

## Power and Cooperation:

### Peasants, Elite and the State in a Chinese Cooperative

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Since Marx's dispute with Adam Smith, we have wrangled with the question whether cooperation between unequal individuals: between those with more money, more knowledge, more power, and those with less of everything. Based on methods of participatory observation, survey and discourse analysis, this paper examines the dynamics of power, as well as the formation of political interests and perceptions, between the peasants, the elite, and the state in a tea farmers' cooperative in Southwest Sichuan, China.

There are major schools of thought, notably from the "rational-moral peasant" debate, which this study builds upon. Following James Scott and Samuel Popkin, I explore the peasants' ideas of justice, order, and power, and self-interests, which stands in dialectical relationship to the dominating hegemonies of the State and the Market, its dimensions of resistance, and its dimensions of congruence.

Nonetheless, I find this political identity of peasants multi-layered, evolving, their interests and perceptions not assimilatable to drawn class lines. I argue that this is because unlike moral economists experience in Latin America and South Asia, market reforms have not been a singularly losing battle for the peasants. They are able to contest its processes and outcomes, while the state and the elite has been constrained by the moral order that emerge from China's reform process.

I begin with an overview of the incentives and relations of two powerful players, the State and the business elite, drawing on published materials and interviews in 12 Chinese cooperatives. I then introduce the micro-politics of Lian village, present findings of a household survey, and a comparative analysis of three critical events in the coop's history. These data reveal patterns of perception and behavior on all three parties, which I draw on to suggest some possible revisions of the moral-rational peasant debate.

## **Cooperatives: Between Power and Plurality**

The word cooperative carries a mixed baggage. An elderly relative to the civil society theory, cooperativism aims at “an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise,” operating in the principle of “autonomy, self-aid, and democracy”<sup>1</sup>. Historically, however, coops often served as vehicles for the ambitious late modernizers to organize small agri-producers to overcome resource constraints.<sup>2</sup> In China, the effort culminated in mass collectivization in 1957. Since then, the word “cooperative” has meant the state-run retail network that served as a narrow, rigid interface between communes and the urban-industrial economy. De-collectivization began in the early 1980’s. As liberalization proceeded, the state cooperative system took a long financial downslide, which ended in de facto privatization in 1994.<sup>3</sup>

History sometimes rhymes, in close meters. Around mid-1990’s, a new type of peasants’ coops caught the public attention.<sup>4</sup> In contrast to their predecessors, they are described as voluntary developmental organizations. They are externally autonomous and internally democratic: the charter usually provides for regular elections, a board, a supervisory board, collective decision-making. They engage in a full gamut of economic activities from technical support, marketing, credit services, to processing/manufacturing in a much liberalized economy.

At the end of 2005, provincial governments reported a total of 1.5 million, mostly village-based “rural specialized cooperative organizations,” of which about 150 thousand are said to be “regular” bodies. According to the Ministry of Agriculture, about 5%, or 84 million of Chinese rural households now work with one or more cooperatives, with an positive income contribution averaging 1202 yuan per household.<sup>5</sup>

To a political scientist, the most intriguing feature of these new coops is the apparent contradiction between their claims to be associations of voluntary, equally disadvantaged individuals, and the reality that they are often dominated by a government and private elite. Official typology admits that most cooperatives are initiated by local agro-businesses, wealthier, non-farming members of the community, or in some cases local state agencies.<sup>6</sup> What are the mutual perceptions and calculations of gains that lead to the elite and peasants to try to work together? What possible constraints could peasant members have on the powerful?

In the following I analyze the incentive structure of the state and the business elite. I do so using a definition of incentive that incorporates a materialist and a normative dimension. Parties have various materialist desires for profits or power. They also have a normative interest, and a system of beliefs which position themselves and others in a particular world of responsibilities and claims.

### **The State**

At the first sight, the Chinese state embraced the coop program contrary to its immediate

political instincts. Authoritarian capitals don't like autonomous grass-root organizations. No one knows the force of organized peasants against the State better than the CCP, which won the civil war in 1949 riding on rural discontent. This sense of alarm is the main reason for Beijing's reluctance in recognizing the coop as a debate unfolded within the government.<sup>7</sup>

What overcame the Peacekeeper's fear are the Developer's aspirations, both material and normative. From the material perspective<sup>8</sup>, the State is a stakeholder in the coop's health in two ways. First, the coop movement promises a new avenue for rural revival without requiring heavy state investment. By mid-1990's, owing to chronic under-investment and over-taxation throughout a cumbersome governing structure, the countryside was heading for severe economic decay and social crisis. Simmering popular sentiments prompted the State to adopt a more open-minded, permissive attitude towards limited engagement of non-governmental sources of growth and order.

Equally important, however, is the ideological interest of the State. Every State endorses explicitly or implicitly what Timothy Mitchell calls "a normative order", which is sustained and re-articulated in the constant streams of renegotiations or even struggles over its moral promise of a particular collective life.

The Communist State constructs around itself an order of "development", which involves an Enlightenment idea of progress, and a corporatist political order to achieve it.<sup>9</sup> Ameliorative considerations are as old as modern state; Beijing's version features in particular "scientific development"<sup>10</sup> with strong Enlightenment pedigree. At its center is the idea of a progressive socio-economic process where the state, with help from experts and the public, sets down rules to rationalize the marketplace, the environment, and the social policy programs. This world has an essentially corporatist political ethic. It is inhabited by "modern", public-minded citizens living a disciplined, division-of-labor industrial existence through rationally planned economic and social institutions—including the market system. Citizens will have conflicts of needs and interests, which the State—interested in general wellbeing but disinterested to all private parties—is to mediate and satisfy. The scientific planning is efficient, as much as the rationally planned collective life is a moral life.

In this logic of development, the peasantry has two faces. They are morally extolled 'people', who made unfathomable sacrifices for the world's largest industrialization drive<sup>11</sup>. They are backward subjects, whose whims and ignorance can not be indulged if developmental breakthroughs are to materialize.<sup>12</sup> It behooves on the State to enlighten them on their real, long-term interests, and then to initiate them to the right path to achieve. This ameliorative, modernist-cum-paternalistic aspiration runs through all kinds social programs of the People's Republic, from the nascent Communist China's rural education program to the current "new rural construction" movement, which aims at creating "educated, technology-savvy, entrepreneurial new socialist farmers"<sup>13</sup>. Through intense internal socialization and building a developmental index for cadre promotion, this worldview was driven into the behavior if not the perception of the local officials at the provincial, city or county level.



Xinhua Wire Service's image of a "new socialist farmer".

This combination of ideational and material interests redirected the state's coop strategy. After a prolonged internal debate, in mid-1990's, Beijing officially endorsed the cooperatives, or "specialized cooperative organizations [*nongcun zhuanye hezuo zuzhi*]," as the new official catch phrase for its rural policy.<sup>14</sup> In policy statements and media reports, farmers and their leaders are encouraged to seek "self-organization, self-service, and self-development" to cope with the volatile marketplace. "Cooperatives represent the necessary need and objective choices of Chinese farmers, and a major institutional renovation in China's rural transformation."<sup>15</sup>

In so doing, a variety of common practices of 'scientific planning' and political cooptation are employed. These include:

(1) Recruiting "pilots". Hundreds of "pilot cooperatives" were accredited in Shaanxi, Anhui, and Hebei in as early as 1994. Many of these were local initiatives retroactively christened with the state's blessing.<sup>16</sup> Twelve provinces have created a special award for "the ten best cooperatives". Coop leaders are praised, rewarded, and sometimes made into village cadres.

(2) Writing laws and regulations. Since 2001, The State Council has been producing increasingly detailed instructions, laws, and regulations as to how cooperatives are to be defined and regulated. Decree No. 1 of the CCP's Central Committee in 2004, the key domestic policy agenda of the new government of Hu Jintao, explains how to "improve the level of organization of farmers' participation in the market":

*[The State] encourages the development of all forms of specialized cooperative organizations, private agro-businesses engaged in purchasing and marketing, and farmer-merchants. We will step up legislative efforts in the area of farmers' specialized cooperatives.*<sup>17</sup>

In November 2004, the first Cooperatives Law of China was passed by the provincial legislature of Zhejiang. A National Cooperatives Law is in the pipeline.

(3) Selectively extending financial or policy support. The same document promised that:

*“Starting from 2004, central and local governments shall designate funding to support cooperatives in providing services in information, technology, training, quality certification and marketing. The concerned financial institutions should support the cooperatives in building standardized producing bases, warehousing and processing facilities, purchasing transportation and marketing equipments, at appropriately subsidized interest rates.”*

When it comes to the everyday politics in a coop, these strategies take unexpected shape, but are also contested and compromised by other political forces.

## **The Business**

While the State lays the stage for the new coop movement, the most powerful player onstage is the business owners and the farmer-merchants. They become leaders by virtue of their superior access to market information, policy opportunities, “connections”, or simply greater equity share. In a time when the State is retreating from not only planning but also investing and servicing agriculture, when the farmers have little money or confidence to put in technical renovations or infrastructure, they are seen to “play a pivotal role in building forward and backward linkages in the chain of agricultural production; they are crucial to the future of resource allocation and restructuring of any country in economic transition”<sup>18</sup>.

The official count of “agri-businesses” —54, 000 in total— is modest, and misleading. In seven out of the past 10 years, the number private agri-businesses averaged a robust 25% yearly growth. Their registered capital has also been rising of 20% each year since 1999.<sup>19</sup> The Statistics leaves out the more numerous ranks of “large-scale farmers” (*zhongyang dahu*) who often serve a similar role without being formally incorporated. Through signing up villages of farmers, each agri-business wields far more power than an urban equivalent on the livelihood of local inhabitants. Their existence testifies to the degree of socio-economic stratification of rural China.<sup>20</sup>

The material incentive for the agri-business elite to cooperatize is evident. Competition in agricultural processing has been getting tight; limited resources and China’s current land policy make it impossible for them to buy up land and hire agricultural workers wherever they want to. By putting under the Company’s influence hundreds or even thousands of individual plots and peasant households, the cooperative help create for the business a “base for commercial production”. To sustain this arrangement, they have to stabilize a group of peasant members who are willing to allow its intervention into their individual production process. They also need to cultivate supporters in government offices to access policy or financial favors.

Meanwhile, despite their often declared aversion to political participation, the elite come to form a certain political outlook. This is partly shaped by a common personal history. Not only China’s economic system but its business leaders are “grown out of the plan”<sup>21</sup>. All 12 agri-business leaders I interviewed had a background in the public sector; either as a functionary in a government office, or an employee of a state-run company. Three actually worked for the

now-defunct socialist cooperative system. They acquired from the inside the skills and connections to negotiate 30 years of China's trial-and-error reforms, and bring those to bear on the shaping of a new terrain of market system.

It is not surprising that businesses neo-classical allegiance. Government developmental projects are frowned upon for being wasteful and off-the-mark. Development, whether to introduce new crops or to identify industrialization opportunities, they agree, should be left to the market forces; and they share the Lockean image of the night-watchman State.

On the other hand, the elite share with the State an 'ideational paternalism' towards the villagers.<sup>2 2</sup> They claim that because they have to persuade the villagers to work with them, or because they have worked the fields before, they know the peasants, their interests and concerns, and how to satisfy and educate, better than any government official. Several of the businessmen expressed great admiration for the renowned Nanjie Village in Henan, where a curious combination of communism and capitalism exists under the Party Secretary-turned boss. The moral pride they feel about influencing hundreds of peasant household is palpable: A as one leader told me, "[The coop] is not only for monetary gain; I am teaching the peasants to work together to brave the market, it is a training field."

The elite's ideal world is one of justice *and* efficiency. Peasants obey rules of contract farming, the State takes care of law enforcement and public works, but it is the business sector who takes the lead in providing growth, wellbeing, and "enhanced quality" to the rural citizens.

Yet business priorities are not providing for peasant welfare but maximizing profits. Indeed, there has been a stream of reports on how private agricultural businesses seek to exploit farmers through manipulation or outright violation of contracts<sup>2 3</sup>. One observer noted bitterly, "Farmers have not become full masters of agricultural industrialization. They are at a disadvantage in gaming with big corporations, and it is hard to protect their rights."<sup>2 4</sup> Moreover, agri-businesses are often beneficiaries of policy favors and subsidized loans, though it is impossible to trace these favors exclusively and directly to their coop programs. Their cooperation with the State is extensive.<sup>2 5</sup> How do peasants react to these material and ideational incentives that purport to offer them a stable link to a major intermediary who may promise a quantity or even price guarantee for producers? Ever since day of Chayankov, peasants' biggest fear is the risks and price instabilities associated with commercial farming. However, the relative inequalities between the State, the Elite and the peasants are significant enough to warrant some resistance.

To understand how peasants form interests and identities in the coop movement, we now turn to Lian, a village of tea-growers in Pulan County, Wumei City, Sichuan, where a cooperative lives at the intersection of these intricate power relations.

### **The Coop**

Sporadic tea trees have donned green hills around Pulan since 1500 BC, but large-scale tea industry began only with land decollectivization in 1982. In 1984, these areas were formally

contracted to individual households. By the end of 1980's, the hills were covered tightly with columns (*gou*) of tea trees, planted in subtly varying patterns marking off one family's holding from another's.

Private farming did not translate into immediate wellbeing for two problems: infrastructure and marketing. There were only steep mud paths connecting the tea villages and the main road. Peasants walked for hours to carry freshly-picked leaves down to a small tea market afoot the hills, where large and small tea merchants often "conspire to keep prices down".<sup>26</sup> In 2002, average income of Pulan was a modest 1800 yuan, making it one of the 1000 poorest counties of China.

In 2003, with the blessings of the State, Yang Ze, owner of Fairland Tea Inc. (the Company) and one of the two largest local tea processors, started recruiting members for a Fairland Tea Farmers' Cooperative around Mont Blackie. The Company set up a large processing and exhibition facility atop the hill in 2004. By 2005, the Coop claimed 6,000 members, effectively incorporating 80000 mu of tea fields, most of which lies within Pulan, into Yang's base of production.

### **Measuring the coops success**

Judging from Lian's experience, all parties—the elite, the State, and the peasants—claimed that the Coop is a success, but it succeeds not without some ambiguities.

Lian is the very core of the Coop's base of production. Two hundred and twenty-two households, of which 202 are coop members, work on 4000 mu of tea fields here in the heart of Mont Blackie. Average income in 2005 came up to 3800 yuan per capita. In personal interviews, often the first thing the villager mentioned was how the Coop "did bring concrete benefits (*shihui*)", i.e. higher income. Over 90% of interviewees identify 'price protection' the single most important reason they join the coop. Luckily, roadside prices for freshly picked leaves are between 15 to 35 yuan in spring 2006, compared to 2 yuan 20 years ago.<sup>27</sup> For this farmers owe largely to a secular rise in the national market which the Company now brings to their door. Pulan County recorded an average income of 3567 Yuan in 2005, doubling that of 1995 and 23% higher than the provincial average<sup>28</sup>. Peasants were encouraged and tea sowing area increased by a dramatic 30% since 2003.

The Coop also made a social impact. All but five people below the age of 30 in Lian are kept in tea fields by the lucrative business, rather than join the mass exodus of able-bodied peasants into the cities for low-paying, often hazardous employment. In 2004, the Coop gave dividends to its members according to their sales volume. Three villagers in Lian who topped the sales chart showed me with pride the baseball-size red-paper flower and an award certificate the Coop presented to them at the annual members' meeting. These are usual souvenirs for "model laborers" in the height of socialist economy. Older interviewees talked of the little red envelopes of cash the Company handed out once a year to senior villagers. In building his hilltop estate, Yang paid for a 12-kilometer concrete road connecting each brigade to the main expressway. The estate itself also brings in more and more "tea-tourists".

The interviews are supported in part by survey data. 74% of members think that coop brings income increase. 66% recalled taking part in training sessions, although they differed as to who actually sponsored the training, the Company or county government.

But peasants are not unqualified in their judgments. They did not report electing coop managers or taking part in setting member prices. Of the 213 households surveyed, 103 indicated that they joined because “others have joined, better not to be left out”. In the 213 surveys, 45 percent of respondents believe that business benefits most from the cooperative arrangement benefits because it “helps bring favor and financial support”. 38% picks the government, who ‘gain a better image’ by promoting the coop movement. Indeed, the Coop starts to get media exposure more and more often, owing in part to the state’s wish to take credit. In government reports and speeches, different arms of government at each level—County, City and the Province— each claim a portion of credit for its success, in proportion to its own ranking in the bureaucratic hierarchy.

The coop books are managed by Yang’s employees in an office within Yang’s compound. 98% of the members have not seen the books of the coop. 67 out of the 202 respondents indicated a desire to see more transparency and accountability in the Coop’s management.

Seventy-six percent of members report discussing coop-related issues with fellow villagers, but only 28% acted on these concerns. Moreover, when they do so, the majority (26%) chose to seek vertical communication to Yang, village cadres or on-site county officials, rather than coordinating horizontally with other peasants. While turning out en masse for coop meetings, interviewees report their participation as sitting in the audience and hear speeches from local bureaucrats and their leaders.

All in all, the coop seems much like any elite-controlled organization where small favors are channeled to the disadvantaged majority in exchange for material gains for the economic and political elite. However, in more in-depth interviews revealed a much more complex and intriguing pattern of micro-politics within the Cooperative. Three critical cases are presented below which the villagers agreed to be of critical moments in their coop experience. Their outcome is illuminating as to how peasant interests are formed and fought for in an evolving marketplace.

## **The Second Joining**

The Coop was created twice.

In Sichuan, the most populous province of China with an impressive track record in producing national leaders, the cadres were among the first in China to realize the potential of business-led cooperatives. No sooner did Yang go to see the Provincial Governor in May 2003 did the mayor of Emei send a note to the city Civil Affairs Bureau to register a “Fairland Tea Cooperative”. The county officials summoned Lian’s village cadres to a meeting, where they were asked to join the coop first ( to “be the role models” ),before going from brigade to brigade to recruit members for

the Coop. Villagers signed up en masse, because “there was little asked [of them]”: no membership dues, no shareholder contributions. Members received a piece of paper stating the company’s commitment to paying higher-than-market prices and “never turning away a potential seller”.<sup>2 9</sup>

In May 2004, the villagers received news that the coop was to be “set up formally”. Sichuan Province published a standard charter and accounting procedures and required all coops to re-organize accordingly.<sup>3 0</sup>

From the perspective of the state who first came up with the idea, the “second joining” represents a crucial step in regulating the Coops. This makes a great plus by the logic of career advancement in the Communist hierarchy. It also created extra control device into the governing structure, for instance, the bureaucrat who became the deputy director of the board, and others who became members of the supervisory board.

But there is more than material concerns. To “standardize”, to actualize a universal set of norms and discipline across an otherwise diverse and confused population, has been one of the most persistent impulses of Chinese modernizers.<sup>3 1</sup> The language of standardization dominates all coop-related policy statements throughout 2004 and 2005.<sup>3 2</sup> Officials commented with disaffection that the coops come in all shapes and sizes; peasants don’t meet regularly; meetings are often without agenda; that peasants don’t understand how to sustain a risk- and profit-sharing mechanism. These in the eyes of the State are sign of backwardness, of “low consciousness”; of undisciplined pre-industrial life. Laws must be made so that coops will have a uniform structure, with a universally applicable set of management and accounting procedures approved by the State and ultimately rewarded by the market.

From the Company’s perspective, the State’s vision was not celebrated but accepted. Yang was close to the provincial leaders, a relationship which we will see he exploits often. But he also believes that any attempt by the government to intervene in the management process would be vain because the coop is “an entity based on profit sharing, administrative commands won’t work”.

There is, nonetheless, an alternative idea of “standardization” which Yang would like to piggyback on the State’s initiative. That is the problem of reconciling the reality of small-scale household farming to the needs of mass production and marketing. The Company’s plant can process marketable leaves from the second to the seventh lunar moon (March to August). But a yearly price and quality crisis takes place around *qingming*, the Chinese All Saints’ Day, which usually falls on April 4 or 5. Around that time, farmers begin to use pesticides, often heavily, if not excessively, to deal with insects which flourish under the warmer weather.

In the tea business, a day or two’s difference in April could mean a drop of road-side price by 50% or even more. Controlling household pesticide use has been the greatest problem for Yang, which the “first joining” failed to address. “*The peasants don’t feel they should bear the responsibility [for tea quality]. They don’t see a need for sharing risks.*” Yang saw the “second joining” as a chance to impose greater discipline on the peasant members, ‘they have to learn the rules, it’s a market economy, it won’t do trying to be clever’.

A plenary meeting was held in May 2004, with the presence of provincial and city officials, together with a press corp, TV crew and a band hired by the Company. At the end of the day, a supervisory board and a management board were elected. A ‘standard’ charter based on the provincial model was passed and made into glossy display boards covering half a wall at Yang’s tea estate. Meanwhile, members were asked to sign a new contract. It requires them to buy “shares” priced at 50 yuan per share; and to put down a deposit of 100 yuan which guaranteed against “irregular use of pesticides”. In return, the Co-op promises to well-behaving farmers prices not lower than the market rates. <sup>3 3</sup>

In term of strict gains and losses, the “second joining” did not improve the farmers’ terms of cooperation. It more likely added to their obligations. However, if these crucial terms were set mainly to satisfy needs of the State and the Company, the farmers cooperated without much scruples. Of the initial 210 households, 202 chose to remain in the cooperative buy acquiring shares—ranging from 1 to 4, valued at 50 to 200 yuan.

### **The Defection**

Strictly speaking, these contracts signed at the “second joining” did not stick on either side. The Company and peasants gave different stories. In the end, a common picture emerged.

From the outsider’s viewpoint, Yang failed to curb peasants’ use of excessive pesticides, because of the conflict between individual household farming, and quality control requirements of increasingly integrated marketplaces. One of the most important market reforms in rural China has been the liberalization of selling of agricultural inputs—pesticides, fertilizers, plastic films have been liberalized after 1984. These businesses have since been privatized and become key taxpayers of their home bases. Despite the central State’s efforts at sustaining a monitoring network, it has great difficulties curbing all kinds of illegal pesticides and fertilizers by counterweighing this powerful combination of market and protective forces. Peasants are vulnerable to dubious commercial tricks, lure of extra profits, and lack of consistent technical support. <sup>3 4</sup> County Agricultural Bureau conducted regular raids of small shops in villages, but that does not stop all farmers from buying sub-standard pesticides and fertilizers.

If the state is unable to control the production processes at its beginning, the Company cannot afford to do so with the thousands of household at its end. A comprehensive testing of even a small handful of tea leaves for chemical residues can cost as much as 2500 Yuan. Second, the entire process takes up to three days—and fresh tea leaves have to be processed within 24 hours.

For our purpose, exactly how many farmers defy the right practice is not as important as the other two questions: how did that affect Yang’s behavior, and how such behavior is evaluated in the village’s eyes. Since the Company has no way of identifying the defectors—and in a game-theoretical infinite regress, he knows the farmers know he doesn’t—it chose a blanket security: One day in April 2004, the Company abruptly set its quote at 6 yuan below the market rates, turning the farmers away to the gang of small buyers that have become a fixture on the tea

hills. Since the latter peg their pricing policy to Yang's, that day marked the end of good prices as well as good tea all across Mont Blackie.

Given that it was the State and Yang who put forward this initiative, this outcome may be seen as a victory won by the seemingly submissive farmers, "the weak". Except the peasants don't think so.

Surely, they don't like it. Almost all villagers (39 out of 40) interviewed believed "reason isn't on the side" of the Company. From the Company's perspective, the contract does not obligate it to take in tea leaves at all times; from the peasant's perspective, it doesn't exempt the Company from doing so. Eight villagers felt that Yang has breached the contract; and something should be done by it—probably the government. Four went on to suggest that the government might try setting up a price support system "so that prices are evened out a bit".

But most of them—32 out of 40, appeared to have reconciled to this outcome, and ended up defending the Company. In doing so the majority cited the logic of market economy: Yes, it defected, but who wouldn't? Everybody knows the "sky-and-earth" difference between leaves reaped before and after Qingming. 22 interviewees explicitly disagreed with the idea of a price support plan. It is "impossible", "unreasonable" and "the government cannot afford that". Four cited the limited capacity of the Company. "He had difficulties processing even what he's got on his hand."

In further conversations, I raised the point that Yang' claimed he defected because of the quality problem. Two villagers who claim that 'some other people think'"traditional" pesticides and fertilizers are "stronger and work faster"<sup>3 5</sup>. However, all others said they would like to stick to what they call " low-toxic, low-residue" alternatives Yang preferred—if only others abide. One explained the dilemma:

*You see, it doesn't work to spray whatever pesticides whenever you like...If I do it today, all the bugs will go to my neighbor's fields. So he would have to use something faster and stronger. When he does that, bugs run somewhere else, maybe back to my fields where the last spray is wearing off.*

Would they then allow the Company larger control of the production process, say centralized use of pesticide? Again, 35 interviewees like the idea, and are even willing to consider paying a small fee to cover the cost. However, they strongly question the Company's "capacity" to do so. They present an image of a rather weak business confronting the enormous needs of tens of thousands of peasants. In the end, many of them approve a solution offered by two brigade leaders: 'The government's got to be involved...to work with the Company. That might work.' Unlike the Combines which was clearly seen by the most vulnerable Sedaka villagers as a financial as well as moral threat in Scott's narrative, the low-toxic inputs are seen to promise higher prices from Yang, who in turn would be rewarded by the marketplace. In the grey zone between power confrontations, standardization is not seen as a weapon of the strong, so anti-standardization is not celebrated as one of the weak.

Contrary to experiences in Latin America and South Asia, when confronting an approaching array of commercial forces and instabilities, Lian villagers seem willing to accept part of the logic of marketplace, and decouple it from moral judgments of the Company or its owner. They seem to agree that the market carries risks and imposes discipline on the State and the Company, as well as on themselves. Their interests do not necessarily compete. The villagers are even capable of drawing up solutions that satisfy what they can accept as everybody's legitimate interests.

### **The Neighbors: Between resistance and submission**

However, that the peasants share the logic of the market and the logic of state-led, corporatist development does not mean they have given up an autonomous sphere of moral judgment. Instead, That dimension of peasant moral economy—of cultural resistance to power—forms a third dimension of their world of meanings.

What drew the greatest ire from all coop members in the case above was not the fact that Yang “defected”. It was the fact that he didn't do so straightforward: Yang believed this would turn the peasants away without making them lose face. But the peasants were outraged. “If he doesn't want our leaves just say so, why fool people?”

This perception of the Company—that They look down on Us—is a recurring theme in villagers' comments. It contrasts starkly with Yang's own assessment of his status. Yang often talked about his intimacy with the peasants. “When first came I walked on those steep paths not a single county official has traveled.” He showed me a big map which he called his “new rural construction plan” for Pulan, with complete programs for redistricting, agricultural infrastructure, and educational reform. There is a pride of benevolent patron as he points to the villagers' abodes scattered in the fields now producing for his clients.

Most of the villagers, however, would start a narrative by acknowledging Yang's “contributions to the local economy”, followed by a qualification that “he doesn't think very highly of us peasants”. Many speak with a mild amusement and contempt when speaking of the Company's inability to control the use of pesticides on tea plants. It was as if Yang was a bull in a China shop who had to learn his lesson. A villager who set up a small shop by the grandiose gate of Yang's estate on Mont Blackie, for instance, captured the collective feeling when he recalled:

*Once my scale broke down and I went in there [the estate] and asked whether I could borrow theirs for once...and they refused. I would have paid. I say, you can't look down on people like this when you live next door. The next time they wanted to borrow my ax and I said, no, it is not that I am unreasonable, it is you can't treat people like that.*

Two other stories about water further illustrate the constant, dull sense of resentment between Lian villagers and the Company. In the first incident, the Company needed to channel water from a creek that supplies the entire Lian, the source of which is located in the Fourth brigade, next to the Li household. According to other villagers and the county official, Li is known for being “unreasonable”, without any scruples to “hurt collective interests for his own gain”. The first time the Company approached the three households closest to the water source, paid a little to

each of them, and hinted Li's son might be paid 600 yuan per year "looking after the water". That somehow did not materialize. Li then chose to cut off the Company's water supply. Some employees of the Company came up hill and a fight ensued, causing both Li and an employee minor injuries. In the end, a deal was made that Yang came to see Li in person and paid, besides medical expenses, 1600 yuan to Li in exchange for the right to channel water.

As to what happened in between there exist two accounts of this incident. In Yang's narrative portrayed himself as the real dealmaker, who knows how to communicate with the peasant. He appealed to the State, but what broke the ice eventually is his personal visit to Li's house when he "settled it with [Li] right there".

The county officials have a different story to tell. According to them, the Company barged in like a bull in a China shop, not knowing "how things work on the ground." The county official responsible for mediation commented:

*"So he picks up the phone and gets the governor...but how would the governor handle that? He picks up the phone and get us to do it. The mayor came, the city's public security director came, it all came in vain...finally we [the county] went, the village head, Li's brothers, the brigade leader, and helped strike a deal." "Even if the State Council said something, wouldn't it still be us who clean up after?"*

These words were supported by the villagers. Li was long regarded something of a rogue in the village. Fellow villagers are not sympathetic to his recalcitrance, nor do they see his injuries marks of class resistance. Some blame it on a defective character: *"He is just a difficult person, you can't reason with him at all!" "He cares too much for himself. He thinks he is clever but at the end of the day he loses because nobody helps him."*

Other peasants regard Li as a representative of a social problem, that rather than honest work too many people resort to crooked ways of getting something out of anything. Li's neighbors agreed he was trying to take advantage of Yang's riches. *"There are always people who don't want to work hard...who wants to eat off other people's hard work."*

Yet some others, mainly the elderlies, criticize Li for he violated the norm of sharing what is considered a public asset. This part of Sichuan is blessed with relatively abundant water resources, and according to the villagers, there has always been a tradition of sharing creeks and wells. The head of the village summarized what many others said about water, despite the fact Li was one of her distant relatives: *"Water flows everywhere and it doesn't belong to you or me...everyone can use it as long as they are reasonable. It is not right to hold it up because you want some money."*

But on the other hand, while Li's greed is considered unjust, the compensation the County squeezed out of Yang was considered just. The Company, so to speak, was held against a different ethical criteria: that of respect. Like in the case of protective price, the Company was not blamed as much as for defying Li's demands than treating local villagers and county officials lightly during the mediation process. The Company is too "proud" to communicate with the locals with modesty, let alone follow local norms. A villager commented:

*"You have got to learn how to have good relations with people...to have people support you. Even Hu Jingtao, he is the chairman of the Military Commission, isn't he? Even he cannot do as he wants. He has to be elected, to have other people's support"*

It doesn't matter, for our purpose, that Hu is not elected either as the nation's

Commander-in-Chief or as its President. There are rules of legitimacy both Hu and Yang need to obey.

The same attitude prevailed regarding the other water crisis. As Yang was ready to begin construction on the newly leased land, two brigades raised the issue that the estate's drainage system might pollute their nearby water canal. To build an alternative waterway would cost 100,000 yuan. In the end, the county government "found some money" to pay for it. However, the new canal has been idle ever since built. "The peasants just wanted to make a point." The County Chief explained. "Now their request is met they continue to use the old one." Other villagers agreed.

Here, we sense the same kind of cultural resentment that was recorded by various peasant scholars, from Jefferey Paige to Kevin O'Brien before, among the peasants towards an invading mode of production. Yet it has little to do with any concrete economic struggle going on between the two sides—in effect, economically the peasants and Yang are getting along just fine. Yang was held up to norms of fairness, reciprocity, and generosity. The one who thinks himself so clever, so powerful, so well-connected that he could trodden these norms is doomed to fail. In the case of villager's dealing with Yang this ethical judgment takes on a class dimension; but it is certainly not merely a disguise or expression of concrete economic claims.

## **The State**

The village's view on the power and intentions of the State is as complex as its conclusions on the Company. On one hand, the difficulties the state face in monitoring the agricultural production process, and its generally perceived inability to offer firm price protection for farmers, is but one facet in the general retreat of the state from an increasingly complex marketplace. 'It is too much for the government to handle', one villager declared when commenting on the possibility of curbing the sale of sub-standard farm inputs.

The State has difficulty in controlling not only a fast-expanding marketplace, but also time-honored local knowledge. A telling example is the problem of counting the land. Villagers told me, sometimes with a glee, that few of the government's statements about 'us' is credible. Because the state simply doesn't know how much land there is. In the 1980's, brigades and then families launched a massive enclosure movement of surrounding "wild" hills, which form the bulk of tea fields in Lian today. Because neither these "wild" hills nor the subsequently enclosed area have ever been surveyed or recorded by the state, the "tea revolution" effectively insulated knowledge about total and individual acreage, and consequently household income from all levels of authority—even from the village as a whole.

In particular, the two brigades closer to the top of the hills pegged off much larger pieces of land than the two at the foot of the hill by virtue of their closeness. Their distance from main roads afoot the hill, once the scourge of extreme poverty, now becomes a blessing. When I arrived at Lian in 2004 and 2006, Farmers frequently estimate their fellow villagers' actual holding can be twice as large as what they report to the authorities. Yang told me that Puxing's actual tea sowage could be twice as much as the officially reported 20000 mu.

Shouldn't then some measuring and readjustment be done? Lian villagers from the Party Secretary to the common villagers, even the county officials gave the same curious answers: This is a result of 'historical reason', and as long as the villagers think it is fair the issue is considered closed.

Villagers also showed coolness towards new tea varieties the county government tried to introduce, claiming inferior productivity. The officials themselves complain about the disappearance of funding for technical support from Beijing and the provincial capital. One technocrat from the City's agricultural bureau sits on the board of the Coop, with apparent no significant responsibilities.

However, the villagers have a different expectation of the government. The first is law enforcement and market regulation. Despite their acknowledgement that the state on its own can control few things, every potential solution to any problem seems to have to involve the state. Paradoxically, when speaking of the pesticide control issue, many were nostalgic about the way rampant market disorder was curbed in mid-1990's:

*'Everything was fake, pesticides, fertilizers... You just can't trust anybody who sells anything. What do peasants do? We have no knowledge... Now it is much better.'*

The improvements came for two reasons. First, government monitoring and regulation improved through the 1990's, when severe fines and criminal proceedings are initiated against the contraband, and enormous number of broadsheets distributed in rural China promoting product safety and quality. Second, this allows the peasants to learn and grow in the marketplace. *'Over time, they learn to tell good products and producers from the bad ones, and you buy only from this few places... people you know are ok.'*<sup>3 6</sup>

The second most-cited area where villagers acknowledge the role of the government is to have it as an ally, or at least a mediator, in their economically or ethically based claims. Determined to make Mont Blackie his permanent base, Yang called on the government for the permission to set up a processing operation atop one of the hills which dubs as his residence and a future site for tea tourism. The ground broke in 2002, and a grandiose Chinese-style estate is completed, with workshops and dormitories for workers, in early 2005.

Yang's estate requires 400 mu of farm land to be commissioned from three villages, 260 or so from the first brigade of Lian. Most households have extra enclosed land higher up the mountain, but they are reluctant to rent the land to Yang, claiming that these are some of the best strips for growing tea. Then, *'the county came and tried to persuade us... talking about minding the long-term interests, how Yang would bring more economic benefits... Then I said, ok, I am not the one to drag everyone else's leg'*. So describes a farmer who gave his 1.4 mu land to the estate.

From the State's perspective, the land issue highlighted the moral commitment of the state to peasant welfare, and indispensability of the government as a mediator of societal conflicts. "If the peasants have the right quality why would we need a government?" the county chief of Pulan so told his aides. The county government set up a "steering group" made up of 34 county

officials whose portfolios range from agriculture to law and order to see this project through. A meeting of cadres of the villages and brigades was summoned where the 'long-term interests' are advocated. Finally, the 256 households involved signed a collective contract with the estate on these terms of compensation: Yang was to pay 400 yuan/mu per year to rent land from each household involved (official price is 300 yuan/mu), in addition, he would ensure that his investments in road, power, or water facilities would benefit his peasant neighbors; he would also give preference to these families in hiring decisions. 35 villagers in the interview expressed the belief that after all, it was a good thing Yang set up shop there.

As far as Lian is concerned, therefore, the state is split below the provinces not only in sympathies but also in actual function. At the county level, the Developers' aspirations cannot be realized given the lack of resources; rather it is replaced by the Peacemaker's drudgery. As the villagers see it, the county government is somehow trapped at the bottom rung of the political order with themselves.

In the water dispute, for instance, while province and city took Yang's side and urged the county to discipline the recalcitrant peasant, the County has to exercise the will of its superiors, but clearly it felt as much as ambivalence towards the Company as the villagers; and the peasants know that. In the end, they helped negotiate a deal most villagers regarded as fair. One village interviewed noted: "*Yang did not care for the county government at the beginning, after that [water] incident he knows we are the people who can help. He has learnt to communicate more with us*".

However, while making peace, the County officials continue to rely on the discourse of development, of protecting peasant's interests. And the peasants welcome that logic into their moral universe. When asked whether he worried the Company would not return the principal and security, a group of farmers looked at each other and smiled. One blurted out: "There is the government, no? Is this still a socialist country?"

## **Conclusion**

For some most important contributions to studies on class and class interests, we owe enormously to the moral-rational peasant debate.<sup>37</sup> The theoretical arguments of its first protagonists seem much subtler than some of the ensuing exchanges. In effect, James Scott and Samuel Popkin both acknowledge the rational as well as moral dimensions of peasant politics. Popkin sees the very legitimate way peasants *justify* economic claims in terms of moral rights a very reflection of that rationality; while Scott takes on the more Weberian view that peasants *understand* economic struggles through the moral lens.

Moreover, for Scott, the cultural dimension serves more as a "normative filter" through which "the self-interested actions pass" and become "socially transformed by this passage".<sup>38</sup> For economic battles that cannot be won the peasants make up with fierce ethical campaigns. This explains in part how their two theses could be integrated in Kevin O'Brien discussion of the strategic nature of "rightful resistance".

Both the rationalist and the moral economist, therefore, see pre-determined, material

interests as the first order in peasant decision-making. Both believe material interests are determined prior to the onset of these struggles and contestations. That in turn can be tracked back to a classic classist view on the consequences of the advance of capitalist relations, together with its technological servants such as the Green Revolution.

Lian's experience might expand this theoretical terrain in three ways. The first concerns the relationship between market capitalism and peasants. Early moral economists focus on the anti-market, classist dimension of moral economy.<sup>3 9</sup> Scott offered a structuralist view: in Sedaka, as Green Revolution and the capitalist production relations it serves proceeds, the interests of the rich, the State, and the peasants are well-defined and irreconcilable: every advance there represents further peasant deprivation, although the losses are not evenly distributed between different groups of peasants.

China today is in a different historical context. Here, market forces are making inroads into Lian to replace less a relatively autonomous, community-based moral economy. They have come to take over from the thralls of a command economy which had penetrated the countryside from top down and now in retreat, leaving behind cumbersome institutional wreck. They remember that market forces helped them. A peasant who farms 15 mu of tea said it for many other interviewees:

*Without reform and opening, we will still be growing corn...Children were hungry then. We didn't even dreamt that tea would be selling for 30 yuan per jin twenty years ago!*

Villagers benefited from this transformation before they confronted its darker side: the risks and the dangers of exploitation. However, by this time they have had experiences which told them that market forces can be tamed, rules governing them contested, and at their hand are normative assurances from the State and the Elite that markets exist to 'develop' their livelihood. They have a chance of turning the interests and perceptions of the powerful players to serve their own good, material as well as normative. The peasant's interests and perceptions are shaped by and evolve continuously by their engagement with different kinds of power.

On the other hand, Scott's cultural division between the strong and the weak persists. The villagers are as skilled as their fellow farmers in Sedaka in appropriating dominant ideologies. To justify their own interest-based claims. The strategic nature of peasant cooperation is also born out by the coolness or even resentment Lian villagers express towards the business and the State. There are autonomous moral rules on respect, on reciprocity and generosity, which take on the class character when applied to the Company and the State, and which are sources of a constant, if dull class jealousy, which persists even when the elite is fired up with charitable intentions. This moral jealousy and rational strategizing, what John McCormick called "ferocious populism" and Josiah Ober considered the foundation of an otherwise divided Athenian democracy, becomes a constraining force on the elite and the state.<sup>4 0</sup>

Therefore, the peasants developed a complex worldview, one acknowledged in part the logic of market, the framework of development, as well as an ethical code not unfamiliar to disadvantaged groups everywhere. For the elite's project to succeed, the Company to benefit and the State to claim credit, peasants have to have reasonable expectations that the arrangement is fair and profitable to them. Yet it is not possible to insure on these expectations in advance; because of the inequality in knowledge, access and power. That expectation has to come from some belief—that the powerful can work for us, and there are ways to punish them if they don't. This worldview itself the marketplace is not the enemy, it is a field where battles could be won

even though for ‘us peasants’, many more are lost.

Lian’s experience suggests that norms are more than a symbolic line of defense in a doomed economic and political battle for the peasants. They constitute a weapons of defense against intrusions of power, but also weapons of offense when they are ready to take on the market forces which they see no way of escaping from. The closed villages have long disappeared from China, and Lian villagers live for an open future.

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<sup>1</sup> Statement of the Cooperative Identity, International Cooperative Alliance, available at <http://www.coop.org/ica/info/enprinciples.html>. Ideally, “A primary cooperative...[is] an enterprise [as well as] an association of individuals. It is an enterprise in the sense that it is a business...However, the business that a cooperative conducts is informed by certain values and principles, ethical considerations and concern for the community.” Krishan K. Taimni, *Cooperatives in Asia* (ILO, Geneva, 2001):144.

<sup>2</sup> For the logic of the ‘collectivization’ dimension of cooperativism, see A.H.Chayanov, *The Theory of Peasant Economy*. Ed. Daniel Thorner et al., Homewood, Ill: American Economic Association-Richard D. Irwin Inc. 1956. 264-69. National experiences are recounted in: Orlando Fals Borda, *Cooperatives and Rural Development in Latin America: Rural Institutions and Planned Change. Vol. III* (Geneva: United Nations Research Institute for Social Development). Peter Worsley, Ed. *Two Blades of Grass: Cooperatives in agricultural modernization* ( Manchester: Manchester University Press, 1971). Arthur Dorin, “The Role of Agrarian Cooperatives in the Development of Kenya,” *Studies in Comparative International Development*, 5:6 (1969/70). 107-135. Krishan K Taimni, *Asia’s Rural Cooperatives* (Boulder, CO: Westview, 1994). Khosrow Saidi, “[Problems](#) of Concept Transfer to Developing Countries,” *Sociologia Ruralis*, 1981, 21, nos. 3/4: 228-244. John Bennett, “Agricultural Cooperatives in the Development Process: Perspectives from Social Science,” *Comparative Studies in International Development*. 18, nos. 1/2 (Spring/Summer, 1983): 3-70. By the early 1970s, sociologists had had to admit that “cooperatives have failed to make the contributions to development that sociologists had anticipated.” “Summary Report of the Third World Congress for Rural Sociology,” *Sociologia Ruralis*, 12:3/4 (1972): 520-544. Robert Unger

<sup>3</sup> Interview 06/04/DHX and General Office of China SMC system in Beijing, May 2004.

<sup>4</sup> This new development trend is not unique to China. In Northern Vietnam, for example, similar grass-roots groups have been reported after a radical land privatization program dismantled the state cooperative farms system. FAO Cooperatives and Food Security Project, <http://www.copacgva.org/idc/faoidc97.htm> (visited March 4, 2005)

<sup>5</sup> Liu Jian, Vice Minister of Agriculture, “Promoting Rural Specialized Cooperative Organizations,” Speech at the Rural Industrialization Development Meeting, Beijing, April. 29, 2004. Personal communication. Wu Qinglin, “The Minister of Agriculture on New Rural Construction”, *People’s Daily*, May 15, 2006. Coop statistics, to be sure, are likely to be wildly exaggerated. As with other statistical conundrums in China, the confusion owes partly to the creativity of local officials.

<sup>6</sup> Interview with Hanjun, Director for Rural Studies, State Development Research Center, March 2006, China Central Television. One subtype, “autonomous coops organized by the state” warrants some explanation. This mainly describes coops initiated by village cadres. This subtype is taunted by CCP’s propaganda machine as a testimony of the Party’s relevance to rural development. Two of the twelve coops I visited fit this description on surface. However, local Party officials and practitioners often dismiss these claims as self-aggrandisement on the part of Beijing. Interviews with members of Rural Economic Bureau, Leshan, Sichuan. Zeng Qinghong,

<sup>7</sup> Interviews at the Directorate for Grassroots Construction, Ministry of Civil Affairs, May 2006.

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<sup>8</sup> The materialists, as I see them, emphasize the autonomy of the state in political life by giving it economic and political interests, and means of power. One group sees the state as maximizer of its self-interest, whether political control or collective financial gain. The Chinese State does so, past researches reveal, by encouraging local economic development to keep people happy, and repressing local resistance to keep them in fear. See Jean Oi, and Kevin O'Brien,

<sup>9</sup> “在建设中国特色社会主义的进程中，全国人民的根本利益是一致的，各种具体的利益关系和内部矛盾可以在这个基础上进行调节。制定和贯彻党的方针政策，基本着眼点是要代表最广大人民的根本利益，正确反映和兼顾不同方面群众的利益，使全体人民朝着共同富裕的方向稳步前进。” Report on the 16<sup>th</sup> Congress of the Communist Party, Jiangze Min.

<sup>10</sup> State Council Declaration No. 1 of 2006.

<sup>11</sup> Degree No.1, State Council, 2005, on “industry repaying agriculture, cities supporting countryside”.

<sup>12</sup> “NPC Delegates Say Raising Peasant Quality the Key to New Rural Construction”, People's Daily, May 13, 2006.

<sup>13</sup> 尊重自然规律、经济规律和社会发展规律，区分轻重缓急，突出建设重点，分步实施，扎实推进。要从农民群众最关心、要求最迫切、最容易见效的事情抓起，不断让农民群众得到实实在在的好处。广大干部要弘扬求真务实精神，做到关心农民疾苦、尊重农民意愿、维护农民利益、增进农民福祉。 Speech on promoting new rural construction at provincial leaders' training session, Hu Jintao, Feb 14, 2006.

<sup>14</sup> 农业在国民经济中的基础地位没有改变，农业对经济社会发展全局的影响没有减弱。农业作为自然再生产和经济再生产的统一，具有多功能性。农业不仅具有经济功能，而且具有生态和社会功能。农业丰则基础强，农民富则国家盛，农村稳则社会安。 Wu Qinglin, 2006.

<sup>15</sup> Liu Jian, speech at the conference commemorating the International Cooperatives Day, 2002. [http://www.agri.ac.cn/agri\\_net/02/2-13/bm41hz.htm](http://www.agri.ac.cn/agri_net/02/2-13/bm41hz.htm) (visited February 12, 2005).

<sup>16</sup> In 2002, Ministry of Agriculture added to the list an additional 100. To those the provinces of China added a total of 500 new “provincial pilot cooperatives”, i.e., organizations entitled to policy preferences. In 2002, Ministry of Agriculture added to the list an additional 100. To those the provinces of China added a total of 500 new “provincial pilot cooperatives”, i.e., organizations entitled to policy preferences

<sup>17</sup> “Recommendations on policies to promote income increases for peasants,” known as “Decree No. 1” of 2004. Decree No. 1, issued at the beginning of each year, is often seen as the keynote policy statement of the year. Since Hu Jintao took power in 2003 and identified the “three agrarian questions” its political and economic priorities (the questions of agricultural sector, of rural society, and of peasants), both Decree No. 1 of both 2004 and 2005 are devoted to agrarian issues. Drafted by key researchers on rural issues affiliated with the government, these documents are usually praised for their good intentions, but criticized for their vagueness or impracticability by local implementers, who see in such programmatic statement the desire of Beijing to curry favor with the peasants to the disadvantage of local administrators. interviews in Sichuan and Hunan.

18 魏杰、董进，《当前宏观调控的深层次思考》，<http://www.zgjr.com/News/2005829/Finance/677793611500.html>。2005年8月20日查询。原载《国民经济管理》。The idea that late-developers should grow not on generic industrialization but the industrialization of agriculture itself—developing competitive raw-material processing operations which keep the vast number of farmers employed and fed—we owe to Peigang Chang, in his *Agricultural Industrialization* published in 1942.

<sup>19</sup>

<sup>20</sup> In 2000, the top quintile of rural families (or 18.58% of rural population) accounted for

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47.3% of total rural income; and the bottom quintile, 5.6%. Moreover, the Gini coefficient in eastern, middle and western China has exceeded or is approaching the 0.4 red line. 农业部农村经济研究中心,《农村居民收入差异继续扩大》,《中国农村研究》第11期。

<sup>2 1</sup> Barry Naughton, *Growing out of the Plan*.

<sup>2 2</sup> Peter Jones, 'Agrarian Issues during the French Revolution, 1787-1799', in James Scott and Nina Bhatt eds. *Agrarian Studies: Synthetic Work at the Cutting Edge* (Yale University Press: Yale, NH, 2004): 71.

<sup>2 3</sup> One former manager of such an agr-business in Weifang, a city which has been hailed as a leader in 'agricultural industrialization', noted that "on surface, the businesses help agricultural development...But on the other hand, they are also responsible for the slow pace of rural income growth, stagnant productivity, slow rate of technical extension, widening rural inequalities, and corruption. 'Corporation-plus-peasants' model certainly contributed to these outcomes." Qiao Guodong and Liu Ruiting, "A Conversation about 'Corporations-plus-peasants' Model," <http://www.chinarural.org/readnews.asp?newsid={7E08B41F-6E4F-43F3-8EC8-E66A90D1755>

[1}&keystr=公司加农户](http://www.chinarural.org/readnews.asp?newsid={7E08B41F-6E4F-43F3-8EC8-E66A90D17551}&keystr=公司加农户) (Visited March 30, 2005). In the past year, Chinese media has brought to light a series of conflicts between China's major dairy companies and dairy farmers with whom they signed long-term contracts, where dairy companies were accused of using quality control measures to shift market risks onto the dairy farmers. Xinhua Wire Service.

[http://www.tj.xinhuanet.com/jdwt/2004-05/11/content\\_2122186.htm](http://www.tj.xinhuanet.com/jdwt/2004-05/11/content_2122186.htm) (visited March 30, 2005).

Deng Haijian, Liberation Daily, July 9. Available at

<http://www.ccrs.org.cn/NEWSgl/ReadNews.asp?NewsID=8228> (visited March 30, 2005)

<sup>2 4</sup> Tang Xiaoyang, "Reflections on Agricultural Industrialization," *Macro-Economic Review*, 2004:11. Available at <http://www.ccrs.org.cn/NEWSgl/ReadNews.asp?NewsID=9915> (visited March 31, 2005).

<sup>2 5</sup> Robert Bates captured the perils of this business-State alliance for the peasants in *States and Markets in Africa*.

<sup>2 6</sup> Interview 08/04 HDH.

<sup>2 7</sup> Interview 0406 ZLX.

<sup>2 8</sup> This official figure does not capture, or fully capture, the income from enclosed hilly fields which could be up to its 70%.

<sup>2 9</sup> Interview 05/06 ZHX

<sup>3 0</sup> Directive on Standardizing Specialized Farmers' Cooperative Organizations by the Provincial Government of Sichuan, December 2003.

<sup>3 1</sup> This belief of standards has multiple roots: in the Marx's vision of a united, self-less and committed proletarian class chastened by this disciplined existence in mechanized mass production; in the imperial-scholarly teaching about applying the King's way across the land, and in a certain discourse on globalization which advocates trans-border integration.

<sup>3 2</sup>

<sup>3 3</sup> Membership Agreement for Fairland Tea Cooperative, 2005.

<sup>3 4</sup> "Government steps up monitoring of inferior agricultural inputs", Xinhua Wire Service, April 13, 2006. [http://news.xinhuanet.com/newscenter/2006-04/28/content\\_4488291.htm](http://news.xinhuanet.com/newscenter/2006-04/28/content_4488291.htm) Accessed April 25, 2006.

<sup>3 5</sup> Interview 0605 A01.

<sup>3 6</sup> Interview with Han Jun.

<sup>3 7</sup>

<sup>3 8</sup> Scott 1985: 305-7.

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<sup>3 9</sup> See contributions to Scott and Bhatt eds. *Agrarian Studies*

<sup>4 0</sup> Josiah Ober, *Mass and Elite in Democratic Athens*, John McCormick, 'Ferocious Populism'