating every small item.²⁹⁶ But, generally speaking, the village’s fiscal records are better than the other three villages in terms of their completeness and clearness.

Further, Linhai publicizes its fiscal records twice every year, once in June and the other in December of the lunar calendar. As in Xin, the method is to write down the most important incomes and expenditures on a blackboard, which is the responsibility of the Village Accountant. At the same time, if villagers have questions about the records after they are put on the board, they can ask the Accountant to give an answer or read more detailed account books. If many villagers have problems with the records, the village

²⁹⁵ Interviews X-4, X-14, X-82, and X-83.

²⁹⁶ Interviews L-13, L-29, and L-55.

cadres usually organize a meeting to discuss the relevant issues and provide explanations.²⁹⁷

This section examined whether the four villages kept and publicized their fiscal records. It reveals that the villages with one or a few cadres dominating the decision making perform worse in terms of keeping and publicizing their fiscal records. Minlu keeps very few records and has never made them public. It is the worst among the four villages. Beishuai does a little better than Minlu in terms of keeping the records, but it does not publicize them regularly, either. With some or many villagers participating in decision making, the other two villages have better performance in terms of keeping and publicizing their records. Xin keeps many of its fiscal records and makes them public once every year, while Linhai performs best among the four villages.

Irresponsible Spending and Fiscal Management

How the villages spend the money they collect from villagers is the key to measuring the performance of fiscal management. This is the most difficult part to elaborate, however, because of the limited data. In previous chapters, I discussed the spending on roads and education. Here, I focus first on the “irresponsible spending.” Then I put the various kinds of spending together to see how much the villages spend on each item. By

²⁹⁷ Interviews L-47, L-48, L-62, and L-87.

“irresponsible spending,” I mean the public expenses on social eating and drinking, gift sending, excessive salaries and allowances for village cadres, and showy or unbeneficial projects.²⁹⁸ In some cases, village cadres spend public money on personal purchases. As Lily Tsai (2002) finds in one village, nine village cadres each “eat up” 8000-9000 *yuan* a year in public funds for personal purchases such as sugar and wood.

The “irresponsible spending” often involves huge amounts of public money. In 1996, for instance, Liaoning province, after the annual audit of village finances, discovered 119.2 million *yuan* worth of public funds spent in violation of financial regulations. Of this amount, 1.3 million *yuan* was involved in 199 corruption cases. Also, according to an audit of rural public finance in 13 villages, nearly half of the village cadres embezzled public funds (Bernstein and Lü 2003, 114).

Now, I will examine the practices of “irresponsible spending” in the four villages of this project. With the Party Secretary dominating decision making, Minlu’s irresponsible public spending is excessive in both kind and quantity. First, social eating and drinking are a big part of the spending in the village. Like cadres and officials throughout China,²⁹⁹ Minlu’s Party Secretary and other cadres frequently spend public funds on eating and drinking in local restaurants on various occasions, such as finishing a meeting, receiving a fine, and celebrating someone’s birthday. According to some villagers, the

²⁹⁸ To assess whether a project is showy or unbeneficial, I rely mainly on the judgments of interviewed villagers.

²⁹⁹ Social eating and drinking by cadres and officials are one of the severest forms of corruption in China. It is estimated that public spending on social eating and drinking is about 200 billion *yuan* per year. See *News Evening Paper (xinwen wanbao)*, May 13, 2005. (In Chinese). At: http://news.xinhuanet.com/fortune/2005-05/13/content_2954768.htm.

cadres go to a township restaurant owned by a fellow villager almost every week. They usually eat and drink at first,³⁰⁰ and then play mahjong together for several hours.³⁰¹ If meals and drinks cost an average of 200 *yuan* for 7-12 cadres every time,³⁰² the spending on eating and drinking is about 10,400 *yuan* every year.³⁰³ Meanwhile, when township or higher-level officials visit the village for supervising some tasks such as family planning and tax collection, the village cadres usually treat them to lunches and/or dinners at one of their homes.³⁰⁴ By pleasing the township officials, village cadres' expenditures on eating and drinking may result in greater payoffs for them than financing roads or other public services (L. Tsai 2002, 5). There is no way to know exactly the total cost to the village for such eating and drinking, but one cadre and several team heads estimate it to be at least 4,000 *yuan* per year.³⁰⁵

The irresponsible spending on eating and drinking in Minlu is comparable with the findings elaborated by other scholars. According to Bernstein and Lü (2003, 114), village cadres' eating and drinking (*gongkuan chihe*) are the most resented practices involving abuse of village funds, especially when it involves visitors from higher levels. Village cadres often spend several thousands, and sometimes tens of thousands, on receiving or entertaining visiting officials from higher authorities. In 1988, village cadres in a Hebei

³⁰⁰ Like many other local people, the cadres love to drink high alcoholic wines and often get drunk.

³⁰¹ Mahjong is a very popular entertaining game and often becomes a gamble in China. It is usually played by four persons (and can be played by more persons) with 144 tiles that are drawn and discarded until one player secures a winning hand.

³⁰² The 7-12 cadres include several team heads in some cases. Minlu has 9 village cadres and 16 team heads.

³⁰³ Interviews M-19, M-22, M-45, and M-67.

³⁰⁴ Several years ago, the village cadres usually treated the visiting officials at restaurants located at township seat. Only recently, the city government has issued a ban that prohibits visiting officials from eating and drinking at restaurants. Instead, the officials are required to eat and drink only at the cafeterias of the visited working units or homes of village cadres. Interviews M-2 and M-3.

³⁰⁵ Interviews M-8, M-25, and M-38.

village of 403 households spent 35,000 *yuan* on eleven feasts, and every villager had to pay 29 *yuan* for the cadres' eating and drinking. According to some estimates, village cadres nationwide spend some six billion *yuan* on eating and drinking every year in China.

The second kind of irresponsible spending in Minlu is gift sending between the cadres and township officials, between the cadres and their friends, and among the cadres themselves at public cost. For instance, when the son of Vice Party Secretary of the township government was married a couple of years ago, the village cadres gave 5,000 *yuan* as a gift to the Secretary. Other occasions for gift-sending include death rituals, childbirths (especially births of sons), birthdays, and admission to colleges. Although it is very difficult to know the accurate amount of the public spending on gift-sending, some villagers' estimate is that it is between 8,000 and 15,000 *yuan* every year.³⁰⁶

Third, the village cadres' salaries are unreasonably high in comparison to the per capita income of villagers. The Party Secretary's annual salary is 5,400 *yuan*, which is more than double the per capita income of villagers (2,600 *yuan*). The other eight village cadres are paid 4,600 *yuan* each for their salaries. Team heads of nine teams obtain an average of 1,500 *yuan* per year, and their actual salaries are based partly on the number of their respective teams' households.³⁰⁷ If we take into consideration the fact that the

³⁰⁶ Interviews M-27, M-28, M-29, and M-42.

³⁰⁷ Interviews M-1, M-3, and M-18.

cadres' job is not full-time,³⁰⁸ their salaries are extremely high. With these high wages, the cadres enjoy cell phones and relatively expensive cigarettes that other villagers cannot afford.

Further, the village cadres also spend public money on showy or unbeneficial projects from time to time. Several years ago, for instance, when the region was very dry in the summer and the local governments urged village leaders to improve irrigation conditions, the Party Secretary decided to build a big project that was intended to attract the attention of township officials. It cost the village 150,000 *yuan*, and the Secretary was praised by the officials. But the project was a disaster, because its design failed to take into account the physical and climate conditions.³⁰⁹

Similarly, under the control of several cadres, Beishuai's public spending is also excessive. Like those in Minlu, the cadres spend a lot on eating and drinking. When they want to hold a meeting, they often go to a restaurant run by one brother of the Chairman of the Villagers' Committee. For them, discussing village affairs at an eating table is the easiest way to reach a compromise. They also frequently invite township or even county officials to come to the restaurant, since it is very close to the township and county seat. According to some villagers, the cadres eat at the restaurant at the public's expense at least twice every month. If the cost is averagely 300 *yuan* each time, which is normal for 5-10 people, the village has to pay 7,200 *yuan* for the cadres' eating and drinking every

³⁰⁸ In most rural areas, the village cadres' job is part-time and nonprofessional, and their working time on public affairs varies and relies on many factors. The cadres usually have other jobs, either on or off the farm.

³⁰⁹ Interviews M-43, M-46, and M-47.

year.³¹⁰ At the same time, gift-sending is also common between the cadres and township officials and among the cadres. Although there is no exact number available, it is estimated that the cost for gift-sending is between 4,000 and 5,000 *yuan*.³¹¹

The salaries of Beishuai's cadres are also high in terms of the local income level. The Party Secretary and the Chairman of Villagers' Committee each get a payment of 5,000 *yuan* per year, and the other four cadres each receive 4,800 *yuan* for salaries. Without doubt, the standard of the cadres' salaries is much higher than the per capita income of villagers – 2,700 *yuan*. In contrast to the village cadres', team heads' salaries are much lower, 500 *yuan* annually for each, but they also get allowances for their time in attending meetings and participating in other public affairs. Thus, it is estimated that each team head gets a payment of at least 800 *yuan* per year.³¹²

Like Minlu's, Beishuai's cadres frequently undertake some unbeneficial projects. Some years ago, for example, when the village's auto parts factory collapsed, the cadres decided to restructure a factory building and change it into a luxury hotel. The project cost the village over 200,000 *yuan*, but the hotel attracted few customers, because it was too expensive for local people. The hotel's profit was unable to cover its everyday costs, and soon it was closed down.³¹³

³¹⁰ Interviews B-21, B-22, B-50, and B-92.

³¹¹ Interviews B-66, B-85, and B-86.

³¹² Interviews B-1, B-4, and B-29.

³¹³ Interviews B-33, and B-34.

In contrast, Xin's irresponsible spending is much less. First of all, although village cadres eat and drink at the public's expense from time to time, they rarely go to restaurants for expensive dinners and wines. Instead, they eat and drink in their offices. They hire a part-time cook to prepare meals for them when they work on public affairs in the office. The cost of eating and drinking is around 1,500 *yuan* every year, and the cook's wage is 200 *yuan*.³¹⁴ Second, there are also some activities of gift-sending here, but the village cadres have never sent gifts to township officials. Moreover, the amount of money for gift-sending is relatively small, usually between 30 and 100 *yuan* each time. It is estimated that public spending on gift-sending is no more than 500 *yuan* every year.³¹⁵

Third, the cadres' salaries in Xin are lower than those of Minlu and Beishuai and are closer to the local income level. The Party Secretary of Xin is paid 3,200 *yuan* for his public service, and the other six village cadres' wages are 2,800 *yuan* each, which is slightly higher than the per capita income of villagers, 2,500 *yuan*. Team heads each receive a payment of 600 *yuan* for salaries per year.³¹⁶

In addition, although Xin's cadres have engaged in a few unbeneficial projects, their cost is much lower than that in Minlu and Beishuai. One of the projects some years ago was the construction of a building for performing local operas. After the building was built, the village invited an opera troupe only once. Since the village failed to look after the building, it was soon in decay. At the time, the building cost the village 6,000 *yuan*.³¹⁷

³¹⁴ Interviews X-2, X-4, and X-55.

³¹⁵ Interviews X-7 and X-60.

³¹⁶ Interviews X-2, X-5, and X-32.

³¹⁷ Interviews X-43 and X-77.

Linhai's irresponsible public spending is lowest among the four villages. Although the village cadres also eat and drink with public funds, they do so only occasionally and the cost for the eating and drinking is relatively low. According to the village's rule, the cadres spend public money on eating and drinking only when township or higher-level officials visit the village and have meals there and when the village cadres travel outside the village for its public affairs. Thus, public spending on eating and drinking is no more than 1,000 *yuan* every year.³¹⁸ In the meantime, the cadres rarely use public money for gift-sending between them and between them and the township officials.³¹⁹

The salaries of the village cadres are lower than those of Minlu's and Beishuai's cadres and relatively close to the local income level. The Party Secretary and the Chairman of Villagers' Committee each are paid annually 4,000 *yuan* for their service, and each of the other three village cadres' salaries are 3,800 *yuan*, which is just slightly higher than the per capita income of villagers – 3,500 *yuan*. Team heads' salaries are very low here, and each of them receives an annual payment of 350 *yuan*. No wonder that many villagers are not interested in becoming team heads.³²⁰ In addition, the village cadres have conducted few unbeneficial projects, although the village's remodeled office building has been criticized by several villagers for its expense.³²¹

³¹⁸ Interviews L-3, L-4, and L-46.

³¹⁹ Interviews L-6 and L-89.

³²⁰ Interviews L-2, L-3, L-17, L-28, L-57, and L-86.

³²¹ Interviews L-37 and L-38.

After examining the irresponsible public spending in the four villages, I now sum up their total revenues and elaborate their spending on each item discussed in earlier chapters (roads and education) and earlier sections of this chapter. We can then see each kind of expenditure's percentage of the total revenue in each village. This provides a general picture of public spending in the four villages as well as the variations.

Minlu's revenue mainly comes from the fees paid by villagers. Each villager pays 217 *yuan* annually, and the amount of the fees for 2,002 villagers is 434,434 *yuan*. Also, the village receives rent of 10,000 *yuan* for leasing its fish ponds every year. Thus, the total revenue of Minlu is 444,434 *yuan*. According to our discussion in Chapter Four, the village has spent only 8,500 *yuan* on its major road in the past ten years. Thus, the average of its annual spending on the road is 850 *yuan*, which is around 0.19 percent of the village's revenue. From Chapter Five, we know that Minlu's annual spending on its school is about 7 percent of the revenue, which is 31,110.38 *yuan*. Meanwhile, the cadres spend 14,400 *yuan* on eating and drinking every year, amounting to 3.24 percent of the village's revenue. Their annual spending on gift-sending is 11,500 *yuan*, which is 2.59 percent of the revenue. The total of nine village cadres' and nine team heads' annual salaries is 55,700 *yuan*, 12.53 percent of the revenue (see Table 7.1 for revenue and spending in the four villages). In addition, since the total amount of spending on unbeneficial projects is not available, the item is not separately calculated here. If we add all of the above categories of spending together, we find the village spends only 113,560.38 *yuan*, 25.55 percent of its revenue, on them. Where, then, does the remainder of the 74.45 percent of the revenue go? Besides some spending on unbeneficial projects,

another large spending item is on the interest of the village's huge debt, which will be discussed in the next section. Since the village owes local banks and many individuals a debt of 1,600,000 *yuan*, the village spends a lot on paying the interest on the debt every year. It is very difficult to know how much this costs the village, because the interest rate varies across creditors.

Table 7.1 Revenue and Spending of the Four Villages

<i>Revenue and Spending</i>	<i>Minlu</i>	<i>Beishuai</i>	<i>Xin</i>	<i>Linhai</i>
Total Revenue (<i>Yuan</i>)	444,434	376,050	306,081	462,292
Spending on Roads (Percentage of Revenue)	850 (0.19%)	40,720 (10.83%)	99,172.275 (32.4%)	241,802.2 (52.30%)
Spending on Education (Percent)	31,110.38 (7%)	67,689 (18%)	94,885.11 (31%)	184,916.8 (40%)
Spending on Cadres' Salaries and Allowances (Percent)	55,700 (12.53%)	35,600 (9.47%)	24,200 (7.91%)	26,750 (5.79%)
Spending on Eating and Drinking (Percent)	14,400 (3.24%)	7,200 (1.91%)	1,700 (0.56%)	1,000 (0.22%)
Spending on Gift-Sending (Percent)	11,500 (2.59%)	4,500 (1.20%)	500 (0.16%)	0 (0.00%)
Spending on Others (Percent)	330,873.62 (74.45%)	220,341 (58.59%)	85,623.615 (27.97%)	7,823 (1.69%)

Beishuai also relies mainly on fees collected from its villagers for its revenue. Each villager pays 185 *yuan* annually, and thus the total amount of the fees for 1,370 villagers is 253,450 *yuan*. In addition to the fees, the village receives a rent of 150,000 *yuan* for its leased-out land. After deducting the amount distributed to villagers, the village keeps the remainder, 122,600 *yuan*. Therefore, the total revenue of Beishuai is 376,050 *yuan*. The village's spending on roads has been 400,000 *yuan* for the construction of two tar roads and 7,200 *yuan* for its maintenance over the past ten years. Thus, the average annual expense for roads is 40,720 *yuan*, which is 10.83 percent of the revenue. The village spends 18 percent of its revenue on its school, at a cost of 67,689 *yuan* per year. At the same time, the village spends 7,200 *yuan* and 4,500 *yuan* for its cadres' eating and drinking and gift-sending every year, respectively. The salaries and allowances of the six village cadres and eight team heads cost the village 35,600 *yuan* every year. The total spending on roads, education, eating and drinking, gift-sending, and cadres' salaries is 155,709 *yuan*, which is 41.41 percent of the village's total revenue. The remaining 58.59 percent of the revenue is spent on unbeneficial projects, interest towards the village debt (700,000 *yuan*), and many other items. There is no data available for the total expense of these items.

Xin's total revenue consists of 133-*yuan* collection per capita for 2,057 villagers and a rent of 32,500 *yuan* for its chestnut land, which is equal to 306,081 *yuan*. The village's spending on road construction has been 150,000 *yuan* over the past ten years, and thus the annual average is 15,000 *yuan*. Also, the village spends 25-30 percent of its revenue on road maintenance every year, with an annual average of about 84,172.275 *yuan*.

Therefore, the total amount of annual expenses for roads is 99,172.275 *yuan*, which is 32.4 percent of the revenue. The village's spending on education is 94,885.11 *yuan*, 31 percent of the revenue. Meanwhile, eating and drinking and gift-sending cost the village 1,700 *yuan* and 500 *yuan* per year, respectively, and they are 0.56 percent and 0.16 percent of the revenue, respectively. The amount of seven village cadres' and seven team heads' annual salaries is 24,200 *yuan*, which is 7.91 percent of the revenue. Total spending for all of the above items is 220,457.385 *yuan* or 72.03 percent of the total revenue. The remaining 27.97 percent is spent on other items that are unable to be specified here due to data limitations.

Finally, Linhai's revenue is made up of two parts. One part is the fees collected from villagers, which is 460,292 *yuan* based on 238-*yuan* per capita collection. The other is a small portion of a rent for leased-out land, that is, 2000 *yuan*. Thus, the village's total revenue is 462,292 *yuan*. Its spending on road is also made up of two parts. One is the cost of 1,600,000 *yuan* for constructing its cement road, and the money is the result of 20-year savings of the village's surplus revenue. Thus, the annual average spent on road construction is 80,000 *yuan*. The other part is on road maintenance, and this is annually 35 percent of the revenue, amounting to 154,802.2 *yuan*. Adding the two parts together, the total expense on road is 241,802.2 *yuan* every year, which is 52.30 percent of the total revenue. In the meantime, the village's school costs 184,916.8 *yuan* per year, 40 percent of the revenue. The village pays 1,000 *yuan* annually for its cadres' eating and drinking, which is 0.22 percent of the revenue. The annual salaries of five village cadres and twenty-one team heads cost the village 26,750 *yuan*, 5.79 percent of the revenue. The

total expenditure for all of the above items is 454,469 yuan, which is 98.31 percent of the total revenue. The remaining revenue is only 1.69 percent and is spent on miscellaneous items.

Although the above discussion is only part of the story of revenue and especially spending in the four villages due to limited data, it discloses some varied tendencies of public expenditures across the villages. Both Minlu and Beishuai spend a small part of their revenue on roads and education, while Xin and Linhai spend most of their revenue on the two important public goods. Minlu spends only 7.19 percent of its revenue on road and education together, and Beishuai's expense on the two items is higher, but only 28.83 percent of its revenue. In contrast, Xin's spending on roads and education is 63.4 percent of its revenue, and Linhai's reaches 92.30 percent, the highest among the four villages. On the other hand, both Minlu and Beishuai spend a relatively large proportion of their revenues on eating and drinking, gift-sending, and salaries and allowances of village cadres and team heads. Minlu's expenses on the three items are 18.36 percent of its revenue, the highest among the four villages. Beishuai's spending on the three items is 12.58 percent of its revenue, a little lower than Minlu's. Xin and Linhai, however, spend much less on the three items. The former pays 8.63 percent for the three items and the latter only 6.01 percent.

Village Debts

After elaborating the revenue and spending of the four villages, I now explore whether they have any debts, which is another important aspect of fiscal management. Although many villages collect a large amount of fees from villagers in rural China, they are still in the red and also have huge debts.³²² This is closely related to the decision-making process over fiscal matters, especially spending. If one or a few cadres dominate decision making over public spending in a village, it tends to have a larger debt. Instead, if some or many villagers participate in decision making over public spending in a village, it tends to have a smaller or no debt.

Since the Party Secretary dominates decision making in Minlu, his spending power of public funds is unchecked. He makes all spending decisions by himself, and rarely discusses them with other cadres or with the villagers. He spends a lot of public money on showy projects, personal expenses and entertainment, socializing with and bribing township officials, and traveling. For example, he has never paid cell phone bills at his own cost, and he always smokes a famous brand of cigarettes. With such kinds of careless spending and misappropriation of public funds, the village has a huge debt – 1,600,000 *yuan*, which is over three times the amount of its annual revenue.³²³

Although the village was in debt before the Party Secretary was appointed, he has certainly aggravated the village's fiscal situation. In order to implement his own plans or

³²² In fact, many local governments are also in debt in China. A report by the State Council Research Center estimated that 63 percent of all 2,074 county governments in the country were in debt in 1996. In 2001, a survey conducted by the Ministry of Civil Affairs found that the average amount of township government debt was four million *yuan*. Cited in Yep (2004).

³²³ Interviews M-3, M-24, and M-46.

tasks assigned by local governments, from time to time he borrows money from local banks and individual villagers to complete the tasks if the village does not have money available at the time.³²⁴ The borrowings, especially from the individuals, are usually at high interest rates. Some of them are as high as 10, or even 20, percent, while official interest rates are around 5 percent. Such kinds of borrowings at usury place the village into a vicious cycle of increasing debt.³²⁵

Every year, the village has to spend much in paying only the interest. Since interest rates vary across creditors and borrowings, it is difficult to know the total interest for all borrowings. Some of the borrowings are over ten years old, and the village has still not paid off the principals and their interest. A number of villagers indicated that the village owed them money. They frequently ask village cadres to pay them back, but the cadres' response is always "no money." Some villagers are afraid that the village will never pay them back, and hope to use their money offset taxes and fees. But the cadres often reject the villagers' requests for offsetting arrangements, which increases rural conflicts between the villagers and the cadres.³²⁶ Indeed, with such a huge debt, the village is, in some sense, in bankruptcy. Without changes in the decision making structure over fiscal management, it is extremely hard for the village to get out of the debt cycle.

³²⁴ To get loans from banks is very difficult for villages or their cadres in rural China, since in most cases the banks, under the control of the government, give their loan priority to state-owned enterprises and government branches. Moreover, the banks usually require mortgages for loans. Of course, the difficulty of getting loans from banks also applies to villagers and even urban residents in China.

³²⁵ Interviews M-7, M-17, M-79, and M-98.

³²⁶ Interviews M-56, M-57, M-84, M-102, and M-103.

Minlu's debt problem is not unique. Li (2003, 64) reports that, in a township of Hubei province, 39 out of 41 villages were indebted for a sum totaling 4.376 million *yuan* in 1996, or more than 110,000 *yuan* per village. Twelve of the villages had debt over 200,000 *yuan*. In order to accomplish the higher-level assigned task, the villages had to borrow from some individuals, with high annual interest rates up to 30-36 percent.

Beishuai's fiscal situation is similar to Minlu's, although the former is a little better than the later. Usually, important decisions over public spending are made by six cadres together in Beishuai, although some small expenses are decided by the Party Secretary and the Chairman of Villagers' Committee. The cadres, however, rarely talk about their spending plans with villagers. The cadres like to fund some projects that can enrich themselves in one way or another,³²⁷ such as the construction of the tar roads discussed in Chapter Four.

Meanwhile, they frequently misappropriate public money for their personal uses. Since the village is close to the county seat, all of them engage in some small businesses, such as selling vegetables, transporting fruits, and opening stores. It is not uncommon for the cadres to use public funds for their personal investments. For example, the Chairman of Villagers' Committee appropriated 100,000 *yuan* of village money to buy a new truck for transporting apples to northeastern China. In fact, the collapse of the village's auto parts enterprise was, to a large degree, due to fiscal mismanagement and misappropriation by several of the cadres and their predecessors about ten years ago.³²⁸

³²⁷ Interviews B-35, B-36, and B-40.

³²⁸ Interviews B-77, B-95, B-106, and B-112.

With the cadres' fiscal mismanagement, Beishuai has a large debt of 700,000 *yuan*, which is close to double of its annual revenue. As in Minlu, most of the debt in Beishuai is owed to individual villagers, although there is no accurate number available. The interest rates of the borrowings from the villagers are very high, since the cadres promised them in order to get the money. Thus, the village is similarly trapped in a debt cycle, and has to spend much in paying the interest every year.³²⁹ Even so, the cadres have no incentive to pay off the loans and the interest soon, since they might leave their positions in a few years. Without effective mechanisms for holding the cadres accountable, the huge debt will not decrease.

With lineage leaders and some senior villagers' participation in decision making over public spending, Xin's fiscal situation is much better than Minlu and Beishuai. Although village cadres propose the plans of public spending in Xin, the lineage leaders and senior villagers have significant influences on how to spend the public money. Under their suggestions, the cadres adopt some rules of public spending, which, to some degree, limits the cadres' spending power. According to the rules, the Party Secretary alone can decide an expense of no more than 500 *yuan*. If the spending is between 500 and 1,000 *yuan*, it needs all seven cadres to decide. If the spending is over 1,000 *yuan*, it needs all the cadres and three lineage leaders or senior villagers to decide. In the last scenario, although the lineage leaders or senior villagers are a minority in the decision-making process, their opinions are seriously considered in many cases. If they strongly resist a

³²⁹ Interviews B-89, B-97, and B-98.

spending plan, the cadres usually have to revise or even cancel it, because the lineage leaders can easily mobilize villagers to protest against the plan.³³⁰

Under the influences of the lineage leaders and senior villagers, Xin's public spending is relatively prudent, and the village does not have any debt. In most cases, the village is able to maintain fiscal balance without difficulty. Only several years ago, was the village once in debt because of the construction of a school building. After the building was completed, the village cadres found that the village had no money to pay the construction team fees of 12,000 *yuan*. The cadres promised that the village would pay off the fees and their interest a year later. Then, the cadres saved some public money by postponing a few small projects, and paid off the fees owed to the construction team.³³¹

Linhai's public spending is more responsible than the other villages largely because of many villagers' participation in decision making. Although it is village cadres who propose spending plans in most cases, many villagers participate in decision making over large sums of public expenses. Like Xin, Linhai develops some rules of public spending that help curb the power of the cadres. If the amount of the proposed spending is below 300 *yuan*, the Party Secretary and Chairman of Villagers' Committee together can decide the spending. If the amount is between 300 and 1,000 *yuan*, it needs all five village cadres to decide. If the amount is between 1,000 and 2,000 *yuan*, the spending decision should be made by the five cadres and twenty-one team heads together. If the amount is

³³⁰ Interviews X-4, X-5, X-49, X-50, and X-100.

³³¹ Interviews X-4, X-9, and X-56.

over 2,000 *yuan*, the village should hold a public meeting attended by villagers to determine the spending.³³²

At the same time, the village, under the suggestions of many villagers, has established a Villagers' Fiscal Supervision Team (*cunmin licai xiaozu*) to supervise the actual spending and check the spending records and receipts. The Team consists of five villagers, one village cadre, and one team head. The term for all of the seven members is one year. The villager members are selected based on other villagers' recommendations. Those receiving the most recommendations usually become the villager members of the Team. As for the members of one village cadre and one team head, they rotate among the five village cadres and twenty-one team heads every year. The Team checks the village's spending records and receipts once every three months. The members of the Team have no salaries for the service, but get some subsidies for the loss of their working time.³³³ The Team is like a "democratic financial monitoring group" (*minzhu licai jiandu xiaozu*) existing in other villages, according to Bernstein and Lü (2003, 214). The group is responsible for supervising fiscal matters, and its members are composed of villagers elected by their fellow citizens.

With rules and mechanisms for curbing public spending, Linhai is able to maintain a fiscal balance and has no debt. In fact, the village usually has some public money left at the end of many fiscal years. For instance, its large expenditure on the construction of a cement road was based on quite a few years' savings of public funds. Although several

³³² Interviews L-1, L-3, L-11, L-29, L-78, and L-107.

³³³ Interviews L-3, L-14, L-52, and L-92.

cadres once proposed to borrow some money from the local banks and individuals to construct the road some years ago, many villagers were against the idea, since they were afraid that the village was in debt.³³⁴

This section has investigated the patterns of public spending and whether there are debts in the four villages. It finds that, if public spending is controlled by one or a few cadres in a village, it is more likely to have a debt or even a huge debt. Minlu is the worst case among the examined villages, with a debt of 1,600,000 *yuan*. Similarly, Beishuai is also in debt, and it reaches 700,000 *yuan*. In contrast, when some or many villagers participate in decision making over public spending in a village, it is less likely to have any debt. Since some lineage leaders and senior villagers are involved in decision making over public spending, Xin is able to maintain fiscal balance in most cases and is thus rarely in debt. Linhai performs best among the four villages in terms of responsible public spending, largely because many villagers participate in determining and supervising public spending in one way or another. Thus, the village has no debt and, instead, often saves some of its public money.

Villager Evaluation of Fiscal Management

³³⁴ Interviews L-6, L-44, and L-45.

After discussing several important aspects of fiscal management, including fee collection, fiscal records, irresponsible public spending, and village debt, I now examine how villagers evaluate them in terms of the degree of satisfaction/dissatisfaction. Although the samples of interviewees are not randomly selected, the discussion of villagers' attitudes toward fiscal management provides a complement to the earlier sections and supports the findings presented there. In addition, the analysis of village evaluation is based on all of my interviewees in the four villages.

Unsurprisingly, most of my interviewees have a negative evaluation of fiscal management in Minlu. Among the 120 interviewees, 92 villagers indicated that they were strongly unsatisfied with the village's fiscal management, which is 76.67 percent of the interviewees. Also, 17 villagers said that they were unsatisfied with the handling of fiscal matters, amounting to 14.17 percent of the interviewees. Further, 4 people (3.33 percent) expressed their satisfaction with the fiscal management, while 7 villagers (5.83 percent) maintained that they did not know.

It is clear that most of the interviewed villagers were unsatisfied with fiscal services in Minlu. If we add those indicating both "strongly unsatisfied" and "unsatisfied" together, the number is 109, which is 90.84 percent of the total number of interviewees. Many of the unsatisfied villagers vehemently criticized village cadres' irresponsible spending, especially eating and drinking and excessive salaries, and the huge village debt. Some senior villagers even indicated that the current cadres and their fiscal management were the worst in the past 50 years.

In addition, the four persons expressing satisfaction were indeed the village cadres. It is not unreasonable to get this answer, since the cadres do not want to evaluate their own performance negatively. As for the seven villagers who gave a “don’t know” response, they are either relatives or close friends of the Party Secretary or afraid to offer a clear answer because of the cadres’ possible revenge on them.

Similarly, most of my interviewees also expressed their dissatisfaction with fiscal management in Beishuai. Thirty-five of the 117 interviewees asserted that they were strongly unsatisfied with the village’s fiscal matters, a percentage of 29.91 percent. Also, 61 villagers answer “unsatisfied,” which is 52.14 percent of the 117 interviewees.

Although the number indicating “strongly unsatisfied” is lower than that in Minlu, the number answering “unsatisfied” is higher than that in Minlu. If we add the above two categories together, it is clear that most of the interviewees (96 of 117) were unsatisfied with the village’s fiscal service, and the percentage of dissatisfaction is 82.05 percent.

Like those in Minlu, many of the interviewed villagers disclosed their anger at irresponsible spending, especially the eating expenses and high salaries of village cadres. As one respondent commented on the cadres with anger, “The cadres are like local emperors (*tu huangti*). They work less but eat better and have more money in pocket!”³³⁵ Other interviewees harshly criticized the misappropriation of village funds by the cadres, who use the public fund to run personal businesses and make money for themselves.

³³⁵ Interview B-29.

Some villagers even indicated that, without the cadres, the village would do better, at least from a fiscal perspective.

Besides the unsatisfied villagers, nine interviewees (7.69 percent) said that they were satisfied with the village's fiscal management, and five of them are actually cadres. Meanwhile, 12 interviewed villagers (10.26 percent) gave a response of "don't know." Some of them told me that they were intimidated by the cadres and thus reluctant to make a judgment on their performance of fiscal management.

In contrast, most of the interviewees' evaluations of fiscal management are positive in Xin. Among the 119 interviewees, 81 (68.07 percent) maintained that they were satisfied with the village's fiscal service, although only 2 (1.68 percent) revealed their strong satisfaction. Adding the two numbers together, the percentage of satisfaction is 69.75 percent (83 of 119 interviewees), which is significantly different from that in both Minlu and Beishuai.

Many of the satisfied villagers are pleased with the relatively low per capita collection imposed by the village. They indicated that, in most cases, the cadres' spending was responsible and beneficial to villagers. Some of them praised the cadres' efforts to maintain fiscal balance, which led to no village debt.

Nevertheless, a minority of the interviewees expressed their dissatisfaction with the village's fiscal service. Eighteen villagers (15.13 percent) said that they were unsatisfied

with the service, and 13 (10.92 percent) gave an answer of “strongly unsatisfied.” Adding them together, 31 interviewees were displeased with the service, and the percentage of dissatisfaction is 26.05 percent. A number of the unsatisfied villagers hoped that the village would publicize its fiscal records more frequently, and that more villagers would have a chance to participate in the decision making over public spending. In addition, five interviewees (4.20 percent) responded to with “don’t know.”

Similar to that in Xin, most of the interviewees’ evaluation of fiscal management was positive in Linhai. Thirty-four of the 115 interviewees (29.57 percent) showed that they were strongly satisfied with the village’s fiscal service, and the percentage is much higher than that in Xin. In the meantime, 53 villagers (46.09 percent) voiced their satisfaction with the service. Thus, 87 of the 115 interviewees were satisfied or strongly satisfied with the village’s fiscal management, and the percentage of satisfaction is 75.66 percent.

According to the satisfied villagers, they liked the way in which village cadres handled large sums of public spending, since many villagers can have their opinions heard. They were also pleased that the Villagers’ Fiscal Supervision Team had been established and could, to some degree, check the spending power of the cadres. As one interviewee commented, “I really like the idea of establishing the Villagers’ Fiscal Supervision Team. The Team functions well. Without the Team, I am afraid that we might have a debt, like our neighboring villages.”³³⁶

³³⁶ Interview L-107.

In addition, some interviewees expressed their dissatisfaction with the fiscal service in the village. Twenty-four villagers (20.87 percent) asserted that they were unsatisfied with the service, while only 1 interviewee (0.87 percent) answered the evaluation question by saying “strongly unsatisfied.” For the unsatisfied villagers, they maintained that the collection of fees was too high, and that public money should be used more carefully. Some of them hoped that the selection procedure for members of Villagers’ Fiscal Supervision Team would be more institutionalized and democratic. Further, three interviewees (2.60 percent) gave a “don’t know” answer.

The analysis of villager evaluation of fiscal management shows that it is consistent with the actual performance in the four villages (see Table 7.2 for the comparisons of villager evaluation in the four villages). Most of the interviewed villagers in both Minlu and Beishuai gave fiscal service in their respective villages a negative evaluation. Of the 120 interviewees, 90.84 percent express their dissatisfaction in Minlu, while 82.05 percent of the 117 interviewees had the same feeling in Beishuai. In contrast, most of the interviewees in both Xin and Linhai had a positive evaluation of the fiscal management. Of the 119 interviewed villagers, 69.75 percent revealed their satisfaction with the service in Xin, while 75.66 percent of the 115 interviewees maintained that they were content with the service in Linhai.

Table 7.2 Villager Evaluation of Fiscal Management in the Four Villages

<i>Villager Evaluation</i>	<i>Minlu</i>	<i>Beishuai</i>	<i>Xin</i>	<i>Linhai</i>
Total Number of Interviewees	120	117	119	115
Strongly Satisfied (Percentage of Interviewees)	0 (0.00%)	0 (0.00%)	2 (1.68%)	34 (29.57%)
Satisfied (Percent)	4 (3.33%)	9 (7.69%)	81 (68.07%)	53 (46.09%)
Unsatisfied (Percent)	17 (14.17)	61 (52.14%)	18 (15.13%)	24 (20.87%)
Strongly Unsatisfied (Percent)	92 (76.67%)	35 (29.91%)	13 (10.92%)	1 (0.87%)
Don't Know (Percent)	7 (5.83%)	12 (10.26%)	5 (4.20%)	3 (2.60%)

Conclusion

This chapter examined fiscal management in the four villages, including the amount of per capita collection, whether fiscal records are kept and publicized, whether public money is irresponsibly spent, whether there are debts, and how villagers evaluate the fiscal service. The findings demonstrate that the service varies across the villages included in this study, and that the variations are consistent with their institutional structures. In the two villages with one or a few cadres dominating decision making, they impose relatively large amounts of fees on villagers; their fiscal records are not well kept and regularly made public; relatively more public money is spent on village cadres'

eating and drinking, gift sending, salaries, and unbeneficial projects; both have huge debts; and most interviewed villagers' evaluation of the fiscal service is negative.

On the other hand, in the two villages, with some or many villagers participating in decision making, per capita collection imposed on villagers is relatively less; fiscal records are relatively well kept and regularly publicized; relatively less public money is spent on village cadres' eating and drinking, gift sending, salaries, and unbeneficial projects; both have no debt; and most interviewees' evaluation of the fiscal service is positive.

Minlu is the worst case among the four villages in terms of fiscal management. Here, the Party Secretary alone makes all of the key decisions over village fiscal matters. Under his control, the village collects more money from villagers but provides less and worse public goods. Every year, the villagers have to pay an average of 217 *yuan* per capita for various fees, which is 8.35 percent of per capita villager income. Although the village has an accountant, few fiscal records are kept. Also, the cadres have never made them public to let villagers know how public money is being spent. Instead, the cadres are interested in eating and drinking and sending gifts to local officials at public cost, and enrich themselves by obtaining excessive salaries and allowances. The spending on these items is annually 18.36 percent of the village revenue, while the expenses on road and education are only 7.19 percent of the revenue every year. The irresponsible spending and fiscal mismanagement leads to a huge village debt – 1,600,000 *yuan*. No wonder that

most of the interviewed villagers launch a severe criticism of the cadres and their fiscal management.

Beishuai has a very similar story in terms of fiscal service. With several cadres handling fiscal matters, the village also collects a high percentage of villagers' income. Each villager pays an average of 185 *yuan* for the collection every year, amounting to 6.85 percent of per capita income. The cadres are not interested in keeping fiscal records, and rarely make them public. Nevertheless, like their counterparts in Minlu, the cadres often eat and drink and send gifts to others at public expense, and misappropriate public money for their personal businesses. Although the annual spending on the cadres' salaries, eating, and gift-sending is lower than that in Minlu, it is 12.58 percent of the village's revenue. The fiscal mismanagement and misappropriation is responsible for a large debt of 700,000 *yuan*. As expected, most of the interviewees give the cadres and their fiscal service a negative evaluation.

With some lineage leaders and senior villagers participating in decision making, Xin's fiscal management is much better than both Minlu's and Beishuai's. The village's per capita collection of fees is lowest among the four villages, which is 133 *yuan* or 5.32 percent of the per capita income of villagers. Under the influence of the lineage leaders and senior villagers, village cadres keep the majority of fiscal records and publicize them once a year. Meanwhile, the cadres spend relatively less on eating and drinking, gift sending, and their salaries, which is 8.63 percent of the village's revenue. Thus, the

village is able to maintain fiscal balance, and has no debt. In addition, most of the interviewed villagers in Xin are content with the fiscal service.

Linhai's performance of fiscal management is the best among the four villages, largely because many villagers participate in the decision-making process over fiscal matters. First, although the village's per capita collection of fees (238 *yuan*) is the highest among the four villages, its percentage of per capita income of villagers is relatively low (6.80 percent), higher only than Xin. The village keeps most of its fiscal records and publicizes them twice a year. With the establishment of the Villagers' Fiscal Supervision Team, village cadres spend the smallest percentage (6.01 percent) of village revenue on eating, gift-sending, and salaries among the four villages. Thus, most of my interviewees were pleased with the fiscal management in the village (see Table 7.3 for the comparisons of fiscal management in the four villages).

Table 7.3 Comparisons of Fiscal Management in the Four Villages

<i>Village Name</i>	<i>Annual Per Capita Collection (Percentage of Per Capita Income) (Yuan)</i>	<i>Fiscal Records Kept/ Publicizing of the Records</i>	<i>Spending on Eating, Gift-Sending, and Salaries (Percentage of Revenue) (Yuan)</i>	<i>Village Debt (Yuan)</i>	<i>Evaluation of Most Interviewees (Percentage of the Total Number)</i>
Minlu	217 (8.35%)	A Few/Never	81,600 (18.36%)	1,600,000	Strongly Unsatisfied or Unsatisfied (90.84%)
Beishuai	185 (6.85%)	Some/Rarely	47,300 (12.58%)	700,000	Strongly Unsatisfied or Unsatisfied (82.05%)
Xin	133 (5.32%)	Majority/ Once a Year	26,400 (8.63%)	0	Strongly Satisfied or Satisfied (69.75%)
Linhai	238 (6.80%)	Most/ Twice a Year	27,750 (6.01%)	0	Strongly Satisfied or Satisfied (75.66%)

The discussion of fiscal management in this chapter suggests that institutional and decision-making structures matter in these four villages. If the cadres dominate the decision-making process in a village, they are more likely to take advantage of every chance to enrich themselves at the cost of others. As we see in both Minlu and Beishuai, without appropriate institutional arrangements for curbing their power, the cadres tend to be predatory and corrupted. Instead, if villagers as stakeholders can participate in decision making over public affairs in a village, the village will perform better in terms of

providing public goods and services, including fiscal management. Both Xin and Linhai demonstrate the importance of villager participation. Although this is a case study, it suggests that villager participation in public decision making is a viable way to deal with the perennial problem of peasant burdens and to improve fiscal management in villages.

The findings of the study are consistent with Zhang et al.'s (2004) study on the effect of different village governing structures on revenue collection and public expenditures.

Relying on a survey conducted in Jiangsu province, a relatively developed coastal region with many collective enterprises, they find that village elections and power sharing among village cadres have a significant influence on the ways of financing and spending in rural communities. Elected village cadres tend to shift direct tax burdens from households to enterprises when they are available. Taxes and fees levied on households account for 81 percent of total revenues in villages with appointed cadres, compared with 63 percent in villages with elected cadres, where a significant amount comes from enterprises. Also, power sharing among the cadres and participation provide a mechanism of checks and balances, which helps improve transparency and reduce the opportunities of profligate spending.

In the four villages of this study, we find a similar trend. In the two villages with less power sharing and peasant participation (Minlu and Beishuai), villagers pay more for various fees and there is more irresponsible spending, such as eating and gift-sending. Nevertheless, in the two villages with more power sharing and peasant participation (Xin and Linhai), villagers pay less for fees and there is less irresponsible spending.

At the same time, the findings of this study also provide some support for the recent experiments of participatory budgeting in municipalities of Brazil and other countries. The experiments encourage local citizens to participate in decision making over the use and allocation of financial resources and public investments in municipal public goods and services. A number of analyses find that citizen participation in budgeting processes enhances transparency and accountability, decreases budget deficit and debt, promotes responsiveness of local governments, and improves the delivery of public services (Bretas 1996; Souza 2001; Navarro 2002; Teivainen 2002; Cabannes 2004; Koonings 2004; Wampler 2004). In the four villages examined in this project, we reveal the positive effects of peasant participation on the amount of fees imposed on villagers, transparency (publicizing fiscal records), irresponsible spending, and village debt. In the two communities with more peasant participation (Xin and Linhai), almost all of the categories are better than those in the two cases with less peasant participation (Minlu and Beishuai).

Further, the findings of this project suggest that the problem of peasant burden is difficult to solve in rural China if peasants cannot participate in decision making over fiscal matters and supervise village cadres. Since cadres in many villages are often more accountable to upper-level officials than to villagers in their jurisdictions, the question is how such distorted incentives may be changed so that the interests of the cadres are better aligned with those of the villagers. Villager participation and bottom-up decision-making processes for the provision of public goods and services may be the long-term solution

(Tsui and Wang 2004). Without the participation of villagers, temporary administrative measures are unable to mitigate the perennial problem of peasant burden. As Li (2003, 72) maintains, “The very efficiency of administration, the equitable distribution of economic benefits cannot be achieved without the participation of peasants who should be aware of and able to control the use of public funds, in a democratic and transparent manner. In other words, the solving of the peasant burden is closely linked to the realization of democracy at grassroots level.”

Meanwhile, Bernstein and Lü (2003) suggest that, although grassroots democratic reforms help improve fiscal management in some villages, a national farmers’ association representing rural interests is essential for tackling the problem of peasant burden. In their eyes, the source of the perplexing burden lies in the age-old practice of “taxation without representation.” The establishment of national-level interest groups of farmers can genuinely empower them to pressure policymakers and thus modify the institutional discrimination against rural people. To be sure, such kinds of national farmers’ association are important in terms of articulating and defending their interests. This, however, relies on villagers’ active participation and self-organizing capabilities developed in solving local problems.

In the next chapter, I will move to the conclusion of the study, which summarizes the main findings of the analysis and discusses their implications.

Chapter Eight **Conclusion**

Rural development and transformation in post-Mao China is a remarkable and complicated phenomenon. Although we have a better understanding of macro-level explanatory factors for the dramatic change, our knowledge of micro-level driving forces, especially at the village level, is relatively limited. This study has made an effort to improve our grasp of grassroots governance by engaging in an in-depth case study of four villages in different parts of China. The aim has been to examine whether villages with diverse institutional structures perform differently in terms of providing public goods and services.

Although the study focuses on only four villages, it demonstrates the enormous diversity in village structures and governance performance in rural China. The villages differ from each other in many aspects, from ecological conditions to demographic features, from decision-making processes to peasant participation, from roads to school facilities, from land allocation to conflict resolution, from fee collection to village debt, etc. If the analysis included more villages, the variety would very likely become greater. Thus, we would better regard rural China as composed of numerous diverse communities rather than a monolithic whole in order to have a better understanding of grassroots political economy and the complexities of rural development.

From other studies centering on the macro level (Zweig 1997; Oi 1999; Unger 2002; K. Tsai 2002; Chen 2004), we know that there are distinct regional variations in rural China. For instance, coastal areas are more developed than inland regions; or, eastern and southern China is more prosperous than western and northern China. Some regions (Jiangsu) have more collective enterprises, while other regions (Zhejiang) have more private businesses. Even in the same province, such as Jiangsu, its southern part is quite different from its northern part in terms of economic development. The former enjoys remarkable growth, while the latter is still as poor as many other inland areas.

This project reveals that, even at the village level, there is great diversity in institutional structure and governance performance. Although some villages are still controlled by the Party Secretary, such as Minlu, many others involve multiple decision makers and peasant participation in public affairs, such as Xin and Linhai. Although village cadres dominate the decision-making process in some villages, such as Beishuai, lineage leaders play an important role in others, such as Xin. Although some provide relatively better public goods and services, such as Xin and Linhai, many others fail to do so, such as Minlu and Beishuai. To be sure, part of the village-level diversity is related to regional factors, such as lineage. Nevertheless, the diversity of villages needs to be recognized and investigated in order to better understand the unevenness of rural development across villages. Some scholars have recently noticed village-level diversity in some aspects, such as land allocation (Rozelle and Li 1998; Liu, Carter, and Yao 1998) and provision of public services (L. Tsai 2002).

The diversity of villages is closely associated with a series of rural reforms starting from the late 1970s, including the dismantling of collective farming and the organization of Villagers' Committees. During Mao's China, all of the villages were subject to the uniform and centralized policies. They were organized as militarized brigades, belonging to larger communes. Thus, the villages looked alike and were constituted in the same way, with the Party Secretary as the ultimate decision maker. At that time, there was little diversity in rural China, and, in fact, diversity was often regarded as evil against Mao and the center.

The economic and political loosening in the post-Mao era has provided villages the chance to follow different trajectories of governance and development. The ideological and political influences on village organization and everyday life of peasants have declined. Geographical features, ecological conditions, social structure, cultural traditions, ethnic background, and history have become important factors impacting village structure and peasant life, and weighed in the enormous diversity among the villages. Here, lineage is a good example to demonstrate the different roles of the factors between village life of Mao's and post-Mao's China. Under Mao's rule, lineage was harshly criticized as a "feudal" (*fengjian*) phenomenon, and its influence on village organization and peasant life significantly decreased. Lineage temples were destroyed; lineage property was confiscated; lineage activities were prohibited. Villagers in Xin had to sink two stone lions as lineage property with symbolic meaning into a small lake in order to protect them. However, lineage has been revived in many villages, especially in southern China, since the 1980s, and its influence on village organization and everyday life has been increasing

(Wang 1997). In many villages, such as Xin, lineage leaders actively participate in decision-making processes over public affairs.

Today, China has about 930,000 villages, and they have diverse physical environments, resource endowments, demographic attributes, ethnicity, social structures, historical traditions, and so forth. With the rapid economic and political changes, the villages are as diverse as one can imagine. The enormous diversity raises challenges to scholars working on grassroots governance and rural development. First, the diversity renders it difficult for scholars to make generalizations, although developing theory is one of their main tasks. A better grasp of village governance and rural development often requires them to carefully investigate the diverse details and contexts. Moreover, in many cases, scholars need to develop multiple theoretical models to understand the diversity and complexity of a rural society, and each of them alone can explain only part of the story.

What We Have Learned from a Study of Four Villages

It is obvious that, given the immense diversity of rural life in contemporary China, making firm conclusions based on any type of sample is challenging. The researcher has several options including using survey data from a large sample of communities in China or doing an in-depth study of a small number of diversely structured communities. Since this has been a one-person dissertation project without funds to help conduct a large

survey of a random sample of communities, I did choose the latter strategy. As discussed in Chapter One, I sought the advice of quite a few knowledgeable colleagues in Chinese academic institutions to identify several communities that differed on a core structural variable related to the openness of their institutional structures. The colleagues have extensive field research experience in rural China, and they have collected detailed information on a small number of villages, including several in which some of them were born and lived for over ten years. The information includes some villages' institutional structures, especially who makes decisions over public affairs. Relying on the small and valuable dataset, I was able to identify four villages with different structures for this project.

Despite a small-N case study, its findings help us better understand village governance and rural development in post-Mao China. One of the major findings illustrates that there are some consistent patterns with regard to the relationship between village institutional structures and governance performance. The villages with more open and self-governing structures perform better in providing roads, primary education, land allocation, and fiscal management, while the villages with less open and self-governing structures do worse. In other words, in the villages with some or many villagers participating in decision making, the performance is better, while in the villages with one or a few cadres dominating decision making, the performance is worse. Further, the village with one cadre controlling decision making has the worst performance among the four villages, while the village with many villagers participating has the best performance.

Minlu is a community in which the Party Secretary dominates decision making over public affairs. He spends much time and money in pleasing township officials who have the power to appoint or remove him, but has no incentive to provide better public goods and services for the village. Thus, the village's performance is worst among the four communities. Its road is a dirt and rugged one, and the Party Secretary is not interested in investing in it and making arrangements for its maintenance. School facilities are also bad in Minlu, and the cadre fails to provide electricity and water for the school in a timely manner. Under his interference, the school had to hire four unqualified teachers. Meanwhile, the Party Secretary takes advantage of land allocation and leasing to enrich himself and close friends, which leads to many violent conflicts. Further, he imposes a large amount of fees on the villagers, but spends much on eating, gift sending, and salaries, which gives rise to a huge village debt.

Beshuai's institutional structure is similar to Minlu's, and their difference is that several cadres together control decision making over public affairs in Beishuai. Villagers have few chances to voice their opinion on the provision of public goods and services. Thus, the village's performance is close to Minlu's, although some aspects are better. The village has tar roads, but their construction involved misappropriation of public funds and corruption by the cadres. Beishuai's school facilities are better than Minlu's, but the village also fails to provide utilities for its school reliably. With some of the cadres' influence, the school hired two unqualified teachers. In the meantime, the cadres in Beishuai take advantage of land allocation to benefit themselves, and reject the

distribution of compensations for expropriated land among villagers, which leads to many violent conflicts. Moreover, although the village collects a little less from villagers than Minlu, its irresponsible spending is also large, which leads to a huge village debt.

In contrast, Xin's institutional structure is more open than both Minlu's and Beishuai's. Here, some lineage leaders and senior villagers participate in decision-making processes over public affairs in many cases, and their suggestions and advice have some influence on the provision of public goods and services. Thus, Xin's performance is much better than Minlu's and Beishuai's. Xin has graded roads, and the village establishes arrangements for regular maintenance. Its school facilities are better than Minlu's and Beishuai's, and its provision of electricity and water for the school is more reliable. No unqualified teacher was hired at the school. At the same time, land allocation and reallocation is relatively fairer, and each household obtains both high- and low-quality land. The village distributes part of the rent for leased-out land among villagers, and there are much less land conflicts than both Minlu and Beishuai. Furthermore, the village's collection of fees from villagers is the least among the four villages, and its irresponsible spending is much less than both Minlu's and Beishuai's.

Finally, Linhai's institutional structure is most open among the four communities. In the village, many villagers participate in decision making over public affairs in one way or another. With their participation, the village has the best performance among the four in terms of the provision of public goods and services. Its road is high-quality, made from cement, and regular maintenance is undertaken. Its school facilities are also very good,

and the village gives first priority of the use of utilities to the school. No unqualified teacher was hired in the school. In the meantime, land is allocated in the way that each household gets both good and bad land, and the village distributes most of the rent for leased-out land among villagers. Moreover, the village collects relatively less from the villagers, and its irresponsible spending is also less than other villages, which contributes to no debt.

The findings of the case study demonstrate the vast variations of governance performance in the four villages. From road to school, from land allocation to fiscal management, the villages have different arrangements and performance. Meanwhile, the variations follow a consistent pattern that the villages with more peasant participation have better performance. What, then, are the implications of the findings and the study? Or, what can the study suggest with regards to policy making and rural development? The next sections are intended to elaborate this.

Diversity, Policy Making, and Rural Transformation

One of the important findings of this study is that there is enormous diversity even at the village level. Although rural communities have certain similarities, their ecological, sociopolitical, economic, and cultural conditions are vastly diverse. This poses some challenges to policymakers who are working on rural development and transformation.

Diversity requires that policy making takes into account local conditions. Even though a few policies might apply to a larger territory, many others can function only in a smaller, local context. Thus, uniform and centralized policies often fail, since they are not tailored to local conditions. We have seen lots of such kinds of failures and disasters in Mao's era due to his sweeping and uniform policies. The policies required every village to implement collective farming, to join communes, and even to imitate *Dazhai* village as a national model. Mao and his followers were fond of a fantasy that human beings could overcome any physical and social diversity and shape the world as they wish. Such kinds of simplification of the complex society and the fad for social engineering led to numerous human catastrophes in China and elsewhere (Scott 1998). The failures caused by the "fatal conceit" (Hayek 1988) are an important lesson for contemporary policymakers, especially those working on development.

One example of demonstrating the problems of uniform policies is the current rural land system in China. Although the introduction of family farming has allowed each household to make decisions over crops, grain sales, and fertilizer use, the uniform land system inherited from the era of collectivization limits villagers' choices and is not tailored to diverse local conditions. The system provides that land be collectively owned; the term of land contract be 30 years; land cannot be mortgaged and alienated; etc. These uniform institutional elements fail to consider the enormous diversity of localities in ecological conditions, demographical features, social structure, ethnic history, and cultural traditions. Thus, the system does not work in many places, although it might function in others. For instance, villagers in some developed areas are eager to mortgage

or sell their land in order to open an enterprise, but the system prevents them from doing so. At the same time, when villagers feel that the uniform policy is inconsistent with local conditions, they will try to break it. Many villages, for example, do not follow the requirement of a 30-year land contract term; instead, they frequently reallocate their land based on demographic change, as we have seen in the villages of this study, especially in Xin. The example reveals that uniform policies often have a negative impact on development and receive little respect from local people. Policymakers need to recognize this and devote themselves to investigating diverse local conditions.

In fact, many development-oriented policies had better be made at local levels, since local decision makers are more familiar with local conditions and more likely to take into account local interests. Locality-tailored policies tend to be implemented more effectively and meet their goals of development. Some practitioners and scholars in China are afraid that localized policy making might give rise to “localism” that hinders the emergence of a unified, national market. Although the worry is not groundless, we need to recognize that the origins of “localism” are, in many cases, closely related to centralized and uniform policies. One example is Shanxi province, a poor region affluent in one valuable resource – coal. For many years, the central government has required the province to send coal to other regions with state-owned industries for very low prices or even free of charge. Thus, it is very difficult for the province to develop, and its “localism” is inevitable in terms of protecting local interests.

Diversity is more consistent with a polycentric system than a unitary system. Under a unitary system, policy making over various issues is usually monopolized by a single center with ultimate power. The policymakers tend to believe that uniform plans are necessary to deal with common problems in a large society, such as poverty and underdevelopment. Nevertheless, such plans, more often than not, fail to achieve their goals, since they are not tailored to local conditions. In contrast, a polycentric system allows multiple decision-making centers at different levels to formulate policies based on the diversity of localities in physical, socioeconomic, and cultural conditions (V. Ostrom 1991; 1999). Under the system, policy making relies on local people's participation, because they usually know better about their localities than those at a distance.

Peasant Participation, Local Knowledge, and Rural Development

Another important implication of this study is that peasant participation can provide a viable way for rural development. The findings demonstrate that villages with relatively more peasant participation in decision making perform better in terms of providing public goods and services, such as Xin and Linhai, while villages with less peasant participation have worse performance, such as Minlu and Beishuai. This suggests that peasant participation makes a difference in terms of promoting rural development. The conclusion is consistent with many other recent analyses on the role of citizen participation in various settings and societies, such as rural education in Malawi (Rose

2003), Ghana (Condy 1998), Nicaragua (Gershberg 1999), Pakistan (Barrs 2005), and other countries (Shaeffer 1992; 1994; Bray 2001; 2003); municipal budgeting in Brazil (Bretas 1996; Souza 2001; Koonings 2004; Wampler 2004), Kenya (Osmani 2002), and others (Cabannes 2004); poverty reduction in Senegal, Bolivia, and Malaysia (Schneider 1999); and common-pool resources management in diverse contexts (E. Ostrom 1990; E. Ostrom, Gardner, and Walker 1994; Lam 1998).

The rationale for the significance of peasant participation is that peasants have extraordinary local knowledge and information of time and place, which is indispensable for rural development. The knowledge of the particular circumstances of time and place is widely dispersed among individuals (Hayek 1945). This implies that every individual has some advantage over others in that he/she possesses unique information. Thus, his/her participation is crucial for making decisions concerning his/her interests.

Peasants know better about local conditions than others, because they and their ancestors have lived in their communities for a long time. They accumulate much wisdom and know-how based on many generations of experience. They know what kinds of crops are compatible to local soil, where their roads should be built, who is a good teacher in their village school, what kind of land system is consistent with their demographic change, whether public funds are mismanaged, and so on. Even in a small community, the information about the community is dispersed among its residents, and its leaders' knowledge of it is limited. For instance, when I asked village cadres about their population in the investigated villages of this study, many of them did not know.

Demographic change and mobility engendered by births, deaths, going to college, becoming soldiers, and migrating to urban areas causes population size of a village to alter from day to day. The everyday change prevents the cadres from knowing the exact number of villagers living in the community, and the reliable information is in the hands of the villagers.

At the same time, peasants' knowledge and information are more reliable than leaders and policymakers in terms of solving local problems in many cases, because the peasants acquire their knowledge by innumerable times of trial-and-error experiments. For example, many villagers in Xin know how to transport pigs thousands of miles in the hot summer without leading to their death. Such kind of knowledge is based on numerous practices and experiments of over a decade. Also, many peasants are diligent learners, and the learning spirit helps bring about remarkable entrepreneurship in rural China. This is the case in Linhai and many neighboring villages. During the time of conducting research in Linhai, I briefly visited a village in the same township, and the village has over a hundred private shoe companies. They hire 8,000 workers who are mainly from other poor provinces. One peasant entrepreneur told me, "The success of our village is no secret, but lies in our hardworking and learning spirit." At the beginning, he indicated, the villagers knew nothing about how to make shoes, how to market them, and how to obtain credit. But the villagers work hard to learn these from shoe companies in other places, and several years later they are able to open and run their own businesses.

Besides the contribution of local knowledge and information, peasant participation also helps promote rural development by enhancing the transparency of decision-making processes and the responsiveness and accountability of local cadres. This study reveals that, with villagers' participation, Xin's and Linhai's decision-making is relatively more transparent and their cadres are more responsive and responsible to villagers than Minlu's and Beishuai's. The rationale is that participation gives peasants chances to be familiar with decision-making processes, articulating their preferences, and, to some degree, supervising or limiting the cadres' decision-making power. When peasants are involved in decision-making processes through public meetings or other means, it becomes difficult for local cadres to engage in behind-door practices. The participation provides peasants opportunities to learn about how decisions are made and what factors have influences. When peasants are part of the decision-making events, the decisions become more transparent.

Also, peasant participation can help enhance the responsiveness of the cadres. Through participation, peasants have chances to voice their opinion on public affairs, such as what types of public goods and services need to be provided and how to provide them. This facilitates public deliberation and preference revelation through which peasants articulate their needs and urge the cadres to take them into account. Thus, the cadres are likely to become more sensitive and responsive to peasants' interests. As we have seen in Xin and Linhai villages, peasant participation makes their cadres more responsive to the communities' interest in roads, schools, land, and fiscal management. Nevertheless, in many villages of China and other rural societies, responsiveness to local people is in great

need to achieve development. More often than not, local cadres attempt to please their upper-level officials rather than pay attention to local citizens' interests.

Further, peasant participation is important for improving the accountability of the cadres. When peasants participate in decision making in one way or another, it helps, to some degree, supervise or check the cadres' power. With peasant participation, the cadres are more likely to use their power responsibly. This is very clear in the case of Linhai's public spending. Its Villagers' Fiscal Supervision Team plays a crucial role in supervising the spending power of the cadres. The reason that many other villages in China have huge debts is that they lack supervising mechanisms to check their cadres' irresponsible spending power.

Democratic Transformation from the Bottom Up?

What can this study say about the hope for democratization in China? Will a democratic transformation from the bottom up be possible in the near future? It is difficult for this case study to answer these questions with certainty, and it is also too early to make a definitive judgment based on the limited grassroots political change over the past two decades. Nevertheless, some conjectures can be made to further discussions on these important issues.

The analysis reveals that some political change has been under way in some villages during the post-Mao era. The indication is that these villages' institutional structures have been becoming relatively more open and self-governing, giving peasants the chance to participate in decision-making processes over public affairs. We have seen this in Xin and especially in Linhai, where many villagers are involved in decision making in one way or another. To be sure, these villages are far from democratic, and their cadres are still very powerful. But the villages move a little closer toward democracy than others, such as Minlu and Beishuai, by allowing some public participation and deliberation. The villages consistently perform better in terms of providing public goods and services, including roads, schools, land allocation, and fiscal management.

The findings are, to some degree, encouraging and offer some hope for a bottom-up democratic transformation, because public participation at the grassroots level might lay the foundation for long-term and large-scale democratization. On the one hand, public participation might bring about more political changes in local communities, such as developing village charters and establishing village representative systems. On the other hand, the democratic changes in some villages might have a snowball effect that leads to other villages' and even townships' changes. If both trends are reliable and gain some momentum, a bottom-up transformation might come true in the future. At this point, however, we do not know how many villages have accomplished the changes like those in Xin and Linhai in today's China and whether these villages will engage in further development toward democracy.

Given the difficulty to predict political trajectories under an authoritarian regime in transition, it is no wonder that China scholars and observers disagree with one another in projecting the future of China's democratization. Although the 1989 Tiananmen Square Massacre left few in doubt that democracy would be out of the question in the party-state at least in the foreseeable future, some political changes at the grassroots level since the 1990s, especially village elections, lead quite a few observers to see some hope. Several experts on village elections find that grassroots elections have an empowering effect by enabling villagers to remove those corrupt and unresponsive cadres, to demand citizenship, and to raise rights consciousness. These help facilitate more active and widespread political participation, enhance the responsiveness of village cadres, improve village governance, promote higher-level reforms, and restructure the political landscape in rural China (O'Brien 1994; 2001; O'Brien and Li 2000; Li and O'Brien 1999; Li 2003; Howell 1998; Chan 1998; Shi 1999; Manion 1996).

Thus, some scholars believe that village elections and grassroots democracy might contribute to a bottom-up democratic transformation in the long run. According to Schubert (2002), grassroots elections help bring democratic training and idealism to Chinese peasants and will most probably facilitate a stable democracy in the future. He suggests that Taiwan is a good example, where local elections since the 1950s have helped propel its democratization in the 1980s. Chan (1998) maintains that village elections help heighten peasants' consciousness of political rights, which is fundamental to a democratic process. The cumulative effect of the piecemeal reforms, including village elections, might change the very nature of the Party and its rule. Once the people

become habitual to approve their leaders, the authoritarian regime might have to change (Kelliher 1997).

Others are not so optimistic about the long-term effect of grassroots democracy. Some studies find that village elections have not changed the decision-making structure and led to genuine self-government, because the appointed Party Secretaries are still very powerful and the Villagers' Committees function as administrative appendages of township governments (Oi and Rozelle 2000; Alpermann 2001). Louie (2001) argues that, even if genuine grassroots self-government is implemented in villages, their contribution to China's democratization is at most peripheral. For him, the villages' experience cannot be easily transplanted into urban areas at higher levels because of their small size and related characteristics. Thurston (1998) indicates that, "To conclude that village elections represent the first step in a long-term process of democratization in China may thus be wishful thinking." In Thurston's view, although village elections are encouraging, China's democratization also requires significant changes and explicit commitments at the top.

The debate over the prospects of China's democratization will continue, partly because grassroots reforms began only two decades ago. It is hard to make any reliable projection based on the short period of experience. This study offers some hope for a bottom-up democratic transformation in China in the long run. If more and more villages are experiencing the changes of institutional and decision-making structures, such as Xin and Linhai, we might expect some fundamental transformations at higher levels in the future,

such as constitutional and judicial reforms. If we share Tocqueville's ([1835] 1990) understanding that township meetings and local self-governance lay the foundation for American democracy, the hope for a democratic China might be real. This depends on the artisanship and creativity of Chinese people, who have developed a remarkable civilization for thousands of years. The emphasis of the Confucian tradition on enlightenment and education will certainly help the dream come true some day.

The Challenges Ahead

Despite the encouraging hope, a number of challenges to deeper rural transformation in China lie ahead. One of them is the widening rural-urban divide and inequality. Although peasants' incomes increased rapidly in the early stage of rural reforms, they have slowed down or even stagnated since the 1990s. Thus, the income gap has been widening between peasants and urban residents, and now reaches an alarming line. The Gini coefficient in China rose from 0.33 in 1980 to 0.40 in 1994 and to 0.46 in 2000. China is among those countries with the most unequal income distribution in the world. The rural-urban income disparity is the main reason for this increasing inequality. In 2000, the urban-rural ratio of per capita income was 2.787, which was the highest in the world (Chang 2002).

The rural-urban inequality can, to a large degree, be attributed to the urban-biased policies and institutionalized discrimination against rural people. Many of the policies are closely related to the Household Registration System (*hukou zhidu*), which limits peasants' mobility and access to various welfare benefits enjoyed by urban residents (Knight and Song 1993; Yao 1999). Although peasants can go to urban areas to look for jobs today, they are still facing many constraints in housing, health, pensions, education, and so on. In many cities, peasant workers' children are not allowed to go to urban schools, which is very likely to further widen the rural-urban gap in the future (Yang 1999).³³⁷

Another challenge is the increasing rural unrest and instability. Chinese history is full of peasant protests, uprisings, and revolutions. Today's peasants find that they are often put in their forebearers' position. Official statistics indicate that the number of protests grew by 15 percent last year to 58,000, with more than 3 million people taking part. In November of 2004, tens of thousands of farmers in Sichuan marched against a dam project that would have made 100,000 people homeless. In April 2005, two elderly women were killed during a protest against factory pollution, and this sparked a bloody riot by thousands of villagers in Zhejiang province, a relatively developed region in eastern China.³³⁸

³³⁷ It has recently been reported that eleven provinces in China are planning to abolish legal distinctions between urban residents and peasants to slow the urban-rural gap and reduce social unrest. Under an experimental program, these provinces will allow peasants to register as urban residents and to have the same rights to housing, education, medical care and social society that urban people have enjoyed. See: "China to Drop Urbanite-Peasant Legal Differences," *New York Times*, November 3, 2005. At: <http://www.nytimes.com/2005/11/03/international/asia/03china.html>.

³³⁸ See *The Guardian*, April 12, 2005. At: <http://www.guardian.co.uk/international/story/0,,1457243,00.html>.

Many of the violent protests and demonstrations are associated with local officials' illegal levies, corruption, use of excessive force, distortion of central policies, land expropriation, and manipulation of village elections (O'Brien and Li 1995; O'Brien and Li 2005; O'Brien 1996; Li and O'Brien 1996; Li 2001; Bernstein 2000; Bernstein and Lü 2003; Johnson 2004; Chen and Chun 2004). In some areas with numerous rural industries, environmental problems are becoming another reason for rural conflicts. Arable land is being destroyed, and air and water are being polluted (Yao, Zhang, and Feng 2005). Behind the scene of prosperity, villagers' health and life are threatened in these regions, and sustainability of the growth is questioned. My visit to rural Zhejiang last year suggested that the environmental problem is very serious.³³⁹

Also, population pressure is challenging in rural China. Despite the implementation of a family-planning policy for over two decades, the population is still steadily growing, especially in the countryside. The official census reported that China's population reached 1.26 billion by the end of 1999, an increase of 11.7 percent in contrast to 1990. Although the birth rate and the natural growth rate have decreased significantly since the early 1980s, they were still 1.523 percent and 0.877 percent in 1999, respectively.³⁴⁰ In rural areas, the population growth causes resource shortages, especially of land and water,

³³⁹ Some peasants in a village close to a township seat told me that their drinking water mainly relied on a local river 20 years ago. Today, the water of the river cannot be drunk, and there is no fish at all in it. Also, according to the peasants, an iron-smelting company located near their village destroyed dozens of acres of their land. They protested to township and county governments, but the company is still operating, because its boss is a friend of the province's vice governor.

³⁴⁰ See *White Paper on Population in China*. At: <http://www.cpirc.org.cn/en/whitepaper.htm>.

and other problems. Moreover, the strong preference to boys in many villages leads to innumerable “hidden children” and discrimination against girls.³⁴¹

Further, the spread of HIV/AIDS is posing a huge threat to rural China. An official report indicated that there were around 840,000 HIV-infected people in China in 2003, including about 80,000 AIDS patients. It is estimated that by 2010, there could be ten to twenty million HIV-positive people in China.³⁴² One of the important reasons for the AIDS epidemic is blood-selling in many rural areas. Lots of poor rural people have been selling their blood through tainted transfusions in order to make a living, pay taxes and fees, and support their children through school (Lu et al. 2005). It is difficult to know the actual number of people infected with HIV through blood-selling, but experts estimate that there could be over a million victims in Henan province alone. It is reported that many peasants in some villages died of AIDS, but officials still refused to face the crisis a couple of years ago.³⁴³

Finally, there are many other challenges to rural development and transformation in today’s China. Can Chinese people cope with and overcome these enormous challenges ahead? The answer partly relies on the people’s wisdom and efforts to make further reforms in various policy areas. Over the past two decades, villagers have demonstrated their extraordinary capabilities of engaging in entrepreneurship and improving rural

³⁴¹ In Xin village of this study, some villagers told me that, when a family has two or more girls, it usually abandons the newborn baby girl by putting her in front of another family’s house at night. The latter usually has already had one or more boys, and will, in most cases, adopt the abandoned girl. This practice of abandoning baby girls is to avoid heavy fines or other punishments under the birth-control policy.

³⁴² See “HIV & AIDS in China,” at: <http://www.avert.org/aidschina.htm>.

³⁴³ See *The Guardian*, October 25, 2003. At: <http://www.guardian.co.uk/china/story/0,7369,1070800,00.html>.

governance. If they learn to take advantage of their knowledge and wisdom, the challenges are very likely to translate into opportunities. Thus, “a great experiment,” as Tocqueville ([1835] 1990, 25) saw in America in the 1830s, might be underway in China.

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