Land Rights, Political Differentiation, and China’s Changing Land Market: Bounded Collectivism and Contemporary Village Administration

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Abstract

This article examines how legacies of bounded collectivism in Southwest China play out in the form of land rights sharing involving the current administrative village and its constituent villagers' groups, as well as in the form of political differentiation between administrative village cadres and leaders of villagers' groups. It also documents the ways in which land markets change as the two levels of village administration compete to develop rural land.

Key words: rural land ownership, village administration, land market, China

Today, at least two million rural settlements are estimated to exist in China’s vast countryside. Formed spontaneously out of settlement choices over long periods of history, these communities are referred to by the Chinese government as "natural villages", although the local terms for these communities include cun (村), tun (屯), ying (营), zhaizi (寨子), zhuang (庄), wanzi (湾子), and bang (浜) and vary from region to region. Building upon research regarding both China's socialist transformation and pre-1949 rural communities, and drawing on field data from Fuyuan, a county in eastern Yunnan Province with 1,788 natural villages, my previous article highlighted the long overlooked role played by natural villages in forming a landholding structure that I call "bounded collectivism." The histories of natural villages in Fuyuan reveal that certain historically-sanctioned elements, such as restricted community membership, ancestral graves, kinship bonds, and territorial deities, have continued to play important roles in maintaining the identity and territory of each natural village during the People's Republic. However, a community's social identity and physical boundaries are maintained not merely by the resilience of these elements and long-held cultural patterns; more importantly, it is through the interplay between natural villages and state-initiated collectivization programs that these communities continue to lay claim to land within their territories. From the mid-1950s to 1960s, natural villages in Fuyuan persistently resisted approaches that threatened to disrupt the traditionally held borders defining these communities. The enduring identity of each community limited collective labor and land redistribution to its boundaries and prevented strict egalitarian land redistribution among neighboring communities. Facing such resilience and persistence, the state retreated from its most ambitious attempts to override the social and physical boundaries of these communities in the process of establishing a collective land ownership and labor system. It not only acknowledged the land rights of natural villages but also incorporated these communities into its administrative and economic structure. Since most natural villages in China's southwest are small or medium-sized, often with several hundred people, they became production teams, that is, the basic rural administrative units, the lowest-level collective land management units, and the primary locus of collective labor and income distribution of the Maoist era. This
incorporation into the state administrative structure provided natural villages with new social, economic, and political mechanisms to lay claim to land within their traditional borders and reinforce solidarity among their members. A landholding arrangement which I term "bounded collectivism" was formed as a result.

In the post-Mao period, the transformation of the commune-brigade-team order proceeded by stages involving the implementation of the Household Responsibility System (HRS) in the early 1980s and the final dismantling of the people's commune system in 1984. A new rural administration, the township system (乡镇制), replaced the commune system. The previous communes were turned into townships, production brigades into administrative villages (also called "village committees"), and production teams into villagers' groups as collective farming was replaced primarily by household and private agriculture. The current village administration consists of two levels—the administrative village (行政村) and its constituent villagers' groups (村民小组).

This article shows how the legacy of bounded collectivism has shaped the ways in which rural land rights are shared and divided between the two current levels of village administration. It also discusses how political differentiation among village cadres has led to a complex state-society nexus at the village level. Finally, it examines how bounded collectivism motivated village collectives to actively participate in underground land markets and challenged the government's monopoly over the land market. Before examining these issues, I will present data collected from Fuyuan County to illustrate the political structure of the current village administration in southwest China. It is important to note that the majority of administrative villages in the Southwest comprise a number of natural villages, each of which is a villagers' group. Only a small percentage of administrative villages are formed by a single large natural village. These large administrative villages also consists of a number of villagers' groups, each of which is not a natural village, but part of a large natural village. This article focuses on administrative villages that consist of individual natural villages.

**Political Structure of the Current Village Administration**

As of 2013, Fuyuan County had 11 townships, under which there were 161 administrative villages and 1,770 villagers' groups. On average, an administrative village in Fuyuan consists of about a dozen villagers' groups. A small administrative village may have fewer than 1,000 people, while a very large one can have more than 6,000. In China's current social and political context, an administrative village and a villagers' group have different political capacities, are charged with different social and economic duties, and interact with higher levels of government and local communities in different ways.

*The administrative village-organization, power, and duties*

At present, two organizations exist simultaneously within an administrative village—the village party committee (村党支部) and the village committee (村委会). The village party committee is comprised of a party secretary, deputy secretary, and several committee members. The village committee includes the committee head, deputy head, and committee members who are known as the "eight big members" (八大员) who work in eight major areas: public safety, agricultural technology, land management, birth control, forest management, women's organizations, local militia, and the Communist Youth League. However, many administrative villages in Fuyuan lack a full set of eight members due to the difficulty of finding people with suitable knowledge or skills.
Within an administrative village, political power is in the hands of the village party committee, with the party secretary as the most powerful figure and the village committee head as the second. There is in fact little differentiation between the work of the village party committee and that of the village committee. The party committee and the village committee are integrated into a single political entity. Many cadres hold two posts concurrently. For example, without exception, the deputy party secretary also serves as the village committee head. Village party committee members are frequently chosen from among village committee members. The village cadres I interviewed in Fuyuan described this situation as "the same personnel working for two organizations" (一套人马，两个班子). When a major political and economic task must be addressed, cadres in both organizations work on it together.

Compared with cadres leading the production brigades during the Maoist era, cadres in the current administrative village have less political power. They are no longer regarded as government officials or state employees with guaranteed salaries. They receive no retirement pensions, and their income is now regarded as a subsidy and compensation provided by the county government for time spent on village management. This kind of income varies from county to county, depending on each county's economic situation. In Fuyuan, the party secretary and the village committee head received a monthly subsidy of 400 yuan in 2005 and around 1,500 yuan in 2014. The amount of 1,500 yuan is roughly three to five times as much as an ordinary Fuyuan villager engaging solely in farming would earn in 2014, but it is quite small compared to the incomes of many villagers running private businesses and even compared with those working as migrant workers in the cities. The other village committee members received between 200 and 300 yuan in 2005 and around 500 yuan in 2014.

Despite greatly reduced privileges, administrative village cadres continue to play an important role in the social and political life of rural communities. One village party secretary I interviewed vividly described his work situation as "a thousand threads going through the tiny eye of the needle." Here, "a thousand threads" represents the numerous social, economic, and political tasks imposed by the higher levels of government, and the "eye of the needle" is the office of the administrative village.

Generally, the "thousand threads" fall into three major areas of work. First, administrative village cadres are charged with such major tasks as organizing agricultural production, collecting agricultural taxes and other fees, birth control, and maintaining social order, whose fulfillment is crucial to the local government. For this reason, administrative village cadres maintain close connections with and receive strong support from their township government.

Secondly, cadres are responsible for public services in the village, including maintaining electricity networks and public drinking water systems, introducing new agricultural techniques, maintaining or building local roads, and more. Taking care of matters crucial to the lives and livelihood of fellow villagers provides cadres with social status as well as power in the local community.

Thirdly, the administrative village office handles diverse issues associated with everyday life. For example, people planning to marry must obtain an approval letter from the office of the administrative village in order to get a marriage certificate from the township government; those with newborns need to report to the office to obtain their child's household registration; any family needing a new site for a house requires the approval of the office; and finally, the office is the first administrative site for various kinds of conflict...
resolution, such as family and marital disputes, land disputes, and disputes related to agriculture. If the administrative village office cannot handle the dispute, or if the villagers do not accept its decision, then it can be taken to a higher level of administration such as the township legal assistance office, the county petition bureau, or the county court. However, villagers cannot bypass the administrative village office to appeal directly to higher levels of government. If they attempt to do so, the higher level of administration usually asks villagers to return to their village office.

**The villagers’ group—a loose unit with shrinking administrative power**

In contrast to the administrative village, the villagers’ groups have and fewer administrative responsibilities, and their organizational capability and political power are also weaker than the previous production teams from which they derived. The production team, with a team leader, deputy leader, accountant, and storekeeper, functioned as the most basic collective unit of production, accounting, and income distribution, that is, it organized the economic and social life of the community including labor process. Most Fuyuan villagers’ groups, with a population of a few hundred, have only one group leader (村民小组长), although groups with more than 500 people may have one or even two deputy leaders. It is often difficult for a single leader to provide administrative services to several hundred people. Moreover, the group leader has neither an office to handle village matters nor even an official seal (公章) to represent the group as a legal entity. Consequently, he/she cannot decisively resolve many group-related matters. When villagers need a letter to serve as legal confirmation of marital status, birth control, or a housing site, for example, they must obtain it from the administrative village.

Since the implementation of the HRS in the early 1980s, rural households have been restored as the primary unit of agricultural production and are free to arrange their labor. Group leaders no longer organize agricultural production as production team leaders did. Instead, their primary work is to assist the administrative village in various tasks, including maintaining public order, assigning social and economic tasks or quotas to households in their groups, and mediating minor disputes. Despite these limitations, as discussed below, the villagers’ groups have continued to have certain exclusive rights over land within their territories due to the legacy of the three decades of bounded collectivism, and politics within villagers’ groups is substantially shaped by non-official mechanisms such as lineage, marriage, sworn-brotherhood and religion.

**Sharing Land Rights between the Two Levels of Village Administration**

In spite of their administrative limitations, villagers’ groups are vested with certain exclusive land rights that are a legacy of the three-decades-long experience of bounded collectivism in the collective era, while the administrative village handles most land management matters, such as arranging for farmland preservation, supervising private house building, and assisting the government in land requisition. Rural land rights are thus shared between the current two levels of village administration.

**Land rights of villagers’ groups within the administrative village**

During the commune era, zhaizi, the natural villages in Fuyuan, constituted the basis of the lowest-level collective land-management units—production teams. Today, borders among zhaizi/teams remain unchanged, although production teams were renamed villagers’ groups and a total of 1,770 villagers’ groups were formed in Fuyuan.¹ There are 1,788 zhaizi in Fuyuan. The vast majority of the 1,770 groups coincide with average zhaizi, and zhaizi
communities continue to constitute the most basic rural administrative and land management units in the reform era. With deep social and cultural roots in zhaizi communities, the current villagers' groups continue to enjoy certain exclusive rights over land within their territories, and their rights consist primarily of distributing land and related benefits to zhaizi group members.

When land cultivation rights were allocated to rural households through contracts under the HRS in 1982, the basic unit of land distribution was the former production team. No team/zhaizi could obtain extra land from another team/zhaizi. The per capita land allocation in each team was determined by the amount of team-owned land, which differed in quantity and quality from team to team. Regardless of gender and age, villagers were eligible to obtain a share of team land if, and only if, confirmed as a zhaizi community member.

The administrative village seldom makes intergroup land readjustments. If a villagers' group loses a large amount of land due to government land requisition for industrial projects, roads, or urban development, the administrative village rarely compels other groups under its jurisdiction to give up land to a group whose land has been requisitioned. As a result, that group alone bears the burden of the land shortage. Meanwhile, land requisition benefits and compensation are distributed only within the group whose land has been taken. Two cases from Fuyuan illustrate this well. One involved a villagers' group called Pingdi. In 1997, almost half of this group's farmland was requisitioned by the government for the Nanning-Kunming railway. During construction, a railroad station was built close to Pingdi. After much negotiation, all Pingdi households received cash compensation determined by state norms for the loss of land. More importantly, every household was granted the right to send a person to work for five days a month at the railway station, unloading coal from the trains. The monthly salary was about 300 yuan in 2003, roughly the same amount that a villager engaging solely in farming would earn in a month. As this was a stable job, there was envy by people in other groups.

The other case involved Waishankou (外山口) Administrative Village in Zhong’an Township (中安镇) where Fuyuan's county seat is located. Recent economic development had resulted in large-scale land development in the Zhong’an area. In 2014, close to 1,000 mu of land was expropriated by the county from a number of villagers' groups in Waishankou and was used for developing commercial districts. In previous decades, the government usually offered meager cash compensation to rural households whose land was confiscated, a small fraction of the value of the land in new commercial or urbanizing localities. This predatory practice brought about massive protests nationwide. During the past decade, different regions have experimented with new ways to compensate farmers. In Waishankou, instead of cash, roughly 10% of the developed land was returned to the villagers' groups whose land was taken. Now equipped with power, water, roads, and other infrastructures, the returned land is located in future commercial districts. Villagers can easily build stores, restaurants, or hotels on it. Each group decides how to manage and utilize the returned land. For example, a group that received 20 mu could divide the area into smaller plots. All households whose land was taken away would become eligible to obtain a plot to build their own stores or restaurants. If the land expropriated from another group was a small piece of wasteland and only a few mu of land was returned, the group could decide to build a store or restaurant on this plot. Profits would then be distributed equally among group members. Another villagers' group might have lost a large part of its land to land requisition. The group could decide to reallocate the
remaining land among all households and build stores or hotels collectively on the returned land, with profits from the stores and hotels distributed equally among families in the group. Waishankou Administrative Village didn’t intervene to determine arrangements made by its villagers groups.

In more developed regions, huge profits associated with land development led to setting up rigorous criteria for defining membership within a natural village community. In Zhejiang, for example, the standing committee of the provincial People's Congress issued a regulation in 2007 to delineate the criteria for defining membership in a rural economic cooperative, which was the successor of the previous production team. The regulation defined a member of the community as follows: 1) he/she has a household registration proving current residence in the team/natural village, and 2) the person lived in the community when the HRS was implemented in the early 1980s, the person's parents were members of the cooperative, the person is married to a member of the cooperative, or the person was adopted by a member of the cooperative. The Rural Development Bureau of Chongzhou City (崇州) in Sichuan Province issued membership certificates to villagers designating them as members of the current rural cooperative (i.e., the previous production team). As the amount of farmland owned by a zhaizi/production team/villagers' group determines its per capita land, villagers' sense of entitlement to their collective land is very strong and competition among different communities for land is keen. If villagers feel that their land has been taken unfairly by a neighboring community, they may take strong action to defend their interests. Villagers and group leaders show considerable solidarity whenever a dispute over land ownership occurs between natural villages, between a natural village and a government organization, or between the administrative village and its constituent villagers' groups. Even when faced with pressure from the township government, a natural village will not necessarily give up land easily. Rather, the result is often protracted negotiation, as shown by a dispute between a local government organization and a production team in Fuyuan.

This dispute dates back to 1956. The parties involved were the Fujiacun Production Team in X Township and the X Township Handicraft Cooperative under the County Industrial Supply and Marketing Company (县工业供销公司). The handicraft cooperative was established in 1956, following the central government's policy of developing rural industry. The cooperative tried to use land from the Fujiacun Production Team to build a workshop. Both team leaders and villagers opposed this, but succumbed to pressure from the then district government. The district head pointed out that villagers would not need to travel far to buy agricultural tools once the cooperative was set up, because the cooperative would provide the team free plows. The team agreed to lend its land to the cooperative, but insisted on retaining ownership rights.

From its establishment, the handicraft cooperative believed it had county government approval and thus legally owned the workshop as well as the land on which it was built. It offered no benefits to Fujiacun Production Team in return; however, the team insisted that it owned the plot. This deadlock continued until 1995 when the handicraft cooperative declared bankruptcy and sold the workshop and the building site to the X township Grain Trading Company for 236,000 yuan. By then, the Fujiacun Production Team had become the Fujiacun Villagers' Group. Insisting that their land had been sold without their permission and without compensation, the Fujiacun Villagers' Group filed an administrative complaint preparatory to taking the case to court. The county government responded by
ordering all related organizations to solve the problem. In addition to the two disputing parties, the resolution process involved the County Urban Construction Bureau, the County Bureau of Land and Resources, the County Judiciary Bureau, the X Township Land Management Office, and the X Township Grain Trading Company. After two years of negotiation, the county government declared the land transaction between the handicraft cooperative and the X Township Grain Trading Company legal. Meanwhile, the villagers' group's ownership rights were partially if indirectly acknowledged through compensation in the form of one room in the workshop. This room, declared the township government, would serve as the group's office. In Fuyuan, however, administrative units at the level of the villagers' groups had no offices, as noted previously. The workshop, a large eight-room building on the main street of X Township, was an ideal place to establish a business. The Fujiacun Villagers' Group could use this room as a store.

In southeast China, most natural villages are single-lineage villages, many of which became production teams during the commune era and have been villagers' groups since 1984. As lineage villages, these communities tend to defend the land rights within their borders even more vigorously than natural villages consisting of multiple lineages. In his anthropological study of land disputes in an administrative village called Tangcun (塘村) in Guangdong Province, Yang Fangquan reports that every production team/villagers' group has maintained its physical boundaries throughout the period of the People's Republic. Yang also reports a several-decades-long conflict between two lineage villages/villagers' groups in Tangcun over a small hill, which eventually led to a fight between two villagers' groups resulting in the death of one villager and the injury of two others in 2004.

The numerous land ownership disputes that occurred whenever the Fuyuan County government conducted land surveys for making local maps or for issuing land use rights certificates to rural households also illustrate the tenacity with which zhaizi/villagers' groups maintain their territories. When the first national land survey took place between 1984 and 1996, for example, the Fuyuan government organized a special work team to conduct a systematic survey of Fuyuan's land resources. During the process, 512 land ownership disputes occurred, the majority of which involved border disputes between different zhaizi/production teams, or between a zhaizi and a government entity. In 2009, as elsewhere in China, Fuyuan began the transformation of land use rights of collectively owned forest land, whose main goal was to contract all collectively owned forest and hills to rural households. At this time, a total of 106,000 forest land use rights certificates were issued to rural households in Fuyuan. Meanwhile, the County Forest Bureau handled 1,100 forest disputes. Indeed, its main job was to mediate border disputes among zhaizi communities or between zhaizi and other social entities.

Faced with the tenacity and persistence of zhaizi communities, on most occasions, higher levels of administration, including the administrative village, township government, or the county government, sought to avoid interfering with the land rights of each natural village/villagers' group.

The collective land ownership certificate-legally acknowledged bounded collectivism?

A new development will make the relationship between an administrative village and its constituent villagers' groups even more complex: in recent years, more and more villagers' groups have been obtaining formal collective land ownership certificates. When the production teams were designated the lowest-level collective land management units in 1962 according to the Four Fixed policy, the
state formally acknowledged their land rights, and many teams possessed documents specifying the boundaries of their land. However, these were not legal land ownership certificates. When the transformation of China’s land management system started in 1986, the government intended to issue legal certificates stipulating the land rights of the three levels of rural collectives—namely, the township, administrative village, and villagers' group.

The process of issuing ownership certificates, however, proved to be long and arduous. Several factors slowed the process. First of all, legal certificates would formalize villagers' groups' rights over their land and make land requisition by various levels of government difficult. The villagers' group could then readily act as an independent social and economic unit in the event of a land dispute. Secondly, surveying and marking the land of villagers' groups is a costly process that requires both funding and qualified government personnel. Third, administrative villages have been concerned about losing control over rural land once villagers' groups obtain formal land ownership rights through the certificates. In Fuyuan, some administrative village cadres told me that if the certificates were issued, they would hold the certificates for their villagers' groups, rather than allowing each group to hold its own certificates. Their explanation was that the certificates should be kept by the administrative village to prevent loss or damage. Some cadres proposed that a certificate be issued directly to every administrative village, listing the land owned by its constituent villagers' groups.

In 2011, the Ministry of Land and Resources, the Ministry of Finance, and the Ministry of Agriculture jointly issued a Notice for Speeding up the Issuing of Rural Collective Land Ownership Certificates, which urged local governments to provide funding for local land management institutions to survey local land and issue land ownership certificates to all villagers' groups. By the end of 2014, many regions had finished the work. As of January 2015, however, the work was still in process in most Yunnan counties including Fuyuan.

The land management power of the administrative village

Although the administrative village generally refrains from interfering with land distribution within its constituent villagers' groups and from readjusting land among the groups, it directly controls four major dimensions of land management. First, by assisting the township government in supervising local agriculture, administrative village cadres have maintained substantial control over administrative village land use, even after farming passed to individual households. In Fuyuan and other rural areas of southwest China, most households are required to grow tobacco on at least a portion of their land. Other cash crops such as gingko and konjac are strongly recommended by local governments as well. The burden of persuading or even forcing farmers to grow these cash crops falls mainly on the shoulders of administrative village cadres.15

Second, an administrative village committee member is specifically appointed to be the land management officer (土管员) with the main responsibility of supervising private housing construction. When a family wants to build a new house in its original compound or on wasteland, it must apply to the land management officer, who ensures that the planned house site is not on good farmland and is in compliance with various laws and regulations. The officer also needs to measure the site. Only after this preparatory work is completed will the application be approved by the administrative village. The officer then forwards the application and fees to the County Bureau of Land and Resources, which makes
the final decision to issue a construction permit.

Third, when land requisition takes place, administrative village cadres play a crucial role. As they are knowledgeable about local land and population conditions, they can confirm boundaries among natural villages, measure land area, negotiate compensation fees, and help to resettle families who have lost land.

In spite of their limited power within the rural administrative system, villagers' groups are vested with certain exclusive land rights that are a legacy of the three-decades-long experience of bounded collectivism in the collective era. However, the administrative village handles most day-to-day land management matters, such as arranging for farmland preservation, supervising private house building, and assisting the government in land requisition. Rural land rights are thus shared between the current two levels of village administration.

Political Differentiation between Administrative Village Cadres and Group Leaders

Bounded collectivism provided a foundation not only for sharing land rights between the two levels of village administration, but also for differentiating the powers of administrative village cadres and leaders of the villagers' groups. Such differentiation reflects not just differences in political power, social resources, and personal capacities among individuals, but different social and economic ties with local communities and different sources of political legitimacy of these two groups of rural leaders.

Administrative village cadres as government agents

An important element of China's rural political reform since the 1980s was to introduce village elections. According to China's Organic Law of Village Committees (村民委员会组织法), issued in 1988 and revised in 1998 and 2010, the village committee is no longer the lowest level of the government administrative hierarchy, but is the foundation of self-government. Committee members are to be elected by villagers and are in charge of village management. The elections were designed primarily to check and eliminate incompetent, corrupt, and unpopular village cadres and to increase party grassroots support, but also to strengthen party control. In Yunnan, village-level reform did not begin until 2000, much later than in many other parts of China. Before 2000, the head and members of the village committee were directly appointed by township governments. After 2000, the village committee head and other members of the village committee were reportedly elected directly by villagers. However, the township government still exerted considerable influence over the elections, which were often simply a formality.

Despite these changes, the appointment of the village party secretary, the top figure in the administrative village, has always been controlled by the township government. This has been an effective means to subordinate the administrative village to the township government. A party secretary may come from a natural village that does not belong to the administrative village that he/she works in, and administrative village cadres generally derive social and political power from the work they perform for the township government.

Leaders of villagers' groups—seeing things from the perspective of their native communities

Unlike administrative village cadres, the leader of a villagers' group has long been elected directly by fellow villagers, and is invariably a native resident of the natural village/villagers' group. Anyone older than 18 can be chosen as the leader. With a meager monthly subsidy of less than 100 yuan in 2004 and 100-150 yuan in 2014, and with far less formal political power
than administrative village cadres, this is not a position that every villager covets. When no one is willing to accept the position, the administrative village simply appoints a leader.

However, this does not mean that the position can be filled by just anyone. In most cases, it is held by individuals with some social, political, or economic resources. The leader can be one of the few high school graduates in the natural village, can belong to a member of a prominent lineage, can run a prosperous private business, or can be a family member of someone who works in the township government or a higher level of administration. Only with such resources can the group leader gain support in the community; otherwise, "no one in the zhaizi would listen to him," as one villager explained.

Closely related to their native communities and with certain social resources, leaders of villagers' groups tend to see things in terms of the interests of their communities. On key village matters, they may behave differently from administrative village cadres, who tend to be more visible in the local political scene and are regarded by villagers as agents of the government rather than representatives of their local communities. Group leaders often play a leading role in collective actions to defend their groups' interests.

The case of West Paddy is illustrates these dynamics. West Paddy is a village group/zhaizi in central Fuyuan. In 1999, a private mining company obtained a mining permit from the county government to mine lead and zinc in a mountain at the edge of West Paddy. The zhaizi accepted the operation of the mining company in their domain and many zhaizi members became workers at the mine. Villagers were enthusiastic about the company's promises: 1) to pay the zhaizi 50,000 yuan annually if it made profits and 5,000 yuan if it made none; 2) to pay villagers for the loss of crops caused by local road construction; and 3) to pay the agricultural taxes for the zhaizi. After two years of operation, however, the company had made no profit, and had fulfilled none of its promises. Worse, it did not even have money to pay the villagers who worked at the mine. By 2001, the company owed villagers 13,000 yuan in wages. Villagers in West Paddy were outraged, but the company simply ignored their complaints. Finally, the zhaizi decided to act.

Organized by the group leader, villagers in West Paddy adopted effective strategies. First, since the mining company had obtained its permit from the county government, villagers appealed to the provincial government in April and May of 2001. Second, led by the group leader, villagers twice cut the power lines that transmitted electricity to the mine. As an outlying mountain zhaizi, West Paddy only obtained electricity in 1994 when all the zhaizi families pooled their money (each household paid roughly 300 yuan) and asked the local power company to connect them to the grid. When the company started building mining facilities, it linked directly to the power lines that had been built by West Paddy. As the villagers explained, "We sold our cattle, chickens, and eggs to pool money to have the power lines set up. It is legal and reasonable that we don't want outsiders to utilize the power lines."

After their power lines were cut, the company simply had them repaired and resumed its operations, ignoring villagers' demands for payment. In July 2001, however, villagers took stronger action: led by the group leader, over 40 villagers cut the power lines again and damaged some power facilities, causing over 2,000 yuan of damage. The company called the local police and had the group leader and two other villagers arrested. The zhaizi, outraged, submitted a petition with more than 100 signatures to the provincial government. From that time, the villagers refused to pay any agricultural taxes or do any work assigned by the administrative village or the township government.
The provincial government twice dispatched a work team composed of officials from both the county and township government to West Paddy to settle the dispute. Finally, an agreement was reached after protracted negotiation among the mining company, the zhaizi, and the work team. First, the group leader and two other villagers who had been arrested were released. Second, the company was ordered to pay villagers their wages as well as 7,000 yuan to cover the loss of crops caused by road construction. Third, villagers were ordered to obey the law, focus on agricultural production, and pay outstanding agricultural taxes. Although this settlement did not address all the problems that the mining company had caused the zhaizi, the villagers would surely have been worse off if no collective action had been taken.

The case of West Paddy is just one of many local disputes in which group leaders played critical roles in organizing collective action. As pointed out earlier, the first national land survey in 1990 and the contracting of forest to rural households in 2009 gave rise to many land ownership and border disputes. The people who represented and defended zhaizi communities were often the leaders of the villagers' groups. Concerning the key role played by group leaders, a township land management officer commented, "The key to solving land ownership disputes between village collectives lies in the local cadres. Generally speaking, a dispute won't occur if the cadres don't give it the nod; a dispute can't be solved if the cadres don't agree with the solution" (干部不点头, 纠纷闹不起来; 干部不同意, 纠纷解决不了). The local cadres referred to in this comment are villagers' group leaders.

To sum up, selected, legitimized, and supported by their local township governments, administrative village cadres are more often government agents than representatives of their local communities. Unlike their predecessors (the leaders of production teams), the current group leaders are less visible in the formal political scene. Nevertheless, they still have a great deal of political leverage. Such power needs to be understood through two facts: first, villagers' groups are not arbitrary units created merely for administrative convenience in the reform era; rather, their control over land and their historical legacy as communities make them fundamental, stable components of the rural political structure; second, their power lies in their embeddedness in their native communities. Elected by fellow villagers and with close ties with their native communities, leaders of villagers' groups tend to see things more from the perspective of their communities than do cadres at the administrative village or higher levels. Better trusted by their fellow villagers, many have considerable influence in organizing collective actions to defend their communities. Not easily discernible in the formal administrative system, such power suggests a more complex political mechanism and a more nuanced state-society nexus at the village level than previous studies have shown.

Developing Land in Intensively Developed Areas - Bounded Collectivism and the Land Market

Fuyuan is a hinterland county, located about two hundred miles from the provincial capital. Agriculture is a central economic pillar for most of this county's 1770 villagers' groups. When land is used mainly for farming, an administrative village and its constituent villagers' groups share land rights as described above. The administrative village, as well as the government at all levels, refrain from interfering with the land rights of a villagers' group. Fuyuan's situation may be representative of many poor, interior regions of southwest China and beyond.

However, things are quite different for administrative villages in suburban areas or economically dynamic regions, where much if
not most rural land faces the possibility of being developed. The passive stance of the higher administration often changes completely when the financial stakes are high. When it needs rural land for urban projects, the government typically takes away the land owned by a villagers' group and offers very low compensation. Depending on the circumstances, the administrative village could comply with and assist the government in land requisition; alternatively, it could take control over the land within its territories and become underground land developers themselves. In the process, the administrative village may aggressively usurp the land belonging to its constituent villagers' groups or cooperate with its groups to develop the land together. To understand the land rights of the two levels of village administration in booming areas, we need to first look at how China's land market operates.

According to the Chinese Constitution and the Land Management Law, there are two types of land: urban land owned by the state and rural land owned by the village collectives. Because of the government's monopoly of the land market, a piece of rural land can be put on the market only when it is requisitioned by the government and its ownership changes from the collective to the state. Once the state owns the land, it can sell its use rights to developers for up to 70 years at a very high price. The government and officials at all levels have obtained huge profits from land sales, while villagers and their group have for the most part been excluded from the profits associated with land development. By 2011, 40 to 50 million farmers had lost their contracted farmland to development over the last four decades, and compulsory land requisition had generated fierce conflicts and nationwide popular protests. Meanwhile, resistance to the government's compulsory land requisition and its monopoly of land sale profits has taken another form—the development of an underground land market.

Rural communities as land developers: from underground to above ground

When rural land is to be expropriated and put on the market, administrative villages usually comply with the government and provide various types of assistance. However, in some instances they may have different ideas than the government about how their land should be used or developed, especially as it applies to those living in suburban areas or in economically developed regions. In 2004, when I interviewed cadres in H Administrative Village in Fuyuan, the village committee head talked about her hopes of developing the village's land, including the construction of a commercial housing complex and local rural market. "If we are allowed to develop our land, our village could become a strong economic entity and you would not recognize it when you return in five years," she told me. While administrative villages in a hinterland such as Fuyuan were just beginning to contemplate the possibility of developing their land in the new millennium, cadres in coastal Guangdong Province had been actively involved in a grey market for rural collective construction land since the late 1980s.

According to the Land Management Law, rural land is divided into three categories: farmland, collective construction land, and nonagricultural land that includes wasteland, hills, grassland, and rivers. While the use and maintenance of farmland have always been closely monitored by the government to guarantee the nation's grain production, collective construction land and wasteland are not closely supervised. As a result, cadres in the coastal region frequently engage in secret land transactions to sell the use rights of their construction lands to outside developers. Profits from this grey market not only enrich village cadres but also stimulate the local economy. Such grey markets for rural construction land have expanded so rapidly in the new millennium that local governments in
the coastal region simply cannot control them. In 2005, Guangdong became the first province to issue regulations on the circulation of village collectives' construction land, acknowledging the rights of village collectives to participate in the land market. In 2008 such rights were acknowledged at the national level by the "Resolution of the Chinese Communist Party Central Committee on Some Major Issues in Rural Reform and Development" (often referred to as the "2008 Resolution"), passed by the Third Plenary Session of the 17th Central Committee of the Chinese Communist Party. The 2008 Resolution is a landmark toward development of a land market that could eventually allow rural residents to share in the profits associated with land development.\(^{19}\)

**Conflict and cooperation between the administrative village and its villagers' groups in the land market**

Because the majority of rural land belonged to individual villagers' groups, two questions naturally arise when land is to be developed by rural collectives: (1) Who may represent the villagers to develop village owned land: the administrative village or the individual villagers' groups? (2) How should the proceeds of land sales be divided among villagers, villagers' groups, and the administrative village? As of 2015, no uniform policy or regulation regarding the respective rights of the administrative village and its villagers' groups in the land market, as well as regarding the division of land sale proceeds between the two levels of village administration, exists at the national level. Local governments and their rural collectives simply work out their own rules.

Most of Fuyuan's administrative villages have not yet entered the land market. Several factors have contributed to their inactivity. First of all, most administrative villages lack funds, and villagers' groups are in an even more precarious financial situation. Secondly, located in deep mountains and far from any major city, few outsiders are interested in renting land to build factories or residential or commercial complexes. The slim chance of obtaining profits undercuts the motivation of village communities in Fuyuan and other peripheral areas to become land developers themselves. To the present, land development remains in the hands of the township and higher levels of government.

My discussion of the changing relationship between the administrative village and its villagers' groups in the land market, therefore, relies mainly on data from more rapidly developing rural areas in Yunnan, as well as from the coastal regions. The data suggests that when attracted by the prospect of great profits from land development, many administrative villages seek to take over the land of their constituent villagers' groups, resulting in conflicts between the two levels of administration. But sometimes compromises and collaboration can occur between them.

The case of Baodu Administrative Village vs. its 8th villagers' group illustrates the conflict that could erupt between the two levels of village administration. Located sixty kilometers away from Fuyuan, Baodu (保渡) is a suburban administrative village in the city of Qujing. The administrative village attempted to replace its villagers' groups as the owner and legal representative of the groups' land. This resulted in serious conflicts in 2003. I learned of this case from local newspaper reports and from contacts in Qujing.\(^{20}\)

In the early 1990s, cadres in Baodu Administrative Village set up the Baodu Industry and Commerce Company, a company owned by the administrative village with the village party secretary serving as its legal representative. In 1992, the company formed a partnership with Yunnan Blue Arrow Automobile Manufacturing Company to build a die-casting factory. Lacking capital, the Baodu
Company offered land to build the factory while Blue Arrow provided funding for equipment and technical expertise. In 1992, twenty-six mu of land was requisitioned from the 8th villagers' group of Baodu Administrative Village to build the factory. In 1995, the company built another auto parts factory. Another 8 mu of land was taken from the 8th group. Villagers in the group received no compensation. Instead, the village party secretary promised that villagers would become shareholders in the factories, and that the factories would share profits with the villagers. However, the villagers received no dividends from the factories.

In 2002, seven years after their land was taken, the village group, led by seven villagers, demanded return of their land. First, they submitted repeated collective appeals to the district government. When the district government failed to respond to their requests, they organized a demonstration at the main gates of the two factories and two sit-in demonstrations in front of city hall. Involving more than 200 villagers, the demonstrations were well-organized. In the end, however, not only did villagers not recover their land but the seven organizers were prosecuted and sentenced to three year prison sentences with two years probation. This case reveals elements of the conflict and competition between an entrepreneurial administrative village and its constituent villagers' groups in a rapidly changing economic context.

Yang Fangquan documented similar conflicts in his study of land disputes in Tangcun Administrative Village in Guangdong. With the surge in land prices in Guangdong since the 1990s, Tangcun Administrative Village required individual villagers' groups to turn their land rights over to the administrative village so that it could rent out their land to commercial agricultural companies and enterprises. As the legal representative of the villagers' groups, the administrative village attained the lion's share of the profit from land renting. Individual villagers' groups, angered by this encroachment upon their land rights, demanded to rent their own land. Such conflict led to keen competition over leadership positions in both the administrative village and the villagers' groups.21

There are also cases in which the administrative village did not interfere with the land development arrangements of its villagers' groups. P Administrative Village, for example, is located in suburban Kunming, the capital of Yunnan. A large part of land in P Administrative Village was expropriated by the government for urban development over the past two decades. It became a "village-in-the-city" (城中村) and was no longer called a village, but named P Neighborhood Community. Neighborhood community is the new term for the lowest urban administrative unit, formerly titled Residents' Committee (居民委员会). None of the villagers' groups in P Neighborhood Community still engage in farming; they have all found ways to develop their remaining land. P Neighborhood Community has largely adopted a stance of non-interference with its villagers' groups' activities and focuses on handling various administrative matters such as household registration, household welfare, dispute resolution, and public security. The only requirement for the villagers' groups is that they provide a certain amount of land development profits to the neighborhood community.

Each of P Neighborhood Community's villagers' groups was able to profit from its remaining land. Xiaopu Villagers' Group, for instance, with some 1,500 members, rented the remaining 300 mu of its land to outsiders to build factories. Over 200 small factories were built on their land and more than 30,000 workers work in these factories, including many from Xiaopu. Rent from these factories is distributed equally among group members. Each member, regardless of gender and age, including marrying-in women, receives
between 4,000 and 6,000 yuan in dividends annually. Dapu Villagers’ Group adopted a share-holding system in 2006. The group pooled the land of all individual rural households and transformed villagers' land-use rights into shares. Every person who was defined as a group member in 2006 was entitled to land shares. The group then built factories, restaurants, hotels, or offices for lease or for their own use. Profits obtained are divided among shareholders. In this community, marrying-in women don't receive shares. When a shareholder dies, he or she can pass the shares to his or her children. But the shares can't be sold.

Him Chung and Jonathan Unger describe the ways in which land rights and profits were divided and shared among four administrative villages and their villagers' groups in Guangdong. Chen Village is a large lineage village, that is, a natural village with strong solidarity among members based on their common patrilineal ancestry and surname. It was a production brigade and had 5 production teams in the Maoist era. Chen Village subsequently became an administrative village with 5 villagers' groups. All five villagers' groups combined their land and formed the Chen Village Shareholding Company in the 1990s. The Company built factories on their land and obtained huge profits that were distributed among members of Chen Village.

In contrast, Longtou is an administrative village formed by 15 natural villages. Each natural village forms a villagers' group. During the urbanization process over the past few decades, the villagers' groups refused to give up their group land by pooling it in the administrative village. Rather, each natural village/villagers' group created its own shareholding company that gained legal ownership of its land. Longtou Administrative Village with its own land property formed its own shareholding company. The companies formed by individual groups come under the purview of the administrative village's company, forming "a very loose sort of nested conglomerate with different sets of shareholders and a considerable degree of autonomy for the hamlet companies." Each of the two other administrative villages, Xinxiang and Leide, formed a single shareholding company, managing land development for their villagers' groups. The companies built hotels and restaurants on their collective land. Profits obtained from these urban premises are distributed among villagers. In Xinxiang, however, villagers' distrust of the administrative village in managing land development brought about disputes. Villagers demanded to know how collective assets were managed and to see the financial records. When the Xinxiang Shareholding company failed to respond, villagers demonstrated at the entrance of the Xinxiang Administrative Village. As the conflict escalated, the Guangzhou city government intervened. Under pressure from both the city and villagers, the shareholding company released the demanded information and agreed to amend their redevelopment plan according to villagers' opinions.

To conclude, the great profits from land sales have strongly motivated local governments, administrative villages, and villagers' groups to develop rural land. In the absence of a uniform policy or law defining the respective rights of these entities in the land market, a variety of local practices have emerged and the relationship between the administrative village and its villagers' group can be conflictual or collaborative. It is therefore important to monitor how land rights differentiate the current two levels of village administration in the land market in future.

**Conclusion**

A critical step toward understanding the structure of the current rural land ownership system in China is to analytically distinguish
between state-mandated rural administrative structures and the historic rural settlements of natural villages. The interaction between these two types of organizing forces have shaped rural land property relations, as well as other aspects of social and economic relations, eventually resulting in the landholding structure described here as bounded collectivism. Embedded in a tenacious rural culture and confronting powerful forces of state penetration, bounded collectivism is not simply a static property regime imposed by the state from above—it is a landholding structure that has adapted to and even strengthened historical elements that have maintained the social and economic exclusivity of each natural village. For this reason, bounded collectivism has continued to impact land property relations and political mechanism at the local level in contemporary rural and urbanizing China.

This article is an initial step toward understanding the implications of bounded collectivism in the reform era. Focusing on the possible outcomes of the struggle pitting the two levels of village administration over land rights, it explores three specific questions: first, how did bounded collectivism cause land rights to be shared between the current two levels of village administration—namely, the administrative village and its constituent villagers' groups? As a unit supported and legitimated by the government and with staff and a division of labor, the administrative village is charged with a range of social, economic, and political responsibilities, including land management. Compared with the previous production teams, the current villagers' groups have a much weaker administrative structure and less formal political power. Nevertheless, villagers' groups are vested with certain exclusive land rights, due to the three-decades-long legacy of forming the lowest-level collective land-management unit within the natural village community. The groups' rights are manifested in distributing land and any benefits derived from community land to group members.

Second, how did bounded collectivism give rise to political differentiation among village cadres? Instead of being arbitrary units created merely for administrative convenience or atomized neighborhoods in the larger economic and administrative system, villagers' groups' control over land make them fundamental, stable components of the rural political structure. Elected directly by fellow villagers, leaders of the villagers' groups derive political power from embeddedness in their native communities. This situation produced grassroots leaders who have close ties with their communities and tend to view things in terms of the interests of their communities. On certain important village matters, leaders of the villagers' groups may behave differently from administrative village cadres who are often viewed by villagers as government agents with interests at odds with those of the village community. Such differentiation among village cadres suggests a more complex political mechanism and state-society nexus in contemporary rural China than previous studies have shown.

Third, how will the land market change now that village collectives' right to participate in the land market has been acknowledged in national level legislation? To date, no uniform law has stipulated the respective rights of the current two levels of village administration in the land market. For administrative villages that were formed by individual natural village/villagers' groups and are located in economically more developed regions, the question of which level of village administration can legally represent the villagers to sell their collectively owned land has become critical. Rooted in the legacy of bounded collectivism, villagers' groups often strive to retain exclusive control over land within their traditional borders and refuse to let the administrative village develop their groups' land. But depending on circumstances, an administrative
village may also collaborate with its constituent groups in land development.

I would also like to point out that it is important to closely monitor how urbanization and rural migration to cities will impact bounded collectivism. The current situation is changing rapidly. In the southwest region, many rural migrant workers went to the economically developed coastal region thousands of miles from their native villages. In the north, for example, in Shandong, the majority of rural migrant workers stay in the province. Some of them commute from home, while others can return home often, making it possible to retain social bonds. Despite such regional differences in terms of the choices of migration destination, the overwhelming majority of farmers who have migrated to cities are unwilling to give up their shares of contracted land in the absence of a sound social security system which extends to rural migrants and in light of continuing concerns about unstable off-farm employment opportunities. Some rural migrant workers in the cities hire others to till their farmland, while some simply let the land go idle. Giving up one's share of contracted farmland is extremely rare among rural migrants, especially those whose native communities are in economically less developed regions. Moreover, rapidly rising land prices and the huge profits brought about by urban and suburban land market over the past two decades have caused rural communities and their members to guard their land even more vigilantly. Conflicts and disputes among communities or between a rural community and other social entities over land resources are common, as is the resistance of rural communities to the government's compulsory land requisition. As long as communities and their member families do not give up their land, bounded collectivism is likely to continue.

Meanwhile, urbanization throughout China is speeding up rapidly. At present, rural migrant workers have come to represent about 30% of China's urban population. As China rises to become the world's largest economy, it is estimated that nearly 67% of the population will live in urban areas by 2030, which means 280 million rural residents will move to the cities within two decades. This raises an important question: when most rural residents either move to cities or their native places become cities, will bounded collectivism still exist? If so, in what form?


Yi Wu is Assistant Professor of Anthropology at Clemson University. This article draws on materials from her dissertation. A major part of the dissertation will appear in a forthcoming book, titled Negotiating Rural Land Ownership in Southwest China: State, Village, Family, to be published by the University of Hawaii Press in 2016.

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Related articles
Notes


2 One yuan equaled about 0.12 U.S. dollars in 2005 and 0.16 U.S. dollars in 2014.

3 In southwest China, tobacco is a cash crop that can generate great revenue for local governments. To push for rapid growth of the local economy and to obtain higher revenue, local governments, assisted by village cadres, organize and sometimes even force villagers to grow tobacco according to the government's economic plan. Each household whose land is located in tobacco-growing zones is assigned tobacco production quotas. But village cadres no longer organize the labor process, which is left to each household.

4 Until the reform of rural taxes and fees began in 2003 eliminating most local taxes, village cadres held this responsibility.

5 See my previous article "Bounded Collectivism: Approaching Rural Land Rights and Labor through ‘Natural Villages’ in Southwest China" (http://japanfocus.org/-Yi-Wu/4156/article.html) for details on the transformation of the sub-county administrative structure from the 1950s to the new millennium.

6 The number of zhaizi didn't coincide exactly with that of the groups because of the existence of very large and small zhaizi. Very small zhaizi often formed a villagers' group, while a very large zhaizi could form an administrative village, which was further divided into villagers' groups.

7 When land cultivation rights were allocated to individual households in Fuyuan in 1982, the criteria for defining community membership included: 1) a person living in the zhaizi/team and/or born there, 2) a person who did not hold an urban household registration and could not buy subsidized grain, 3) a person who did not receive a government salary. This means that being born in the community was not necessarily a guarantee that an individual was recognized as a team/zhaizi member. Daughters and wives of community members received shares of land in 1982. Daughters who married out into another community usually left their shares of land to their natal families and they subsequently worked the land held by their husbands' families. Their husbands' communities did not allocate land to women who married in.

8 One mu equals 0.165 acre.

9 The 1998 Land Management Law stipulates that farmers whose land is acquired will be compensated through a package that includes three components: (1) compensation for the loss of land. This part of compensation is 6 to 10 times the value of the average annual output of the acquired land calculated over the three years preceding the acquisition, (2) resettlement subsidies. Local governments may raise resettlement subsidies to make sure
that farmers will be able to maintain their previous standard of living. However, in no case was the total value of the above two components more than thirty times the previous three-year average output value of the acquired land; (3) compensation for loss of plants and attachments to the acquired land, such as buildings.


11 Pseudonyms are used for names of places and people in this case.


14 Yearbook of Fuyuan (2010), 209.

15 Tobacco sales are monopolized by the government and tobacco can provide an important source of revenue for local governments. Forced tobacco production has been widespread in the southwest region during the reform era.


17 Pseudonyms are used for names of places and people in this case.


20 See "Qiming daitou naoshizhe bei panxing; wei jiejue tudi zhengyong jiufen, juzhong baiyuren weidu qujing zhengfu" (Seven Leaders in Riot Sentenced: Hundreds of People Besieged the Qujing Government Due to Land Requisition Dispute), The City Times (dushi shibao), January 27, 2003, A3. The City Times is published in Kunming, the capital of Yunnan.


23 Ibid., p.36.