Reflections at the Turn of the Century on "Rural Issues in Three Dimensions[1]"

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CHINA'S PROBLEM is the peasants' problem. The peasants' problem is that there is no land" – it was an old saying from the last century, utilized by both the Nationalist Party (KMT) and Communist Party of China (CPC) to mobilize peasants. Then the CPC succeeded in the "War of Agrarian Revolution."

Now the catch-phrase has been changed to: "China's problem is the peasants' problem. Peasants' problem is unemployment." Who can overcome this problem and gain the upper-hand this time? And how?

With the discussion at the turn of the century, people nowadays begin to think that there is no "agricultural" problem in China. Instead, there are only rural problems in three dimensions: *rural people*, *rural society* and *rural production.*

Academics who were involved in the economic reforms in China all know very well that the main projects I carried out in the "Rural Reform Experimental Zones"[2] for the past ten years have always been market-oriented. In order to implement the first initiated "Policy Experiments," I have tried my best to learn from scholars working in different traditions, including those who believe in so-called classical Marxist political economics as well as those who teach trendy theories of "Western Economics," in order to illuminate the concept of property rights. During these years, I took different theories into consideration, respecting scholars from different traditions as "Masters," treating all perspectives equally and practicing eclecticism. On several occasions of theoretical discussion,

I have repeatedly emphasized that I am only an "experimenter," not a theorist, and I consider what I am proposing here merely an intuitive understanding of the experiments in the grassroots.

The meaning and value of the outcomes of "Experiments" serve not merely as a reference for the government leaders whose agricultural policies were detested by peasants. They were therefore forced to review the "rural problem in three dimensions," which serves as a stimulus for the centenary reflections of scholars on what China has learned from the West.[3]

I. What is the real problem of China?

THE MANY YEARS of experience in rural grassroots communities have brought about a great deal of confusion in me with regard to the grand theories, but oftentimes, I can resolve the confusion in the fieldwork in which I was engaged.

In my view, in the last century, one most prominent question has been the distorted process of receiving and absorbing Western theories; that is, how to combine or make compatible Western science, including Western philosophy of science, with traditional Chinese thought, including the realities of Chinese culture. Marxist theory of political economics, which has an unshakable grip on Chinese social scientists, and theory of economics of liberalism as well, face the same question of the compatibility between Western epistemology and Chinese practice. Political leaders such as Mao, Deng and all serious scholars, native and abroad alike, all think or have thought that this problem has yet to be solved.

For this reason, the basic hypothesis I can contribute to this century-old problematic in Chinese Studies is the simplest and the most well-known diagnosis: "China's problem is the tension aroused by an agrarian society, characterized by overpopulation and limited resources, in the process of internal and primitive accumulation of capital for state industrialization."

This study can be abstracted as an investigation into the "two basic paradoxes and two historical phases." Our economic development in this century can be summarized as "the four industrializations of a peasant state." The lesson we learned from this approach is quite easy to understand: any innovation of the existing institution and system we have is only the end-result of, rather than the prerequisite for, the different structural changes under the constraint of macro-environment.

i. An analysis of the "Agrarian Revolution" in modern China.

Let us focus on the similar situation faced by Sun Yat-sen and Mao Zedong:

At the beginning of the Old Democratic Revolution[4] in the last century, Sun Yat-sen made the peasants' appeal for equal land distribution, put forward by many peasant revolts in history, into one of the two main goals of his Principle of Livelihood. The question of land ownership immediately provoked the anger of the Royalists.

Even though Sun and his cohorts did not retreat in the theoretical debate with the Royalists, in practice he soon learned a lesson: virtually no common peasants were moved by the call to agrarian revolution. He then understood that the inequality in Chinese agrarian society was only manifested in a distinction between "extreme poverty" and "less extreme poverty." Therefore, failing to mobilize the peasant, Sun Yat-sen changed his strategy into organizing "Parties' uprisings." The so-called bourgeois revolution he initiated, ironically without the support of the national bourgeoisie, finally turned into an internal war of provincial division waged by the warlords controlled by Western colonial powers.

The young Mao Zedong wrote a report called"On the Peasants' Movement in Hunan"in the 1920s, showing his affirmation of the much berated"Rascals'Movement."Building on this work, Mao formulated a primary theory of class division in Chinese society. Later, during the Autumn Harvest Uprising and in the process of establishing a revolution base at Jinggang Mountain, he attempted at "attacking the local ruffian landlord and redistributing land-ownership"; soon after, because the small peasants did not produce enough to feed the Red Army, he changed his agrarian revolution to"attacking the local ruffians to gather provisions for the army."For this practical policy change, he was severely punished by the CPC Leftist leadership and almost lost his life. Later, although the Red Army had recruited over 300 thousand soldiers from Jinggang Mountain and other bases, without adjusting land policy to the contextual environment, the "Soviet Revolution" in China failed. After that, the Red Army embarked on an arduous expedition – the Long March. To escape military attacks, they changed their destination several times and finally decided to settle in North Shaanxi Province. Taking away the factor of the Sino-Japanese War, what accounted for the final success of the CPC – the fact that the Red Army could gain a foothold in the poor region of North Shaanxi, and that"Marxism can be derived from the village of North Shaanxi" rather than an application of doctrines from Moscow dogmatically upheld by Wang Ming – was precisely the adjustment of reform from "land redistribution" into a reduction of land tax and rent;

from"attacking the local ruffians of landlords" into an acceptance of "Li Dingming as an enlightened local gentry." Such moves implied a preservation of the tradition of the rural elite's self-governance. Mao's article on the Two Theories and on "How to Improve Our Learning"in *The Selections of Mao's Writings* are products of this struggle between the Chinese Communists and the Soviet doctrinaires.

ii. Opposition of scattered peasants to state industrialization

Having learned from the lesson of blood, the peasant-based Chinese Communist Party gradually started to correct the extreme leftist orientation imported from the Comintern. Meanwhile, in the 1930s, the intellectual circle in China also went through a period of self-reflection. A group of scholars, focusing on the context of the Chinese situation, started a discussion of the Asiatic mode of production. They referred to the self-reflective writings of Marx in his late years concerning his limited knowledge of ancient societies in Asia. He admitted that his theory derived from the tradition of Morgan and Darwin on the five historical epochs in the West was not applicable to the unique character of China. This discussion brought a ray of hope to "localize" the western-based social sciences in China.

In ancient eastern countries, irrigation-intensive agriculture was the primary mode of subsistence. This mode of production required small social groupings such as family or village (clan) to be the basic unit of society. Their historical development therefore differed from Western societies, which consisted primarily of hunter-gatherers and herdsmen, with the individual being their basic social unit. I reached this conclusion by observing the remnants of human civilization at the New York Metropolitan Museum, the Great British Museum in London, and the Louvre in Paris. The evolutions of Eastern and Western civilizations were clearly different. The different modes of production in ancient times gave rise to different social structures. Appropriation of nature – hunting and gathering – required a strong body and physical prowess, which led to the development of individual-based societies. In the East, particularly in China, a gigantic country that until now has never been completely colonized by the West, self-sufficient communities based on social groups emerged when primitive tribesmen irrigated their land together along the continent's rivers. The Xia Dynasty that emerged 4,000 years ago as the first state in China was a result of Xia Yu's success in developing an irrigation system preventing the flooding of the Yellow River. Such historical processes were neither related to class oppression nor pillage.

That was the reason why the western institution of slavery never appeared in China.

We also have to pay attention to the result of the discussion in the 1930s: Ever since scholars who emphasized the Chinese context were labeled Trotskyists, the discussion of how historical materialism might be compatible with the context in China was accordingly interrupted. Meanwhile, *The Age of Slavery*, an influential book in the theoretical circle, was acclaimed because it argued that China, like the West, had the "five epochs" of historical development, including slavery. This theory was taken up by some economists who concluded from their rural research that "80% of the land was controlled by 10% of the population – the rich landlords." Their conclusion was a very influential political judgment, in the sense that it provided the theoretical basis for the nation-wide land reform.

In order to understand the impacts of institution on economic developments, I studied the founding of rural fieldwork in this century chronologically, disregarding the researchers' political views. Initially my study proved that the "separation of rights in land ownership and land use"is a system derived from the internal structural logic of the rural society: on the one hand, the increase in population, which led to a tension of land-population ratio, had prevented land ownership from falling into the hands of a few. On the other hand, as a result of high rental rate, the right in land use was limited to kulak and middle farmers who had the capability to manage agricultural production. These property rights systems maintained a balanced distribution of land resources and rural labor that supported an extremely stable social structure of Old China for centuries.

How, then, do we explain the frequent social uprisings and class struggle in Old China?

A further structural analysis revealed that the major conflict that led to the collapse of peasant economy in modern Chinese history was the conflict between peasants and landlords who were also usurers, industrialists and merchandisers. The industrial and commercial capital accumulated through the circulation of goods had increased the degree of exploitation of peasants, which became much more severe than the exploitation of land rate; and the profit from usury was even higher than profit from industrial and commercial capital. This conflict reflects that the essential problem yet to be tackled is the developmental path of this agrarian country. In other words, the issue at stake is the means of extracting and accumulating capital, in the process of urbanization and industrialization, from a highly scattered and low surplus agricultural economy. We have developed a scale to measure the effectiveness of the

system in this kind of agrarian country: A system is considered effective, if it may efficiently lower the transaction cost paid by the millions of scattered peasants and complete the primitive accumulation of capital in the inevitable historical process of industrialization.

II. Two Basic Theses

CONSIDERING the imperatives of rural development, one can see that there are two basic theses in the studies of rural economics: First is the constraint for an innovation of land system under the pressure of high population density. The other is the constraint of an agricultural surplus-distribution system under the binary structure between the urban and the rural.

Land Reform under the structural constraint of high population density

(a) The issue of property rights in land reform

The land reform that was launched to redistribute land ownership according to the family size of peasants (including landlords and kulak) was the direct result of the Third Agrarian Revolution War (also known as the War of Liberation). In practice, it was a thorough privatization of farmland (except the right to lease land) including those originally publicly owned farmland in traditional villages.

Afterwards, the interdependent Mutual Aid Teams ensured that the land rights of peasants could remain unchanged; the Primary Cooperatives, which were set up in the 1950s based on pre-existing villages, also allowed the peasants to hold shares of the land property. However, since the Advanced Cooperatives and the People's Commune came into being in 1957 and 1958, respectively, the natural boundaries of traditional villages (clans) were broken and the peasants lost their land rights. This time, it was a complete nationalization of privately owned land. But from 1957 to 1962, a short interval of five years, a nation-wide famine broke out, pressuring the government to readjust its agricultural policy. The production units changed from "people's commune" and "brigade" to "production teams," and natural villages once again became the bases of production and land ownership.[5] At the same time, in the 1960s, the readjustment gave space to the development of private land, free market and "contract system" which meant that the peasants could keep a small portion of land for their own subsistence. By the end of the 1970s, the government finally gave back most of the land ownership rights to the peasants.

Currently, the so-called Shareholders' Cooperatives in villages, based on "dual structural property rights[6]", are widely practiced in many regions. The central idea of this system is to protect the peasants' land rights through contracts, while the villages hold shares of "publicly owned land." Many conflicts occurred in the villages, which involved unduly occupation of land and the underestimation of land value by the local government.

(b) The structural constraint of "rural China"

Examining the five thousand years of Chinese agricultural civilization, we can see that the tradition of peasant economy and the tension in land-population ratio actually complemented each other. Under this constraint of "rural China," the major historical events were caused by man-made calamities rather than natural disasters. Very often the problem was that the rich and powerful occupied land by force, bearing witness to the theory that "the real evil is not scarcity but unequal distribution." Or, it was due to the excessive construction of "infrastructure," continuous warfare, and heavy taxation which led to an increase in mobile population and social instability. When coupled with a natural disaster or foreign invasion, the social crisis inevitably led to a "reform," or even a change of dynasties. Then, the very first national policy of the new dynasty usually was land redistribution and tax waiver.

The so-called heydays of Chinese civilization, the Han and Tang Dynasties, were successful because these dynasties increased their agricultural productivity by expanding their territories. Because of the large number of wars, I exclude Jin and Sui in my list of examples. The political instability of the Song and Ming Dynasties both had to do with the imbalance in the ratio between land and agricultural resources on the one hand and their population on the other hand. A most obvious example is the Mongolian invasion of China. Despite the fact that it was foreign domination, and that the Mongolian tyranny implemented most brutal policies, which were unacceptable to the common folk, the Yuan Empire still lasted 87 years. It was related to the unprecedented size of its territory which released the tension of land-population ratio. The situation of the Qing Dynasty was similar to the Yuan Empire. The Manchus, a small ethnic minority, in ruling the vast continent for approximately 280 years, owed their success to their adaptation of central China's culture into its own governmental system. However, more significantly, the vast territory of the Qing Dynasty enabled a reallocation of land and natural resources and reduced the tension derived by population density. Together with the reduction of taxation, the adjustment of land-population ratio led to a long period of social and political stability.

From the late Qing period to Republican China, the continent was first invaded by the foreign powers and then plagued by domestic warlords. With a rapid increase in population, the ratio of available resources to the population went down dramatically, which subsequently resulted in the polarization of the rich and the poor. However, the rural community in traditional villages could still be self-sustaining because of the stabilizing system of property rights, which was characterized by the "dual land ownership," i.e., "separation of rights in land ownership and land use." Since the mid 19th century, the Taiping Rebellion, the Sino-Japanese War, and the two Civil Wars greatly decreased the population of China, approximately by 20 to 30 percent. These changes more or less altered the land-population ratio. However, the context did not allow a nationwide readjustment of the land-population ratio, which resulted in a serious regional difference in agricultural production. Despite the fact that in the South tenant peasants outnumbered land-holding peasants, and vice versa in the North, the living standards were considerably higher in the South than in the North. This discrepancy explains why the peasants' revolts became a dominant revolutionary force in the North.

When the War of Agrarian Revolution won its victory, Mao redistributed land to the peasants in his land reform; Deng Xiaoping's policy of "15-year contract of rights in land use" was another redistribution of land. The third generation of leaders in China followed the policy of their predecessors, promising that the contract of rights in land use would not be changed in the next thirty years. Under the constraint of the tension caused by the land-population ratio, these three succeeding land reforms, all aiming at the equal distribution of land, could only be implemented by dividing farmland along the natural boundaries of villages. Indeed, the fact that villages in China cannot afford the institutional cost of polarization is also a result of such constraints. This is an important issue we all know but have not adequately articulated.

"Rural problem in three dimensions": principle of equality versus the market economy

Because of the extreme tension in land-population ratio, arable land in China, as "survival material," which is to be differentiated from the notion of "production material," can only be distributed among the village population, which embodies the principle of equality. In our experiments, we have promoted land transactions. In the past ten years, only one percent of the peasants have sold their rights in land use to others. It proved that this kind of property rights system, which grew out of our internal

structural constraint, is not compatible with market economy. The notion of efficiency, a goal set up by agricultural economics, cannot be a guiding principle for land reform in the present context of rural China, unless there is a radical change in land-population ratio. Due to the lack of resources, China throughout history has never had a purely "agricultural" economic problem. The real problem is always "rural problem in three dimensions".

Under the framework of property rights theory in institutional economics, the restructuring of land property rights, a manifestation of the idea of equality, was a result of transformations in the political system, either through revolutions or by governmental reform. Because the formation of this unique property rights concept is contingent upon the convergence of political forces rather than market forces, in our history, the notion of "private" property never existed. This is an important element of "All land under the sky is the king's land, and all natural resources are the king's servants" – the basis for feudalism and centralized authority.

The binary opposition between urban and rural: agricultural surplus-distribution system – Over-exploitation of small farmers' surplus

An economist pointed out once that, as early as one thousand years ago in China, the commodification rate of agricultural product had already reached 15%. In recent years, China has been industrialized, but out of the total production of grain, the percentage of commodity grain was only increased to 30%. 15% of total yearly grain produce was state-owned. Statistics showed that 50% of rural peasants did not produce any commodity grain, and only 30% of rural peasants could sell more than 30% of their total produce. Therefore, 70% of the small peasants faced the problem of low surplus rate. Industrialization did not solve the problem of rural poverty; indeed, the situation was worse with population increase over time under the rural-urban binary structure.

Under the structural constraint in China, whether it was armed revolution or peaceful reform, the subsequent result could only be an equal redistribution of land. We can see that the core of Chinese society's "stabilizing structure" is an internal distribution system of property and profit in the peasant economies. In the villages, the economic internalization of property and the mechanism of profit-distribution became a stabilizing force for rural society, and essentially, it rejected the capitalist system that accompanied Western industrialization.

"Four attempts to industrialize China"

There were "four attempts to industrialize China" since the late Qing period. First was the "Westernization Movement" (Yangwu Yundong)

initiated by the Qing government from 1850 to 1895. The second one took place from 1920s to 1940s with the Republican government. Both led to the outbreak of revolutions because the bureaucratic industrial and commercial capital had extracted an excessive amount of surplus from the peasants that intensified social conflicts.

The other two attempts were the so-called two "historical phases" I mentioned at the beginning of this paper: The first phase was from 1950s to 1970s, when the central government launched industrialization in the name of "socialism" and "people's ownership" ad was relatively successful in completing the primitive accumulation of state capital. The second phase took place since the open door policy in the 70s. Under the goal of rapid economic growth set up by the central government, the local governments initiated "local industrialization" on different levels, which successfully accelerated economic growth and national power, but also created serious environmental problems. Institutional innovation was mainly aimed at tackling the problem of transaction cost between government and peasant in the process of capitalizing resources and extracting agricultural surplus.

Primitive accumulation of capital in state industrialization

By the time the People's Republic of China was established, the West had already partitioned resources through colonization, and the geopolitical structure brought about by the two World Wars was fixed. China had no choice but copy the Russian model of industrialization in order to "stand up." It had to complete the "primitive accumulation of capital" which could not possibly be done under the conditions of a low-commodity-rate peasant economy.

In the first three years since the establishment of the PRC, its four hundred million peasants were able to provide enough agricultural produce for the fifty million urban population. During the first Five-Year Plan, twenty million rural labors were recruited into the city to support the construction of industrial infrastructure. The sudden increase of 40-50% of grain-consuming urban population led to a shortage of agricultural produce. Moreover, with the excessive amount of surplus laborers in the village, the mode of accumulation in this peasant economy was indeed investment of labor force rather than capital. Industrial products, therefore, could not enter the rural market and the two sectors could not support each other through the exchange of products.

As a result, China was forced to carry out an unprecedented self-exploitation led by a highly centralized government: In the villages, what was implemented was a symbiotic system of people's communes and state

monopoly for purchase and marketing, while, in the cities, a system of planned allocation and bureaucratic institution was established. By controlling all surplus value produced by both rural and urban labor, the central government redistributed resources to expand heavy industry-based production.

Meanwhile, the government converted its developmental strategy of the New Democracy that contained elements of private capitalism and state capitalism into a state monopolized property ownership system during the period of the so-called "transition toward socialism." In the process of developing heavy industrial bases, it required an intense investment of capital and limited labor force and thereby restricted the influx of rural laborers into the city and reconfigured the binary structure of the rural and the urban. Although thousands of peasants perished in the process of capital-accumulation of state industrialization, China finally crossed this threshold in the shortest time and completed the formation of industrial infrastructure for the political and economic autonomy of the country. This unique historical period from the 50s to the 70s, the Age of Mao Zedong, was also called the Heroic Period because everybody was devoted to the betterment of society.

III. Restrictions on Development and Alternative Policies

Rural development under the restriction of the dual system

What do we inherit from this period? It is the gigantic state capital in the name of "people-owned property." State capital has been gradually redistributed and possessed by recent and future generations, with the various claims that they may stake. But, people also inherit a problematic binary system that divided the urban and the rural into antagonistic positions. Obviously and unfortunately, everybody is eager to take part in the redistribution of capital only, leaving the problem of the binary opposition to others in the future to solve.

An expert on central policy studies, Mr. Du Runsheng, pointed out in the 1980s that China's agricultural economy would have no future if the situation of "eight hundred million peasants feeding two hundred million citizens" could not improve.

According to Western economics, the flexibility of the demand for agricultural produce in the city would be predictably low because the demand is state-safeguarded and highly centralized. By contrast, the supply from the countryside is self-sufficient, mostly scattered, and very flexible,

which is actually completely different from the case of the West.

Because of the rural-urban binary structure, the flow of information is asymmetrical. Agricultural supply and demand fluctuate. For this reason, the market for agricultural produce and the fluctuations in price do not follow any predictable order. Then peasants typically try to grow a variety of produce, as a result, to cater to different markets in the hope of avoiding risks, unless the government helps them gain financial security. This situation leads to further fragmentation of the scale of agricultural production. This, in turn, intensifies the market fluctuations. From the 80s to 90s, the fact that cyclical "excessive supply" occurred three times is an example of this logic.[7]

In addition, due to the increase in rural population, arable land gradually became a basic prerequisite for peasants' survival and not merely a factor of productivity, and its surplus accordingly decreases. The theory of "population trap" can partially explain this paradox. If the surplus rural population of a particular place could not move out, the benefits of either modern technology or government's price policy would not take effect. Quite on the contrary, any effort on the part of the government, which usually involves financial subsidy, would only bring about negative effects. Obviously, none of the governments in the world is able to subsidize such a vast and semi-unemployed rural population as the one in China.

Therefore some have claimed that China has no ranches and the USA has no peasants. European countries and the United States have consistently endeavored to protect the resources that they have accrued in the period of colonization, paying special attention to their agricultural resources, which have an affinity to the ecosystem. For that reason they subsidize the ranchers in the rest period and do not allow the ranchers to maximize their production in order to protect the natural resources. The negotiation between WTO and Uruguay that took place recently was done on terms completely dictated by the West. If we take into consideration the potential competition between our small peasants' economy and the giant international agricultural economy, we should remember the catastrophic precedent of the bankruptcy of the peasants in Suzhou and Hanzhou – the areas reputed as "worldly paradise" – raided by the international market in the 1930s and 1940s.

Alternative Policies

In the past, China tried to enlarge the "scale of economy" in agricultural production by establishing collectives, and then, the situation worsened. Adding a plow to a scythe—one small peasant to another—the simple

regrouping of individuals would not lead to any progress in productivity. Now the government and its technocrats still have not given up the attempt to enlarge the "scale of economy." But, since the agrarian population has doubled, and if we take the situation of surplus labor force into consideration, "investment of labor instead of capital"should be our guiding principle in economic development. In any region, no matter how developed it is, any modern and capital-intensive agricultural production cannot achieve a reasonable ratio of investment-production.

I believe policy-makers have two options: one, the primary policy of China should be a "labor intensive development." The government can direct the plentiful labor force into the building of state infrastructure, even if it implies a slow growth rate and a low level of technological development. Meanwhile, the government can accelerate urbanization by doing away with the dual system at least in small cities, counties and towns to readjust the industrial and employment structure and facilitate the transfer of surplus rural labor to other sectors.

The second option is, if the first proposition is too difficult to carry out, we should then focus on an institutional innovation characterized by a "non-market" system in rural communities that equalizes the internal property and gains of the communities. At the same time, the government needs to dissolve the monopolies in circulation and finance, so that the external economic scale can be enlarged to sustain the small peasant economy.

Short of this, the peasants have no hope, the villages cannot develop, and agriculture can never stand alone as a market-oriented industry. Of course, this would not prevent a few major metropolitans from modernizing themselves with the mushrooming of slums. That would inevitably fall into the Trap of Latin-Americanization.

Translated by Petrus Liu

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NOTES

1. "Rural problem in three dimensions" (*sannong wenti*) meant: the rural problems cannot be simply treated as an agricultural issue, but inter-related with rural people (income/migrant/etc.), society (social capital development and multiple socio-economic and political issues), and production (agricultural vertical

integration/ township and village enterprise development) etc. I have published several papers from 1989 to 1999 to argue that China is not a large agricultural country but a huge rural population country. There is no isolated agricultural problem, but rural problem in three dimensions.

"Rural problem in three dimensions" is nowadays a hot topic in central governmental policy studies. There is a recently founded "State Council Office of Important Economic Issues," in which "rural problem in three dimensions" has been listed as one of the most significant issues, to be tackled by the so-called "fourth generation leadership." The ever-worsening situation in rural areas has led the politicians and their technocrats to accept and address the "rural problem in three dimensions" again.

2. The rural reform experimental zones were founded in 1987, by former RCRD (Research Center of Rural Development) which has been one of 5 major policy think tanks in the reform of the 1980s. I was one of the researchers engaged in the rural experiments to insist on the policy studies projects for 11 years, even though RCRD was disbanded in 1989. Otherwise, the government would have signed the "policy letter," in which the government would acknowledge the "market oriented reform" in the rural area in order to gain $300 million "World Bank Adjustment Loan". This policy letter was 5 years earlier than the formal announcement at the 1992 "14th CPC Congress".
3. The title of this paper is the subtitle of my newly published book *Study on Basic Institution of Rural China*, published by China Economic Publishing House, May 2000. This paper is a summary of my book.
4. Mao defined his Agrarian Revolution not as "Communism" or "Socialism", but "New Democratic Revolution." Deriving from his concept, Chinese scholars redefined Sun Yat-sen's political movement as "Old Democratic Revolution ".
5. The public ownership took place only in the short period of Advanced Cooperatives and People's Commune, when the so-called rural "collectivization" was caused by the selling of industrial products to the rural. It meant that the success of industrialization in the First Five Year Plan required the government's intervention in setting up larger rural organizations for creating the demand for urban products.
6. "Dual structural property rights" means that the villagers can hold the membership right of the village resources as share holders. It is different from the individualized property right in the West.
7. These events happened in 1984, 1990 and 1997 as the over-supply of grain and other agricultural products.