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978-1-107-08175-8 - The Transformation of Governance in Rural China: Market, Finance, and Political Authority

An Chen

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The Transformation of Governance in Rural China

The outbreak of organized, violent peasant protests across the Chinese countryside from the late 1990s to the early 2000s has attracted much scholarly interest. In this new study, An Chen explores the impact of this violent peasant resistance on China's rural governance in the context of market liberalization. Using extensive field research and data collected from surveys across rural China, the book provides an in-depth exploration of how rural governance in China has transformed following two major tax reforms: the tax-for-fee reform of 2002–04, and the abolition of agricultural taxes (AAT) in 2005–06. In an innovative multidimensional analysis that combines approaches from political science, economics, finance, and sociology, Chen argues that private economic power has merged with political power in a way that has reshaped village governance in China, threatening to change its political structure fundamentally.

AN CHEN (Ph.D. Yale) is Associate Professor of Political Science at the National University of Singapore and a former senior research fellow at the Chinese Academy of Social Sciences. He is the author of *Restructuring Political Power in China: Alliances and Opposition, 1978–1998* (1999). His recent publications have appeared in *Politics & Society*, *Political Science Quarterly*, *Modern Asian Studies*, *China Quarterly*, *Modern China*, *Democratization*, *Journal of Democracy*, and *Journal of Communist Studies and Transition Politics*.

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For Shuhong and Chen Wei

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Preface

This book started twelve years ago as a much smaller project, which was intended to explore China's peasant burdens and grievances. At that time, I saw no clear signs suggesting that the Chinese countryside was on the eve of a great political and economic transformation. I did not anticipate that this project would take so many years to complete and eventually expand to such a scope. The two major rural reforms in the first decade of the twenty-first century, namely the tax-for-fee reform in 2002–04 and the abolition of agricultural taxes in 2005–06, whose effects were reinforced by the ongoing marketization of the rural economy and the rapid deterioration of rural finances, have changed China's rural politics almost beyond recognition. In terms of its economic, political, and social magnitude, this transformation by no means pales in comparison with agricultural decollectivization around the turn of the 1970s.

As the situation in rural China was developing at a swift and dramatic pace, I found myself being dragged deeper and deeper into a “mire” that did not allow me to conclude this project quickly, but rather compelled me to keep updating my research and broadening its scope and to wait for the dust to settle. In the meantime, the more questions I had tried to answer, the more questions it begged. At the end of the day, I realized that the transformation of governance across rural China is virtually an “all-or-nothing” topic that denies a partial or single disciplinary approach. Instead, it requires a comprehensive or multidimensional analysis that combines the perspectives of political science, economics, finance, and sociology. If one sentence can capture the core of this study, the main driving forces behind China's rural political development over the past twenty years have not been political but economic, financial, and social factors.

Needless to say, the completion of this project would have been impossible without the assistance of a large number of people. A large proportion of this book draws on the results of my field research in rural China that spanned eleven years. My gratitude goes first to He Xuefeng (Huazhong University of Science and Technology [HUST]), Lang

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Youxing (Zhejiang University), Zhao Shukai (Development Research Center of the State Council), Zhang Deyuan (Anhui University), Xie Yumei (Jiangnan University), Dong Leiming (Provincial Party School of Jiangsu), Wang Ximing (Southwest Jiaotong University), and Shi Congmei (Soochow University). These Chinese scholars are not only leading experts in China's rural politics who know the reforms and changes in the Chinese countryside better than anyone else. More importantly, their empirical research sites were located in China's different regions, which cover vast rural areas from the poorest hinterland to the richest coastal provinces. In addition to numerous discussions and exchanges of ideas, they arranged my fieldwork through their local networks; they either accompanied me to visit the villages and townships personally or requested their students and friends to do so; they helped me critically analyze the empirical findings and data collected from my field investigations; and they assisted me in organizing the surveys. This project benefited immensely from their expertise, which, for one thing, enabled me to recognize more keenly the diversity and complexity of the Chinese countryside and alerted me to the danger of being misled by regional biases.

I owe gratitude to many other scholars, most notably Kathryn Bernhardt, Yongshun Cai, Richard Gunde, Maria Heimer, Shaohua Hu, John James Kennedy, Pierre Landry, Ethan Michelson, Kevin O'Brien, Yusheng Peng, Patricia Thornton, Mary-Ann Twist, Andrew Walder, Robert Woodberry, Dali L. Yang, and Feizhou Zhou. They read the early versions of some parts of this book. Their views, comments, and suggestions contributed greatly to the improvement of my analyses and arguments. Two anonymous reviewers for Cambridge University Press read the entire manuscript. For their constructive criticism and helpful comments, they deserve special credit for the strengths, if any, of this book. I gratefully acknowledge the excellent research assistance of Chen Chao, Chen Shaofeng, Guo Jiguang, Han Rongbin, Jiang Yang, Ma Shaohua, Qian Jiwei, Yu Juan, Yuan Jingyan, and Zeng Rui. Their help with collecting and processing useful Chinese research materials, among other things, lightened my burden and accelerated the progress of my research.

I thank Lucy Rhymer at Cambridge University Press for her interest in this project and for guiding it through the publication process. Her encouragement, efficiency, and professionalism have made this experience of mine both gratifying and productive.

The drafts of some chapters in this book were the papers presented at several international conferences, including the ninth annual Asian Studies conference (June 18–19, 2005, Sophia University, Tokyo); the

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annual conference of the Association for Asian Studies (March 22–25, 2007, Boston); the conference on “China and India: Economic and Social Development” (March 17–18, 2008, Singapore); the conference on “Post-Olympic China: Globalisation and Sustainable Development after Three Decades of Reform” (November 19–21, 2008, University of Nottingham); and the tenth annual International Conference on Politics and International Affairs (June 18–21, 2012, Athens). Some hypotheses and findings of this book were presented and discussed at a number of seminars, including those held at the Center for Chinese Studies, UC Berkeley (March 2007) and at the Center for China’s Rural Governance, HUST (January 2008). I thank the participants of these conferences and seminars for their comments.

I am particularly grateful to the National University of Singapore (NUS), where I have taught for nearly twenty years. NUS provided three research grants (R-108-000-010-112; R-108-000-018-112; R-108-000-035-112) for my research on China’s rural politics. Without its generous financial support, I probably would not have dared to venture into or proceed with this formidable and time-consuming undertaking. The superb academic environment and facilities at NUS, particularly its rich collection of social science books, were so favorable to my research that it was one of the key factors explaining why I could complete this project. I thank my colleagues in the Department of Political Science. Discussion with them has always been rewarding. I am indebted to Terry Nardin, the department head, for his consistent support and encouragement. I have been teaching two courses on Chinese politics at NUS – at both the undergraduate and graduate levels. I appreciate many thoughtful comments of my students, which prompted me to think more deeply about the issues relating to the theme of this book.

For me, writing this book is the best way to cherish the memories of my parents, Chen Yujia and Ren Peifen, who have been a tremendous source of intellectual inspiration and an overriding motivational power throughout my academic career. When I walked on muddy tracks against piercing wind in impoverished rural areas, I asked myself whether persisting with this project was worthwhile and why I could not turn to probably “easier” topics that are less excruciating. If I pursued this study only because of pure personal interest, I might have abandoned it years ago. When a project reaches a certain stage that causes a considerable amount of hardship, conviction may be needed to make the researcher’s efforts sustainable. I owe my conviction first and foremost to my father’s teachings and example. As a Chinese scientist trained in the United States, what drove his scientific exploration was not only personal enjoyment but more importantly his sense of responsibility. I wish to let him

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know from this book that I am not an academic sitting in ivory towers but one who cares about and tries to make his social scientific pursuits relevant to the practical concerns of ordinary people.

This book is dedicated to my wife and son, Xu Shuhong and Chen Wei, who accompanied me through the highs and lows of this long process. For academic couples, how to divide household duties could be a problem. But for me this was not a problem at all as Shuhong volunteered to manage nearly all housework. Holding a Ph.D. in Chinese literature, she sacrificed much of her research time so that I could concentrate on my work. Wei was growing up as this project moved forward. When I relaxed, it was a great joy to listen to his Greek mythology and stories of scientific discoveries. Indeed, I learned a lot from him about secrets in galaxies. Over the past twelve years, because of my fieldwork in China, I was unable to join them in celebrating Christmas and New Year's Day at our Singapore home except for two years. They missed me but never complained. Their love, understanding, and support have been more important than anything else to the completion of this book.

Abbreviations

AAT	abolition of agricultural taxes
CCP	Chinese Communist Party
HRS	household responsibility system
KMT	Kuomintang
NTR	non-tax revenue
SOE	state-owned enterprise
TFR	tax-for-fee reform
TVE	township-and-village enterprise
VAT	value-added tax
VOE	village-owned enterprise
VPB	village party branch

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Key Chinese terms (pinyin)

<i>baogan</i>	contractual fiscal balance
<i>cunmin xiaozu</i>	villagers' group
<i>fei gai shui</i>	tax-for-fee reform
<i>guanxi</i>	connections
<i>hukou</i>	household registration
<i>kuai kuai</i>	horizontal jurisdiction
<i>liang wei hui</i>	two-committee meeting
<i>santi wutong</i>	“three (village) deductions” and “five (township) charges” (various fees peasants were obligated to pay)
<i>tiao tiao</i>	vertical jurisdiction
<i>tiaokuai guanxi</i>	cross-hatching of horizontal and vertical lines of authority
<i>wei quan</i>	defending legitimate rights
<i>wei wen</i>	maintain (social-political) stability
<i>wu bao hu</i>	villagers who have lost their ability to earn a living
<i>xiangzhen</i> or <i>xiang</i>	township
<i>xianji shi</i>	county-level city
<i>xingzheng cun</i>	administrative village
<i>yi jian tiao</i>	the village party secretary and elected village head are the same person
<i>yishi yiyi</i>	one-issue-one-discussion
<i>zhai ji di</i>	the village's land or the villager's land for building private houses
<i>zhaoshang yinzi</i>	attracting investment
<i>zhen</i>	town
<i>ziran cun</i>	natural village