Taxation without Representation in Contemporary Rural China

The financial burdens imposed on peasants have become a major source of discontent in the Chinese countryside and a worrisome source of political and social instability for the Chinese government. Throughout the 1990s and into the new century, much of rural China has been in a state of crisis as tension has grown between the peasant masses and the state. Farmers who bitterly resented the tax burden began increasingly to protest (sometimes violently) against unpredictable and open-ended financial exactions by predatory local governments. Local rural officials, in turn, are driven by intense pressure to develop and modernize in order to catch up with the more highly developed coastal areas.

Bernstein and Lü show how and why China’s developmental programs led to contentious, complicated relationships between peasants and the central and local governments. They discuss the reasons why peasants in grain-growing “agricultural China” have benefited far less during the reform era than those in the industrializing coastal areas. They examine the forms and sources of heavy, informal taxation and shed light on how peasants defend their interests by adopting strategies of collective resistance (both peaceful and violent). The authors also explain why the central government, although often siding with the peasants, has not been able to solve the burden problem by instituting a sound, reliable financial system in the countryside. The regime has, to some extent, sought to empower peasants to defend their interests – informing them about tax rules, expanding the legal system, and instituting village elections – but these attempts have not yet generated enough power from “below” to counter powerful local governments.

The case studies featured here offer rare insight into Chinese political life in the countryside. This is the first in-depth English study of the problem of aggressive taxation by local governments in contemporary China and its social and political implications. Bernstein and Lü help explain how this has played a large role in defining the relationship between the state and peasants in the reform period. Their analysis adds to the larger debate over whether China’s growing strength could pose a threat to other countries, or whether China’s leaders will be preoccupied with domestic problems such as this one.

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A Study of the East Asian Institute, Columbia University

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List of Journals, Newspapers, Translation Services, and Abbreviations

Banyuetan (Fortnightly Chats), Beijing
Beijing Qingnianbao (Beijing Youth Daily)
Beijing Review
Caizheng Yanjiu (Financial Research), Beijing
CAPD, China Association for the Promotion of Democracy
CASS, Chinese Academy of Social Sciences
CC, Central Committee
CCP, Chinese Communist Party
CCTV, Central China Television
CD, China Daily, Beijing
Changjiang Ribao (Yangtze Daily), Wuhan
Cheng Ming (Contention), Hong Kong
China Journal, Canberra (formerly the Australian Journal of Chinese Affairs)
Ching Pao (Mirror), Hong Kong
Chiushi Nientai (The Nineties), Hong Kong
Chuncheng Wanbao (Spring City Evening Paper), Kunming, Yunnan
CPPCC, Chinese People’s Political Consultative Conference
Dangdai (The Present Age), Nanjing
EBF, Extrabudgetary funds
FA, Farmers’ Association
Faxue Pinglun (Legal Review), Beijing
Faxue Yanjiu (Legal Research), Beijing
Fengci yu Youmo (Satire and Humor), Beijing
FEER, Far Eastern Economic Review, Hong Kong
FZRB, Fazhi Ribao (Legal Daily), Beijing
Gaige (Reform), Beijing
Gaigeyu Lilun (Reform and Theory), Beijing
GLF, Great Leap Forward
GMRB, Guangming Ribao (Guangming Daily), Beijing
Guanli Shijie (World of Management), Beijing
HBRB, Hebei Ribao, (Hebei Daily), Shijiazhuang
Hebei Nongcun Gongzuo (Hebei Rural Work), Shijiazhuang
Hebei Xinfang (Hebei Letters and Visits), Shijiazhuang
Hsin Pao, Hong Kong
Hunan Ribao (Hunan Daily), Changsha
ICHRD, Information Centre for Human Rights and Democracy, Hong Kong
Jiaige Lilun shijian (Theory and Practice of Prices), Beijing
Jiangsu Jijian (Jiangsu Party Discipline Inspection), Nanjing
Jingji Cankaobao (Economic Information Daily), Beijing
Jingji Gaigeyu Fazhan (Economic Reform and Development), Beijing
Jingji Pinglun (Economic Review), Wuhan
Jingji Tizhi Gaige (Economic Structural Reform), Beijing
Jingji Yanjiu (Economic Research), Beijing
Jingji Yanjiu Cankao (Reference Material for Economic Research), Beijing
JJRB, Jingji Ribao (Economic Daily), Beijing
JPRA, Joint Publications Research Service, Springfield, VA
Kaifang (Opening Up), Hong Kong
Laixin Zhaibian (Extracts from Letters), Beijing
Liaowang (Observer), Beijing
Lien Ho Pao (United Daily), Taipei
Lindao Cankao (Reference Reading for Leadership), Beijing
MCA, Ministry of Civil Affairs
Ming Pao, Hong Kong
Minzhu Yu Fazhi (Democracy and Law), Shanghai
MOA, Ministry of Agriculture
Nanjing Ribao (Southern Daily), Guangzhou
Nanjing Zhoumo (Southern Weekend), Guangzhou
Neibu Cankao (Internal Reference Readings), Beijing
Neican Xuanbian (Selected Internal Reference), Beijing
NJW, Nongye Jingji Wenti (Problems of the Agricultural Economy), Beijing
NMRB, Nongmin Ribao (Farmers’ Daily), Beijing
Nongcun Gongzuo Tongzun (Rural Work Bulletin), Beijing
NPC, National People’s Congress
Nongcun Jingji (Rural Economy), Beijing
Nongye Jingji (Agricultural Economy), Shenyang
Journals, Newspapers, Translations, Abbreviations

NYT, New York Times
PAP, People’s Armed Police
Ping Kuo Jih Pao (Apple Daily), Hong Kong
PLA, People’s Liberation Army
POS, Political Opportunity Structure
Qingnian Yanjiu (Research on Youth), Beijing
RDRI, Rural Development Research Institute
Renmin Gonganbao (People’s Public Security Newspaper), Beijing
Renmin Xinfang (Letters and Visits from the People), Beijing
RMRI, Renmin Ribao (People’s Daily), Beijing
RMRB-O, Renmin Ribao (People’s Daily) Overseas Edition, Beijing
SCJP or SJRB, Shih-chieh Jih-pao or Shijie Ribao (World Journal), New York
Shansi Nongjing (Shanxi Rural Economy), Taiyuan
Shehui (Society), Shanghai
Shehui Gongzuo Yanjiu (Research on Social Work), Beijing
Shehui Kexue (Social Sciences), Shanghai
Sheke Xinzhi Wenhai (Collection of Social Science Information), Beijing
SCMP, South China Morning Post, Hong Kong
Shuiwu Yanjiu (Research on Taxation), Beijing
Sichuan Ribao (Sichuan Daily), Chengdu
Social Sciences in China, Beijing
SWB-FE, British Broadcasting Company – Survey of World Broadcasts, Third Series, Far East, Caversham Park, Reading, UK
Ta Kung Pao, Hong Kong
Tangtai (Current Age), Hong Kong
Tansuo (Probe), New York
Tong Hsiang (Trends), Hong Kong
TVE, township and village enterprises
VC, Village Committee
Wen Wei Po, Hong Kong
VRA, Village Representative Assembly
XHRB, Xinhua Ribao (New China Daily), Nanjing
Xinhua, New China News Agency, Beijing
Xinhua Neican Xuanbian (New China News Selections for Internal Reference), Beijing
Xinhua Wenzhai (New China News Abstracts), Beijing
Xin Shiji (New Century), Haikou
Xinwengao (News Briefs), Beijing
Xingzheng yu Fa (Administration and Law), Changchun
Xuexi yu Tansuo (Study and Probe), Harbin

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Journals, Newspapers, Translations, Abbreviations

Yangcheng Wanbao (Guangzhou Evening News), Guangzhou
Zhengzhi yu Falü (Politics and Law), Beijing
Zhongguo Caijingbao (Chinese Financial and Economic News), Beijing
Zhongguo Caizheng (China State Finance), Beijing
Zhongguo Gaigebao (China Reform), Beijing
Zhongguo Guoqing Guoli (China's National Condition and Strength), Beijing
Zhongguo Jiancha (Supervision Work in China), Beijing
Zhongguo Minzheng (Civil Affairs in China), Beijing
Zhongguo Nongcun Guancha (China Rural Survey), Beijing
Zhongguo Qingnian (China Youth), Beijing
Zhongguo Qingnianbao (China Youth Daily), Beijing
Zhongguo Shuiwu (China’s Taxation), Beijing
Zhongguo Tongji Bao (China Statistical News), Beijing
Zhongguo Wujia (China Prices), Beijing
Zhongguo Xinxibao (China Information), Beijing
ZLTN, Zhongguo Laodong Tongji Nianjian (China Annual Labor Statistics), Beijing
ZNJ, Zhongguo Nongcun Jingji (Chinese Rural Economy), Beijing
ZNTN, Zhongguo Nongcun Tongji Nianjian (China Rural Annual Statistics), Beijing
ZRGYGB, Zhonghua Renmin Gongheguo Guowuyuan Gongbao (State Council Bulletin), Beijing
ZTN, Zhongguo Tongji Nianjian (China Annual Statistics), Beijing
ZTN-Zhaiyao, Zhongguo Tongji Nianjian-Zhaiyao (China Statistical Abstracts Annual), Beijing
ZTS, Zhongguo Tongxunshe (China News Service), Beijing, Hong Kong
ZXB, Zhongguo Xiaofeizhebao (China Consumer News), Beijing
ZXs, Zhongguo Xinwenshe (China News Agency), Beijing, Hong Kong
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In the late 1990s large parts of rural China were in a state of crisis. Households dependent on agriculture for their livelihood were enduring stagnant incomes and there was an increasingly tense relationship between peasants and local officials. Financial exactions to which village households were subject were a major cause. These included formal taxes, a bewildering variety of informally levied fees, and unregulated fund-raising among the households by local officials. Collecting these unpredictable and arbitrary levies often required severe coercion and was a major source of rural discontent. It elicited considerable peasant resistance, increasingly threatening rural stability. Beginning in the mid-1980s, when the problem first emerged into prominence, the leaders of the Chinese Communist Party and government made major efforts to ease “peasant burdens.” These efforts failed and the situation became more and more fraught with tension and conflict.

This study sheds light on the nature and extent of the burdens. They were an issue primarily in agricultural areas, rather than in those areas where rural industrialization had made significant progress. It sheds light on the repercussions of the burdens by examining peasant protest and peasant collective action. And it sheds light on the attempts made by the authorities to find effective remedies. In analyzing these issues, the study probes the institutional and behavioral sources of this concrete and practical problem, linking solutions to more deep-going reforms. The burdens were the product not simply of predatory or corrupt local officials. They were the product of a well-entrenched approach to development that set performance targets irrespective of local capacities to meet them (in our case, the local tax base) and that rewarded officials for achievement, not questioning the methods used. The Chinese local state emerges in our study as both predatory and developmental, requiring that it be the former in order to become the latter. The burdens were the product of fiscal practices that had deep roots in imperial and Republican China but they were also grounded in more recent
innovations such as fiscal decentralization and administrative deconcentration. Effective solutions required major changes in China’s administrative system, thus testing the adaptive capacities of the regime.

Our study reveals a complicated and contentious relationship among peasants, the central government, and local governments. Although the central government sided with the peasants, it lacked the capacity to solve the problem by establishing a sound fiscal system in the countryside, an inadequacy reminiscent of imperial and Republican times. To counter the abusive behavior of local officials, the regime endeavored to empower peasants to defend their interests, introducing freer village elections and broadening access to legal redress. These innovations, although important in their own right, did not generate adequate power from “below” to solve the problem. The burden issue was part and parcel of the underlying challenge of how to make the transition from an authoritarian to a democratic, responsive regime. This book thus brings together major themes in the study of Chinese politics that are often treated separately.

Our research strategy was to construct a generally applicable picture of conditions in “agricultural rural China” rather than to do intensive local research in one or more locales. This approach has advantages and disadvantages. It avoids the inevitable question of just how generalizable case studies are; it also, inevitably, cannot attain an in-depth understanding of how particular factors interacted to produce a specific outcome. In studying protest, for instance, the cases we use are based on press reports, which were sometimes very detailed but did not allow us to say much about possible correlates of collective behavior such as membership in a particular lineage or why a riot took place in village A but not in village B. However, using data from a variety of locales and sources frees the analyst from being tied to case data only.

Our collaboration began in 1997, when we discovered the extent to which our research interests complemented one another or even overlapped. Lü had long been working on the institutional roots of corruption and the changing role of the state, which led him to examine the financial burdens in the context of the administrative system. Bernstein had been working for some years on several issues of rural state-society relations during the reform era, including the transition to household contracting, peasant interest representation, social instability, and the burden problem. We both brought to bear data that we had already collected as well as papers and drafts of chapters.

Both Bernstein and Lü have made numerous research visits to China. In 1985 Bernstein spent three weeks in Zouping county, Shandong, and three weeks in Fengyang county, Anhui, at a time when the burden problem was in its infancy. He later interviewed officials and researchers, in Beijing (1992, 1994, 1998) and in Guangzhou, Tianjin, Shenyang, and Wuhan (1998). Lü interviewed local
officials and farmers during his trips to China in Hebei and Henan in 1996, 1998, and 1999. In 1999, Bernstein participated in a collaborative research project involving Zhongshan University, Guangzhou, which entailed short field trips to villages in Guangdong and Hunan. We are very grateful to all those whom we interviewed and to the Chinese scholars who devoted time to extended conversations on our topic. We are particularly indebted to the people who helped us to arrange the interviews and who hosted us in various locales.

Some material in the book has previously appeared in print: Bernstein’s “Farmer Discontent and Regime Responses,” in The Paradox of China’s Post-Mao Reforms, edited by Merle Goldman and Roderick MacFarquhar, and “Instability in Rural China,” in Is China Unstable: Assessing the Factors, edited by David Shambaugh. He is grateful to the publishers for permission to use the material here. Lü published “The Politics of Peasant Burden in Reform China” in Journal of Peasant Studies. We are also grateful for permission to use material that appeared in the co-authored article, “Taxation without Representation: Peasants, the Central and Local States in Reform China,” which appeared in The China Quarterly.

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And finally, we owe an enormous debt to our spouses, without whose patience, encouragement, support, and advice this book could not have appeared. It is dedicated to them.

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