Chapter 4 Individual land tenure and the challenges of sustainable land use and management

Abstract:

Despite its positive developmental effects, the current focus of Chinese development policy on individual land tenure has its inherent weaknesses. Its linkages with rural poverty and natural resources management issues have gradually manifested its limitations to organized peasant determination in landed resource governance. Its association with land and social fragmentation has further undermined the collective power of the peasantry, whilst privileging the powerful local government to use it to meet their development mandates set from above. This research is based on an environmentally fragile and poor county in North China to examine the linkages of land tenure, poverty and natural resource governance. It emphasizes how the local peasantry perceive these issues and contest land use for their livelihoods. It argues that land tenure security can only possibly be achieved by tackling the fragmented nature of individual tenure and exploring the mechanisms for genuine peasant collective action towards sustainable rural development.

1. Introduction

This chapter discusses the recurrent issue of land tenure—the household responsibility system (HRS) and ongoing reforms of collective natural resource tenure and their linkages with sustainable natural resource management and rural development. China’s remarkable development since the 1980s hinges on decentralized agriculture or the HRS in particular. The HRS grants individual farming households long-term land use rights in order to ensure their sustained interests in farming and its related investments. To a certain extent, it has stimulated peasants’ incentives in production and thus agricultural development. As a result, until the mid-1980s, total agricultural output grew by no less than 7.4 percent per year (Huang, 1998). Chinese peasants had enjoyed greater freedom to sell surpluses after fulfilling obligatory grain quotas as compared with the commune era.
However, since 1985 agricultural growth has slowed down by 3.8 percent per year. And rural environmental degradation and depletion of natural resources have made many poor people fall back to poverty (Li et al., 2005). Many scholars hold the assumption that retarded growth and continuing poverty are caused by the lack of clear-cut private titles to land as farmland ownership remains with the village collective. Such a form of ownership is often viewed as ambiguous in light of the mounting evidence of illegal land expropriation, land conflicts and more importantly, unsustainable land use and management. Furthermore, collective ownership obstructs the development of a healthy rural land market, which is the key to the realization of economies of scales in agricultural production and poverty reduction. This two-tiered rural land system that combines public ownership with private land use rights is also prone to corruption and rent seeking of local elites. To capitalize on the advantages of the current HRS, China would need a more individualistic institution that facilitates the development of tradable land rights or a rural land market under the rule of law (Lai, 1995; Cai, 2003; Chin, 2005; also see Ho, 2005; Szirmay, 2005).

To a certain degree, China’s land policy reform shows little difference from the rest of the world where modernization of agriculture through individualization of land titles and establishment of land and agricultural markets prevail. Since collective landownership is seen as a structural constraint on these institutions, individualized private property is considered as more developed in terms of the capitalization of landed capital, land tenure security and rapid agricultural growth (see Feder & Feeny, 1991; Migot-Adholla et al., 1991; Whitehead & Tsikata, 2003). Even so, land titling projects in many developing countries involve high risks that are detrimental to socially embedded rights and thus exacerbate existing social, political and economic inequalities rather than serving the mechanisms for its redress. Far from being viable for efficient agriculture for smallholders, the pervasive mechanisms are not geared to tackle the more fundamental structural dimensions of land tenure (Toulmin & Quan, 2000; Fortin, 2005).

Bramall (2004) argues that one should not overestimate the role of HRS in the Chinese agriculture. Rather, government intervention, technological advancement and natural conditions have played a more important role. The current small-size household farming system has caused major problems. These include fragmentation of land, land lost to paths and boundaries and conflict over access to irrigation systems among village groups. Furthermore, it makes large-scale agricultural production extremely difficult. Access to land has not been the basis for China’s agricultural prosperity. Land is valuable because of price support for agriculture rather than the greater efficiency of small-scale farms.
Transforming the HRS into more individualistic land tenure may not provide a viable solution. As Hu (1997: 175) points out, the current land tenure system has encouraged short-sighted decisions and irresponsible use of land resources by the peasants. Peasants pursue immediate and short-term gains, and this is exacerbated by land fragmentation. The latter hampers irrigation and drainage and leads to the degradation of China’s agro-ecological environment. Local governments do not function effectively in organizing agricultural production and overall rural development due to a lack of resources and democratic governance. On the one hand, the lack of resources and good governance has hindered their role in sustainable rural development. On the other hand, slow agricultural development has generated insufficient resources for local governments to deliver basic rural services and thus win the support of the peasantry. Moreover, the Chinese peasantry, to a large extent, has not been organized in a way that their land can be better utilized and managed. As a result, they have not managed to gain substantial benefits from their land except for the purpose of subsistence.

The interactions between the state and the peasantry over land use and management deserve further investigation. It is important to cast local government in the lead role of the development process (Oi, 1999). The HRS is aimed at strengthening individual peasants’ rights and improving land use efficiency, but this has not been complementary to effective village governance—the foundation and driving force for peasant-centred development. Discourses on land tenure reform as already mentioned treat land relations as embedded within the complex social and political domains, which make the reform perplexingly insufficient or inefficient in addressing the structural problems of power and agency. Even so, such discourses provide insufficient analysis of how a specific land tenure regime actually complicates or even reconstructs rural societal, political, economic and even environmental relations.

The case of China provides a unique angle to deconstruct the causes of complex land-society interactions in relation to livelihoods, governance and rural development. This complexity, to a certain degree, is determined by the HRS as land fragmentation underscores the issue around the lack of rural social cohesiveness and mutual groupings in farming, development and governance processes. A lack of effective social organization is conducive to poor governance of both natural resources and village affairs. As a result, more individualistic land tenure may be further attributable to enlarging rural inequalities especially between the peasantry and local state actors.
Drawing on the case study of a nationally designated poverty area—Guyuan County, Hebei Province in North China, this chapter explores the major constraints to sustainable land use, poverty and environmental degradation to explicate the underlying social, political and economic factors that impinge upon peasant and local state interactions. In this context, it introduces the changing property rights institutions and discusses the major pitfalls of individualistic institutions governing the use of natural resources by the poor whose livelihoods are contingent upon the increasing degradation of these resources. It manifests the linkages of peasant livelihoods, land-induced conflicting interests among different actors and their contestations over farmland rights and utilization. It ends by discussing the institutional constraints of the current land tenure to peasants’ collective action towards sustainable land use and poverty reduction in environmentally fragile regions in China.

2. Poverty and natural resource linkages and policy responses

This case study is based on the fieldwork conducted in Guyuan County, Hebei Province, in 2008. The research methods were mainly qualitative, given the challenges of the research topic. Almost 30 informal interviews with government staff at county and township levels and local peasants from a number of villages were conducted. Focus group discussions were also held with county and township government officials from the major departments. The field results were supplemented by government published and unpublished reports and policy documents.19

The mountainous Guyuan County has a total area of 3,654 square kilometres and a population of 230,000. It is situated to the northwest of Beijing—the capital of China (just 400 kilometres apart), and in the southeast of the Inner Mongolia Autonomous region (see Map). It also falls within the ecologically-strategic region called the Three North Preventative Forests Belt—a large and long-term national forest plantation programme that covers the northeast, northwest and north of China. The programme is aimed at increasing forest coverage and preventing sand storms from entering the inner regions such as Beijing. With endowed natural resources in the mountains and large tracts of grassland and forests, it features a combined economy of cultivated farming, animal husbandry and tourism. However, the shortage of water is a major

19 Exact names of interviewees, villages and local government departments are omitted due to ethical concerns.
threat to farming. Hebei, together with other provinces in North China, produces almost 25 percent of China’s total agricultural output, although it has at its disposal only 5 percent of the county’s water resources. Irrigation is extensively used in agriculture (Kahrl et al., 2005: 13).

Map 4.1  Guyuan County, Hebei Province, China

Guyuan is highly prone to natural disasters. Drought occurs almost every year, which causes much damage to the farmland. An average of 30 percent of the farmland is affected by natural disasters, leading to severe reduction of farm produce. This damage is exacerbated by the continuous reduction of annual precipitation rate; as a result, the local peasants have to increase their reliance on irrigation for farming. Rampant economic development has caused the increasing loss of farmland, land degradation, loss of grassland and forests. Accordingly, the natural resource base especially soil fertility and groundwater level has declined dramatically. Guyuan’s local economy is constrained by unsustainable natural resources use and management. Poor access to public infrastructure and technical services has precluded many peasants’ pursuit of better farming and marketing of their produce (Guyuan County Government, 2003: 97).

With an average of 0.43 ha of arable land per capita, it has been a nationally designated priority poor county since 1994. A total of 124 villages with a population of 93,069 are targeted for poverty reduction. Despite the progress made especially in the promotion of large-scale vegetable farming since 1998, there are still 78,600 people living on an average annual net income in the region of 100 US$. Poverty reduction continues to be a major task of the county government (Guyuan County Poverty Alleviation Office, 2007).
To address poverty, since 1998, the county government has spearheaded the development of agribusiness enterprises on the assumption that this trajectory would enable different villages to develop their economies of scales. Animal husbandry and vegetable farming have been promoted as the two most important enterprises for poverty reduction. It has become a well-known region for supplying milk, beef and vegetables to other parts of the country, especially the North. In 2007, for example, 80 percent of the villages or 40 percent of the population were involved in vegetable farming, which occupied 15 percent of the arable land. Till now, this sector has remained the most important sector in agricultural development (Guyuan County Poverty Alleviation Office, 2007).

Essentially, Guyuan County offers incentives for business investments in the agricultural sector to encourage the setting up of large enterprises through policies that employ the “dragon head (longtou qiye)” approach. These enterprises are expected to play a leading role in organizing the peasants in production and being responsible for the marketing of produce. The peasants are allowed to join these enterprises through land and labour shareholding arrangements. Thus they are expected to earn profits from their shares. It is not the purpose of this chapter to explain the outcomes of these arrangements, but it is important to note that the organization of the peasantry is problematic, as these organizations exist in small numbers and most of them operate ineffectively; and in most cases, they only remain in name. Some even take advantage of the peasants by monopolizing the prices of the produce. It is far too early to predict the effectiveness of this type of agricultural organization in combating poverty and environmental degradation. In general, smallholder farming constitutes the major agricultural pattern as seen in most parts of rural China.

However, before 1998 cash crop farming in the county was not mainstreamed. Instead, traditional crops such as oats and flax were widely planted for both domestic use and the market, although profits for the peasants were minimal. These crops are still planted today on relatively small scales, but they are not as profitable as vegetable farming. Paradoxically, they are more drought resistant than vegetables. The introduction of vegetable farming by the local government as an alternative was assumed to be a quick fix to prolonged poverty, yet the extent to which poverty has been reduced is limited. While peasants shifted their traditional farming to the “modern” forms, the majority of them have not benefited from this switch. Natural

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20 This type of agribusiness has been emphasized nationwide by consecutive agricultural policies, see Chapter 3.
21 For details, see chapter 5 on land shareholding cooperatives.
disasters, water shortage and a lack of collective organization of farming constrain peasants’ efforts in maximizing farming efficiency and market access. Both the county government and the peasants have voiced their concerns about the sustainability of the current farming methods in light of these challenges. Above all, peasants’ lack of information on the market, choice over farming and off-farming employment opportunities has further complicated their difficult livelihoods. The case of Guyuan County exemplifies the experiences of many other Chinese regions where peasants' livelihoods are constrained by unsustainable land use and management, natural resource degradation and ineffective policy response to the poverty and environment linkages. Nevertheless, land tenure has not been given attention in explaining the ongoing constraints to sustainable rural development.

3. Changing land relations: From mutual help to conflicts

Before 1949, most agricultural land in Guyuan County was owned by landlords, rich peasants and merchants. Ordinary peasants owned little or no land at all. Only a small number of poor peasants managed to become smallholders after many years of hard work and savings. The ratio of land occupation between the rich and poor was nearly 8:1—an indicator of a high level of social and economic inequality. The majority of the peasants maintained their livelihoods through renting the land of the landlords and other rich peasants. And land transactions took different forms which included land leases, sales, mortgages and the hiring of farm labourers by some landowners.

The land revolution led by the Communist Party called for the abolition of the exploitive feudal land relations with a view to uniting the poor peasantry to overthrow the Nationalist government. Many landlords’ landed properties were confiscated and redistributed to the poor peasants. The victory of this revolution faced an immediate challenge for agricultural development, since it was a drastic process of severing the old productive relations. The peasants with redistributed land could hardly cope with the shortage of labour, livestock and machinery, which were all essential to efficient farming. Peasant cooperation became a necessary institution to deal with these problems. After 1950, many temporary and year-round mutual help groups were established based on voluntary principles. These groups with varying numbers of participant households played an important role in offsetting the shortage of human and technical capital through the exchange of labour, livestock and machinery. During this period the number of the mutual help groups increased substantially. For
instance, in 1950, only 2.8 percent of the households were involved; but in 1954, this number reached 81.7 percent (Guyuan County Government, 2003: 197).

The establishment of peasant production organizations would not have been easy without government dominance and intervention. Their transformation went through three stages. At the first stage, in 1952, primary agricultural cooperatives were piloted and rolled out to the whole county. Individual households remained as the landowners, but also as cooperative members who received the benefits based on their labour contribution. Land use, management and agricultural production were all arranged by the cooperatives. At the second stage started in 1956, the primary cooperatives and earlier established mutual help groups were transformed into advanced agricultural cooperatives. Collective landownership replaced the old private ownership. All peasant households automatically became members of the cooperatives, which arranged farming and distributed production materials to the members. At the third stage, these cooperatives were transformed into communes, a larger institution that displayed more features of collective ownership of landed resources than the previous regimes. Underscored by a high-level of planning and bureaucracy, it quickly showed its ineffectiveness in farming organization and rural development. The local government attempted to improve its efficiency, but it did not provide incentives to the members to stimulate agricultural production. Yet, this failure did not fully lie in the commune itself. The Cultural Revolution (1966-1976) as characterized by fierce political struggles contributed to the destruction of social and economic relations at all levels, which obstructed and did not leave space for further development of the communes (Guyuan County Government, 2003).

The land reform agenda led by the Communist Party across China marked a fundamental shift from private landownership to collective ownership that is continued to this day. The egalitarian principle remains, and this is why land was redistributed to the poor landless peasants in the first place. One can probably argue that the collective institution is the only difference that distinguishes the Communist Party from the Nationalist regime. As Wong (1973) points out, when the Communist Party came to power, its 1950 Agrarian Reform Law contained no major policy innovation because all the important issues had already been tried out by its predecessor, especially the founder of the Nationalist Party—Sun Yat-sen. Sun’s overall programme for “equalization of land ownership and the control of capital” was followed by the communists with the mechanisms of the commune as a collective representation of equity.

In Guyuan County, the HRS was first introduced in 1979 in pilot villages with great difficulties. Like the realization of the previous policies on the models of cooperatives
and communes, its adoption was through politically strong administrative measures, without full peasant consent. Land, labour, livestock and machinery were allocated to individual households that were given the responsibility to meet production and other economic quota and tax set by the local government, while keeping the residue for themselves. On the assumption that the HRS would provide the peasants with more incentives to cultivate their land, its outcome has not been prominent in light of poverty and natural resources degradation. Moreover, the HRS from the very beginning cultivated the seeds of inequality, as large farms were leased to the so-called capable households. During the 1970s and 1980s, these farms were run with a huge loss of profits and property due to mismanagement and weak governance. They were returned to the management of the collective. In 1993, the whole county followed the call of the central government to stabilize and improve farmland contracting relations by granting 30 years of land use rights to the households. And in 1997, a second round of farmland leasing was carried out with a view to clarifying and documenting land contracting rights and improving land tenure security. The latter was assumed to be important to stabilize land relations and encourage land use rights transfers among the households, as some of them would prefer leasing their land to others while undertaking off-farm employment (Guyuan County Government, 2003). In short, the egalitarian principle and practice concerning agriculture gradually receded with the introduction of the HRS whose alignment with state policies on agricultural output to be met by individual households contradicted peasants’ needs for livelihoods and social services (Chang, 1994).

The practice of farmland leasing quickly triggered land conflicts among contractors, village collectives and local government after 1997. Affected peasants lack the power to hold the local government accountable and to negotiate terms of conditions with it. Village collectives are often accused of corruption in village governance. Their abuse of power also lies in the unequal allocation of farmland to different contractors. Those households with close relationships with the village leaders sometimes receive more and better quality land than the others and even do not fully comply with their contractual terms. In some cases, the land of those who have migrated to cities is intentionally kept and redistributed to others, which contravenes the 2002 Rural Land Contracting Law. The latter provides a rigid stance on upholding land tenure security and equity (Guyuan County Disciplinary Inspection Bureau, 2005). But, when the migrants wanted to return to their homes when they were unable to find a permanent stay in the cities, they discovered that their land had been taken
away. This is the most critical factor for disputes and conflicts between peasants and village leaders. How to manage appropriate land use for the benefit of the poor presents a daunting governance challenge to the local government. This challenge also exhibits the weakness of the HRS in securing peasants’ land use rights and stimulating good governance. To a certain extent, the HRS has even facilitated poor governance characterized by rent-seeking and corruption of the village and local government leadership, among other issues. The brief history of land reform in this county demonstrates that none of the land tenure policies have worked effectively. Rather, they are interwoven with many social and political issues, which undermine the power of the poor and lead to rising social instability in the countryside.

4. Fallacies of natural resource management law and policy

4.1 Grassland preservation

Given its unique geographical location, Guyuan County has been included in the provincial and national ecological protection plan. Under immense pressure from the central and provincial governments, the county government’s environmental policy has focused on the preservation of its endowed resources. The 2002 Grassland Law of China stipulates that the grassland belongs to the state which can assign use rights to the village collective. The latter is allowed to contract the land to individual households. With respect to grassland preservation, Article 33 of the law states the following:

Contractors for grassland management shall make rational use of the grasslands, and they may not exceed the stock-carrying capacity verified by the competent administrative department for grasslands; and they shall take such measures as growing and reserving forage grass and fodder…in order to keep the balance between grass yield and the number of livestock raised (Government of China, 2002: 7).

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22 Rural outmigration may not contribute to rural development to a large extent given the fact that enormous urban employment creation is needed to accommodate the migrants. However, it is never an easy task. For rural development to take off substantially, 75 percent of the peasants have to leave the countryside, and this is almost unrealistic (see Kahril et al, 2005). Information on village disputes and conflicts is based on interview with local township staff in July 2008.
In essence, this law displays no difference from the 2002 Rural Land Contracting Law in terms of granting land use rights to individual households. Thus, large part of the grassland in Guyuan has been partly contracted out to individual households that are required to sign their use rights contracts with the county Agricultural and Animal Husbandry Bureau. This measure is assumed to be useful to land preservation, as the peasant users should be made responsible. In parallel, some is kept in the hands of the collective purely for the purpose of nature conservation. This part of the grassland is fenced off for rehabilitation, as either it had been exploited to almost extinction or it is prone to further degradation. Apart from the contracted and preserved grassland, there is only a small proportion of the land left open to communal use for grazing. The rationale for the grassland management is based on the calculation of its carrying capacity. Accordingly, the number of livestock allowed for grazing was set first. However, the administration of grassland protection is too costly and difficult to manage, since the peasants can still find ways to cut the fence and enter the land. The grassland contract management has not succeeded in fully registering the peasants, some of whom have not applied for the contract certificate as stipulated in the law. For those who have the certificates, they are only allowed to graze appropriate numbers of livestock; but in practice, one can hardly tell whether these numbers have been followed.23

The ineffectiveness of the law in the view of the local bureau is due to peasants’ lack of “modern knowledge” of livestock rearing and grazing. As a result, over-grazing caused grassland degradation. The bureau further attempted to introduce new methods to prevent the peasants from grazing outside their homes. However, as they require improvements in the use of fodder and the selection of livestock species, this was too costly for the peasants to follow. The peasants have continued to ignore these calls and managed to avoid the inspection of the local bureau staff regarding the use of the grassland. Some rehabilitated sites, despite being well protected for some time, have now become degraded again due to a peasant “invasion”. According to a news report, some large parcels of grassland contracted out were found to be used for cropping, grazing and other functions, which were not allowed by law. With the implementation of the 2003 Decree of Grazing Prohibition by the local government, access to grazing has become more and more difficult for the peasants who receive less and less income from it. They reported that their income from farmland cultivation was so limited that they had to rely on grazing to supplement it. The lack of adequate access to grassland further contributes to their vulnerable livelihoods (Xinhua Net, 2006).

23 Interview with local bureau staff in July 2008.
The widespread grassland degradation indicates that relevant grassland laws and policies place overt emphasis on management issues rather than linking it with viable options for peasant livelihoods. To the peasants, the traditional method of grazing has certain cost-effective advantages, including easy management of the livestock. As their own grazing rules are not considered by the government, they do not believe that the “exotic” method of fencing off the grazing area is in their best interests. Furthermore, when there is not much leeway for them to use even their own contracted grassland as it is small in size, grazing on the preserved grassland becomes unavoidable. For instance, 95 percent of the informants acknowledged that they knew what was happening, but did not know how to deal with it. The rest simply did not believe that they themselves should be blamed. Above all, they saw livestock husbandry as a better way to fight poverty than other practices such as vegetable farming. And when they saw the immediate benefits from it, they did not care about the grassland anymore. This may also explain the dilemma of grassland management due to the fuzziness of the heterogeneous and hybrid property relations, where village collectives and even local governments have more power to determine land uses than the peasants, and where lines of responsibility of grassland management are not clearly demarcated among different state and non-state actors (see Yeh, 2004).

When grassland preservation programmes aimed at sustainable use of the land are not coupled with appropriate poverty alleviation strategies, they are doomed to fail. Furthermore, no community-based land management models based on household tenure are found (see Banks et al, 2003). In the case of Guyuan, grazing remains as the most profitable means of livelihoods for the majority poor, as they cannot rely upon farmland production due to environmental and economic constraints. They showed discontent over the county government’s grassland reclamation policy which caused an increase in poverty and rising social conflicts in the village (Xinhua Net, 2006). Their views on and participation in grassland use and management have not been at the top of the development agenda of the local government. As a result, their pursuit of economic returns from grazing on the supposedly publicly-preserved grassland reflects the reality where no one cares for the land as no one is really responsible for it (see Hinton, 1990; Yeh, 2004).

Furthermore, poor grassland governance by the local government has had a direct impact on the perceptions of the peasants regarding grassland use. The Ministry of Agriculture issued a circular to all levels of local governments across the country in 2006 on its decision to penalize the misconduct of Guyuan local government staff
and land contractors in grassland use. It was reported that the county government and a village committee had contracted the land owned by the government and village collective respectively to local businessman and peasants without transparent procedures made known to the local community. The latter group had no idea of how local government line agencies played a key role or were involved. This led to the conversion of large pieces of the grassland into other land usages. According to the 2002 Grassland Law of China, land contractors must maintain the original status of the land. In the two reported cases they managed to cover up their purposes by stating that they wanted the land for eco-tourism development and would take care of the land without changing its uses. Only at a very late stage did the local community find out that they had changed large plots of land into cropland and fenced this part of the land off from the rest of the community. In fact, the two contractors even got the land before the local bureaus formally approved their applications. This incurred the anger of the local community and the central government, given the harm done to the integrity of the grassland law and policy (Ministry of Agriculture, 2006). This means that the current tenure system has favoured the powerful groups in their use of the land for their own benefits.

4.2 Forest preservation

The county government has made the forest a fundamental natural resource to be preserved and to be free from illegal logging. Tree plantation and preservation are regarded as crucial to ecological restoration. The county government has established forest protection teams for each township to prevent illegal logging. To a large extent, their measures have been effective. But the peasants are not offered strong incentives in any of the forest programmes. For instance, the most prominent land conversion or “green for grain” programme aimed at dramatically increasing forest coverage to combat soil erosion and flooding, as in the other parts of the country, has proved to be unsuccessful due to many factors. For this county, the main factor is a lack of linkages between tree planting and direct benefits from it. For instance, peasants received only RMB160 annually per mu of their land converted to forest land. And this included both compensation and a subsidy from

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24 According to the Grassland Monitoring and Supervision Centre of the Ministry of Agriculture, this circular sends a clear message to corrupt officials involved that the Grassland Law must be upheld. For the details of the cases, see http://www.grassland.gov.cn/grasslandweb/Article/ShowArticle.asp?ArticleID=103

25 Officially started in 2002, this programme has been the largest programme in the Chinese ecological protection history that covered 25 provinces, 1,897 counties and 97 million peasants (Cui & Wang, 2006).
the local government. They thought that this amount was just too little to maintain
their livelihoods when their land was devoted to forests. Given the climatic conditions
in the region, it takes approximately 15 years for the trees to grow. Also, the planted
trees had not been well cared for, and some even died off a few years later. In the
end, this programme was suspended. Furthermore, as reflected by the local bureau
staff26, peasants’ lack of ownership over the trees put the sustainability of the forest
programme at risk. This also applies to those trees under the direct management of
the village collective. Obviously, balancing the interests of state and peasants in this
sector poses a difficult challenge to decision-makers (see Strauss, 2009).

To address disincentives and to encourage the peasants to take an interest in the
forest land, the local forestry bureau follows the example of the collective forestry
tenure reform in southern China, where cases of success are documented.27 In fact,
the reform initiative adopted elsewhere was taken up by the State Council, which
promulgated the 2008 Opinions on Compressive Collective Forest Land Tenure
Reform. Essentially, this policy is to emulate the HRS in the management of
collective forestry land and peasants’ ownership of wood across the country. It is
seen as a major measure to boost the enthusiasm of the peasants, increase their
incomes and make forestry sustainable. It stipulates that production and
management of forestry should be entrusted to peasants by issuing extendable 70-
year forest land use contracts, while the nature of collective ownership should be
maintained. Furthermore, it calls for ensuring equal access to peasants’ forestry land
rights and guaranteeing their rights to know and participate in any decision-making
process affecting their land rights. Peasants are allowed to transfer, lease or
mortgage the forest land use rights within the tenure period. To facilitate this, local
government is asked to extend financial institutional services to the needy and
establish forestry insurance to protect the peasants from natural disasters. The 2008
reform also makes an explicit call for strengthening public services to support
forestry cooperatives and enterprises, which can play a leading role in forest
management and production to promote economies of scale. This reform is set to be
completed over a 5-year period, during which forest land rights certificates should be
issued to the individual households based on the registration of their contracted
forest land (Government of China, 2008; Xinhua News Agency, 2008). However, this
decree does not differ from other laws on the issue of the abuse of power by the
village collective as the latter retains the most power in decision making. What

26 Interview in July 2008.
27 Since 2003, collective forestry reform had been piloted in Fujian, Jiangxi, Liaoning and Zhejiang
provinces. China has 2.55 billion mu of forest land (equivalent to 60 percent of the country’s total)
under collective ownership with more than half of the population living in these areas (Xinhua News
mechanisms should be established to empower the peasants to keep the local cadres in check remain unclear. As a result, “the leadership of the rural collective, including the Party secretary, the village head and other village committee members, may co-operate and pursue personal interests as a collective” (Cai, 2003: 668).

In fact, long before the promulgation of the above policy, the local bureau had tried to use similar measures to undertake collective forestry reform, but, with very limited success. The slogan of strengthening individual household awareness and ownership of management over the forest was used to rationalize the policy and to motivate the peasants. However, the latter did not perceive this as something new to their livelihoods, as the forest had already been under the management of the collective. Granting them with long-term use rights meant more obligations imposed on them, since the forest products are not as marketable as in the past. Moreover, as the deputy chief technician in the forestry bureau remarked,

The collective forestry reform here cannot be compared with the South, where the peasants can simultaneously plant other economic crops with the forest. Here, the climate just does not allow this. That is why it is not attractive to the peasants. So, we may not be able to continue the reform later on.28

This remark underscores the important fact that the inter-relationships between forest tenure reform, poverty and environmental have not been addressed in an integrated manner by the county government. On the one hand, peasants' poverty and lack of economic opportunities derived from the forest land have caused overgrazing in the forest area and subsequently the degradation of the trees and land. On the other hand, the degraded natural conditions further constrain the development of viable economic opportunities from forestry.

Whilst the use rights for a large proportion of the collective forests were said to be granted to individual households, possession of use rights certificates was widely ignored by the peasants. How to divide and redistribute the collective forests to individual households is never an easy task for the local bureau. To a large extent, the forest land is supposed to be redistributed to the peasants on the basis of equitable conditions in terms of the quality of the land and the number of household members. In cases where the land with poor quality cannot be redistributed easily, it should be done through lease, tender and auction to the needy. When this cannot be realized, it rests with the village collective. All these steps require sound planning and participation of the community in deciding on how the forest land can best be

28 Interview in July 2008.
used and managed. Moreover, the peasants need to know whether the forests contracted to them are of economic value to them. Otherwise, they will lose interest in it (Bai, 2007). The lessons from this county and other regions indicate that in most cases, the local government only pays lip service to the concept of collective efforts (Miao & West, 2004).

Furthermore, the lack of capacity of the bureau to control inappropriate forest land use overshadows its overall forestry reform agenda. Some staff blamed grazing as the number one threat to forestry and emphasized the need to put a complete stop to it by severely penalizing those responsible especially the households with a big number of livestock. This simply indicates the incompetence of other bureaus which are ineffective in their policy implementations. Obviously, a lack of coordination between different line agencies further constrains any conceived efforts in sustainable forest land management. These factors are further compounded by the latest reform agenda and the ongoing process of forest decentralization (see Lampton, 1992; Lieberthal, 1992).

In short, policies of grassland and forest protection and utilization have further marginalized the role that agriculture plays in rural development, since the policies of these sectors have been mutually exclusive. The local peasants could only resort to short-term gains in farming and utilization of the grassland and forest land, sometimes at the cost of these resources (Cui & Wang, 2006). A lack of coordination in land use planning and management contributes to the failure of the programmes in which the peasants are caught in a vortex of uncertainty regarding the changes in land use directly imposed by the government. The tenure reform in natural resource management shows a simplistic approach to addressing the social, political and economic constraints. Its inducement of land fragmentation and absent peasant collective action further contributes to the lack of peasant collective solutions to address poverty and improve natural resource governance (see Liu, 2003).

5. **Farmland use, conflicting interests and peasant contestations**

5.1 **Farmland for livelihoods**

Rural development for the local peasants is nothing more than the maximization of the utilization of the available resources in the pursuit of quick results in the reduction of poverty reduction. Their attachment to land, pasture, forests and other resources
embodies their pragmatic attitudes towards their livelihoods. Yet, peasant relations have become less dynamic than the commune period in the 1960s and those found in traditional ethnic minority groups. With the market-oriented policies infiltrating their communities, individual interests override the mechanisms of collective choice and decision-making on the use of the resources for the benefit of all.

The HRS has brought about frequent land subcontracting among the local peasants fuelled by rural-urban migration. Land subcontracting takes informal forms, because land lease agreements are unregistered as can be seen in other transitional economies (Sikor et al, 2009; Verdery, 2003). This does not indicate a sound solution to poverty, since the amount of money transferred to the village by the migrants are minimal as the land rents collected. Moreover, what is common in land use is that the peasants reply heavily on vegetable growing as the most important source of income. This is found mostly in areas where soil conditions allow vegetable growing, although the increasing scarcity of water is becoming a problem. The varieties of vegetables grown are limited across the county, and this unavoidably leads to competition over sales and marketing outlets. Only those households with relatively larger sizes of land manage to gain reasonable profits. However, this type of farming is seasonal, as winter temperatures can drop below -30 degrees Celsius. Thus, extensive farming is carried out in other seasons as well.

Vegetable farming requires reasonable capital inputs in terms of time spent in the field, use of water, chemical fertilizers and seeds. Where there is a lack of technical and funding services provided by the local government, the growers are vulnerable to various natural and economic risks. Unpredictable natural disasters can cause damage to the crop. Due to a lack of technical knowledge and support from agricultural extension services, the growers are incapable of effectively dealing with these risks. Since they have no other ways to sell their produce than relying on the middlemen from other provinces to collect it, quite often they are in a weak position to bargain over the prices offered.

With the introduction of the HRS, random growing of cash crops such as vegetables for the peasants to gain high economic returns has replaced traditional cropping to a large extent; as a result, grain production has reduced substantially. In China, between 1995 and 2001, the production of vegetables nearly doubled (Lichtenberg & Ding, 2008). Although the HRS has stimulated agriculture and promoted peasants’ incentives in and choice over farming, in Guyuan, farmland fragmentation has reduced the efficiency of farming. Vegetable farming as carried out by the peasants is akin to “digging the soil and land without caring about the kind of resources they will leave for the future” (Hu, 1997; Zen, 1991: 79).
Village life presently is unlike that in the past when unity and mutual help played an essential role in organizing the peasants, which is partly due to fragmented land relations. “Everyone is helping himself. We do not know about the future—we just try to make ends meet anyway. Nobody will help us”, as some peasants claimed. Similar remarks were also made by the local government staff. Despite the HRS’s partial success in poverty reduction, it displays an increasing weakness in unifying the poor as land becomes fragmented. The peasants have less space for the social organization of agricultural production. And when the village collective mostly represents the interests of the local state, the role of the peasants in voicing their concerns over land use and agricultural development becomes minimal. As a result, land is nothing but a means of livelihoods for the peasants. All the informants agreed that they were not sure whether the land belonged to them. When their land use contracts expire in around 30 years, they are worried that their land rights will be altered by the local government. Facing uncertainty over land use and other associated rights and a lack of support from all sectors of society, many viewed the Chinese peasantry as the most vulnerable group in the country.

5.2 Conflicting interests in farmland use

Fragmented farmland use embodies complex peasant-local state relations as both have different or even conflicting interests in the land. As the value of the land increases with the local government gaining increasing control over it, local peasants see their land as their last resort to maintain their way of life and exert power over the predominance of the local state.

The national policy on farmland protection places strict conditions on farmland use and prohibits its conversion into non-agricultural uses. Accordingly, the local government set the mandates for the village collective to demolish all the buildings such as pigpens in the field. And peasants’ ignorance of this call would lead to forced demolition of their property. However, when the peasants built their houses years ago, they were not informed of whether it would contravene any government policies. In fact, their ideas were even approved by the village collective. As these households are small in scale and only occupy the tiny plots unsuitable for cropping, they simply did not understand the rationale of this policy. Seeking the support of the village committees was futile. As many of them are women, children and the elderly left behind in the village, they could not form a unified force against land evictions. They

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29 Interviews in July 2008.
30 Interviews with local peasants representing different ages, gender and occupational groups in different villages in July 2008.
also knew that the peasants’ weakness had led to the eviction of many of them as new land development takes place on a regular basis.\textsuperscript{31}

Land use planning and management has never been an easy task for the local government which has been under mounting pressure to both preserve and utilize the land to promote economic development. The county does not have any foreign companies operating in it at the moment. To attract business development, when conditions allow, the local government must provide the necessary basic infrastructure, and this requires a huge amount of funds to be put aside. However, this is extremely difficult for a nationally-designated poor county like Guyuan. In the end, the acquisition and consolidation of land has become a necessity in favour of corporations and real estate developers. The local government has encountered increasing difficulty in reaching agreements with the peasants.

The county government line agencies are trapped on the path towards economies of scale in agricultural production, making the maximization of land use and land acquisition unavoidably difficult for them. They all seemed to agree that the county had no other options but to introduce the “dragon head” type of agribusiness (\textit{longtou qiye}) to take the lead in organizing scaled production. They bluntly complained about the peasants’ backwardness of ideas, knowledge and skills in adjusting to the demands of the market economy. However, for the peasants, the lack of secure land rights and the mechanisms for transparent and effective partnership with agribusinesses could only make them cast doubt on every arrangement concerning the use of their land, grassland and forests and so forth. As the local government has the mandate to push further ahead economic development, its conflicting interests with the peasants can only increase indefinitely.

The dilemma for sustainable rural development may indicate the need to reorganize the peasants who can collectively decide on how their land and other resources can be used properly. This is also a prerequisite for the healthy growth of agribusinesses. Like those pilot schemes taking place in southern China, the county line agencies staff pointed out that they should allow the peasants to become land shareholders and benefit from agribusinesses.\textsuperscript{32} Thus, the village collective should play a bigger role in uniting the peasants and assuring them better economic returns on agricultural production. Ultimately, this requires the establishment of specialized

\textsuperscript{31} Interviews with local peasant households in July 2008.
\textsuperscript{32} However, shareholding cooperatives have their limitations, since the mechanisms for mutual supervision and self-restraints are often inadequate, representation of the vulnerable poor is not strong, and the interests of capital may predominate (see Clegg, 1998: 81). More discussions are seen in Chapter 5.
business-oriented peasant associations. However, the current policy on these organizations requires a substantial amount of capital to be registered, and this would simply mean that for the poor peasants it is impossible. Moreover, the rural societal structure is fragmented and it is extremely difficult to bring the peasants together. This also demonstrates the failure of the village collective and government policy in revitalizing the social and political dynamics of the Chinese countryside since the market reform of the late 1970s. Nearly 50 percent of the local government staff held the view that the trend of the rural economic reform should reverse the HRS into genuine collective land use and management. And this was thought to be a way to revitalize the Chinese countryside and help the peasants cope with their vulnerabilities to various social, political, economic and natural risks associated with land use. However, how to convince the peasants and give them an incentive to form relevant agribusiness groups or associations remains a challenge for the local government. The mounting conflicting interests and disputes between different actors further compound the fragmented social and political structures.

5.3 Peasants’ contestations of farmland use

The scale of peasants’ self-organization of economic, social and political activities is rather limited due to the institutional constraints as already mentioned. But they are not passive recipients of government laws and policies. Changes in the central government policy that favours agriculture, on the one hand, have created more incentives for the peasants to care about their land; on the other hand, they also spur local conflicts. Land-induced conflicts between the peasants and local cadres have become the most serious matter for the local state to handle. The tension between peasants and local cadres over land use is mainly due to contestations of land rights between return migrants and current users. Village collectives and township governments are often accused of purposely reallocating the land when the original legal users migrate to the cities. In this case, Guyuan resembles the rest of the country, where large numbers of impoverished rural people have become migrants as part of the “floating population” of 200 million to seek temporary work in cities (Solinger, 2002; Zhang, 2001; Muldavin, 2006: 2). To the township government, the land left by these migrants should be redistributed to accommodate the needs of other groups. Paradoxically, this act is no longer permitted by law that aims to ensure land tenure security and explicitly calls for an end to land readjustments.33 As one member of the local township government staff remarked,

33 Article 27 of the 2002 Rural Land Contracting Law states that land adjustment is prohibited during the contract period. Even so, Article 28 states that land adjustment should be done on the land returned by the contracted households to accommodate newly increased households. Thus, it
The current land law and policy do not really take into account the local conditions seriously. And it is sometimes contradictory in terms. For instance, it enshrines women’s land rights. But if land readjustments are not allowed, how can we give land to the women who marry men in our villages? Besides this, the recent favourable agricultural policies have actually extended the invitation to the migrants who want to come back to farm. When they migrated to cities, they left their land idle and let us manage it. We then leased it to others who could farm the land. How can we return this land to them when it is in others’ hands? Their discontent with us has led to skyrocketing cases of petitions, but we find it hard to meet their demands.34

These conflicts do not indicate that the local peasants have more systemic concerns over how their land can best be utilized from a sustainable development perspective. Yet these conflicts show the peasants’ growing concerns about their rights, livelihoods and ineffective policies in the context of widening social inequality between different groups. As a result, land readjustments may privilege some while marginalizing others due to the practice of personalism, clientelism and networking tactics carried out by the dominant group (see Nonini, 2008). Moreover, peasants’ struggles for land use are sporadic and seldom organized systematically in terms of the creation of unions and associations that can maximize their influence and collective force. This may indicate that the current HRS is inextricably linked to this, with its nature of fragmentation of agricultural production as well as social cohesion. Paradoxically, 90 percent of the interviewees indicated that they would keep the HRS rather than return to the village collective, as they did not trust the latter. The rest either preferred the old commune system or simply had no preferences. But they all thought that development policies and laws concerning their land rights should be strengthened. Some even expressed their inclination towards land privatization, which would ideally enshrine more secure rights for the peasants. But all of them expressed their concerns about the absence of viable property relations for sustainable land use and management and the alleviation of poverty as a whole.

34 Interview in July 2008.
6. Conclusions

This study indicates that the conventional individualistic approach to land and natural resource tenure has not brought about viable solutions to address the complex issues surrounding rural poverty. Relying on market-oriented development models, China’s economic success has incurred severe social and environmental costs (Muldavin, 2006). To a certain extent, the replacement of the collective institution such as commune has exacerbated its developmental dilemma. The serious flaws of this approach and the rhetoric of development policies are not responsive to local social, political and economic realities (Gupta, 1998). One can hardly see what social constructs local communities create and how they are embedded in their daily struggles for livelihoods. But it can be seen that the current land tenure system sets limits on the choice of the peasant collective and its power over natural resource management. In practice, collective land ownership by law entails ownership by a few powerful village members and the local state, whilst use rights are allocated to individual peasant users.

Critical studies of development have, to a large extent, focused on the discourse of development in reference to the reality of local communities (Escobar, 1991). This case study shows, however, that the discourses of development as interpreted by different stakeholders do not stand in great contrast to each other, and all stakeholders expressed their pragmatic views of poverty, development and the environment. When individual land tenure is prominent, it is hard to posit any alternatives that may be more appropriate to the local conditions. For this reason, this study sheds light on the analysis of institutional apparatus, the links to power and a critique of modernist or market-oriented constructs (Herzfeld, 2001).

A lack of collective peasant action further undermines the effectiveness of relevant government laws and policies where local peasants’ traditional knowledge, culture and identity ought to be considered by policy-makers (Fairhead and Leach, 1996). The failure of the local community to come to terms with their preferred paths to development explains the dominance of the local state in policy making (Fairhead and Leach, 2003). This study casts doubt on Durkheim’s theory of collective consciousness that the individuals were only partly unique beings and to a large extent formed by the social values and ideas that they have internalized. They had the moral obligations to feel guilty if they do not conform to the majority (Durkheim, 1933). His view seems more applicable to small-scale social groups in traditional societies rather than complex societies (Galanter, 1989). In a complex society such as this case study illustrates, it is hard to identify the collective consciousness as a determinating factor for collective action. Thus the understanding of individualism or
absence of mutual help is important for the study of China’s land reform and its underlying social and political constructs.

The HRS as an embodiment of modern management knowledge has been a contributing factor for the fragmentation of social relations and is an example of the lack of responsibility of the local state in local development. The local state puts overt emphasis on meeting higher-level state demands rather than serving the community needs first (Kung, et al, 2009; Christiansen & Zhang, 1998). This is reinforced by the HRS whereby communities are marginalized in land use planning and broader-level of village governance. In the context of rising social inequality across the country, it becomes more difficult for the state to organize the peasantry. The fact that some peasants support the HRS actually implies that they mistrust other possible measures imposed upon them by the state. In other words, they are not given the space to explore other better systems of land tenure by the state.

The social fabric of the rural society is not simple. It is important to understand how mechanisms of power have been able to function within the society and between society and state in order to investigate the agents responsible for social constructs (Foucault, 1986). In this sense, this case study shows that although mechanisms for peasants’ collective action remain unclear and even weak, their daily struggles and resistance are omnipresent in their disorganized and silent contestations. However, their resistance is not “genuine” in the sense of being organized with clear motives and goals as defined by Scott (1985). This individually-based, and seemingly passive resistance to the land use institutions superimposed on them by the local state reveals the dilemma for sustainable rural development in China. The absence of the mechanisms for genuine peasant participation in policy-making processes concerning their land use and governance remains unaddressed by policy-makers.

Government rural reform policies have not produced substantial sustainable development outcomes but have brought about changing relations between the peasants and states and among each group, as compared with the pre-reform era when the peasants were organized by the commune and collective power played a key role in organizing social and economic activities. The underlying state power has played an important role in undermining the collective power of the peasantry. This finding certainly stands in contrast to Kelliher (1992) and Zhou (1996), who argue that the peasants have been a strong and irresistible power to which the Chinese state has yielded. In fact, “they (the peasants) can react only to their different realities, indifferent to and oblivious of the proclaimed policies of the state, and only occasionally respond to them if they intrude into the village reality, or they can bend or break the rules imposed from the outside” (Christiansen & Zhang, 1998: 1).
Furthermore, as the relations between the peasants and the local state become more murky and complex, and social dynamics among different social groups become more intractable, the peasants have relied heavily upon their own networks such as kinship ties to counter the harsh realities of the rural marketplace and natural endowment (Huang, 1992). How to revitalize the Chinese countryside by making the complex social, political and economic relationships work for the goal of sustainable land use and rural development remains an ultimate challenge for policy-makers, who need to rethink their current institutions governing farmland use and natural resource management. It is essential to tackle the structural barriers to law and policy-making mechanisms that put constraints on the representation of the peasants whose need to participate in the process should be nurtured and empowered (Cai, 2003; Li, et al, 2004). A new form of land tenure that caters for the local economic, environmental, political and social situations should be explored and tested by policy-makers. The case of HRS in this chapter is representative of the vast Chinese rural areas where agriculture remains a basic form of economy that is constrained by those institutional factors for sustainable land use and poverty alleviation.

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