

Re-organizing Peasant Labour for Local Resilience in China¹

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Abstract

The recurrent crises of financial capitalism that has erupted within core countries have resulted in a double cost-transfer to countries in the Global South in conditions where the South suffers from political upheaval, economic down turns and social unrest. Encountering the challenges of global financialization and de-industrialization, the

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Global South needs to strengthen national sovereignty over common resources and enhance its capability of reorganizing the labour force, in order to protect the livelihood of the majority. Other than the usual approach of providing more urban jobs, an alternative more socially and culturally beneficial to society in the long term is to enhance local resilience against globalization and reactivate rural communities to promote jobs as well as reincorporate young people. Though the Chinese government's central policy of 'New Socialist Countryside' attempts to absorb the crises of overproduction and unemployment through large scale domestic investment in basic infrastructure and social welfare in rural areas, it does not necessarily strengthen local resilience. Local resilience evolves through initiatives from below for social transformation through self-organization, popular participation, reciprocity and ecological practices.

Keywords

Cost-transfer, peasant labour, self-organization, rural community, ecological agriculture

Double Cost-transfer to the Global South

In the early years of the twenty-first century, emerging countries, such as Brazil, Russia, India, China and South Africa (BRICS) had once 'risen up' and then pursuant to crises erupted in core countries in recent years, have again fallen into stagnation. The core countries are essentially constructing a global system that facilitates the smooth 'double transfer' of the economic and political costs to semi-peripheral and peripheral countries, in Immanuel Wallerstein's sense (Wallerstein, 2011).

Global crises have continuously erupted inside core countries, referred to as 'implosion' by Amin (2013). After the sub-prime crisis erupted in the USA in 2007 and developed into the Wall Street financial crisis in 2008, core capitalist countries fell into financial or debt crises one after the other. The USA, Europe, Japan and so on have successively initiated multiple attempts of quantitative easing, creating enormous amount of excessive liquidity. On the one hand, it has pushed up the price of energy, raw materials and food commodity globally, thereby successfully exporting the cost of economic crisis to countries of physical economy. On the other hand, while continuously exporting inflation, they effectively sustain low interest rate and low inflation at home. Furthermore, during

the crisis, core countries have increased their external debt on a large scale, yet most of them would certainly not implement institutional changes in accordance with requests by the creditor countries. On the contrary, they even transform the debts into asset trades expanding the capital market which do not bear the obligation of debt repayment.

These two phenomena of the new century give warning to all the interest groups in developing countries that are subject to the soft power of the West and infatuated by its 'invisible hand'. Only hegemonic countries having the backing of international institutions and occupying the high table in financial-monetary dominance can create the unprecedented 'miracle' of wealth in the history of economy. The approach of core countries—the higher the debt the more outrageous the expansion—is completely opposite to the situation of developing countries in the latter part of the twentieth century. As debtor countries, these countries not only have to comply with the demands of creditor countries to carry out 'institutional reform' but are also encouraged to sell off their valuable assets in order to repay debts with interest, that too in terms of US dollars. This clearly indicates that the international order of so-called 'liberalism', proudly flaunted after the Second World War, has already been thoroughly overturned by 'neoliberalism' in the stage of financial capitalism.

The core, relying on global financialization, expands credit on a large scale in order to sustain its unipolar hegemony. They manage to do this by three types of borrowing: (a) to borrow for consumption (borrow money for their limitless consumption); (b) to borrow for investment (borrow money to possess our resources and acquire our industries); and (c) to borrow for war (arms race, instigating conflicts and killing civilians).

It is true that certain emerging countries, such as Brazil and Venezuela, made improvements in their domestic well-being by hitching a ride on this short-lived opportunistic profiteering arising from rise in prices of resources. Other super-sized countries with physical economy like China could also deploy measures to deal with the onslaught of global crises to maintain a temporary footing. Yet, these emerging countries should not forget even for a moment that international institutional power is still concentrated in the hands of the core, which, in order to deal with the global crisis arising from innate contradiction of financial capitalism, have adopted many tactics similar to the 'Hand of God' trick in the soccer field. These tactics are not targeted at resolving the structural contradiction of financial capitalism, but they continuously make use of the asymmetry in international institutions to extend their advantage to extract enormous profit from the semi-periphery and periphery in the

global system on the one hand, and to transfer out the political and economic costs to non-core countries on the other hand.

People are more or less aware of the transferred economic costs already. However, regarding political cost transfer there is often too much ambiguity and vagueness. What needs to be emphasized is: globalization of today is based on nations as competing units. Therefore, political cost transfers have mainly been embodied in the support that core countries provided, through soft power and smart power, to the various colour and floral revolutions in peripheral countries, essentially pretexts for the strategic deployment of denationalization. The outcome is often that core countries are able to protect their monetary geopolitical strategic interests at low cost, while the countries that have become peripheral under the dominance of Eurocentric ideology have mostly 'failed' in the global competition. Only a few vested interest groups in these peripheral countries can share some handouts in accordance with their contributions to the core, while the people at large have to bear the enormous cost of failed governance and even collapsed state. In some cases, the tragedy of population displacement and casualties among innocent civilians are also witnessed.

Undoubtedly, we also have to give importance to the increasingly serious class contradiction within core countries. Wealthy societies in Europe, the USA, and further in Japan, South Korea and so on are becoming increasingly polarized in terms of wealth allocation. Western social science has, because of the strong growth of the middle class, once challenged the concept of 'class', in the Marxian sense, in classical political economy. Yet in wealthy societies, middle class is generally shrinking. A small population from the wealthiest class disproportionately takes up most of the increase in national wealth. This may be called the institutional asymmetry of financial capitalism. Regarding this structural asymmetry, some Western progressive academics have descriptions on the phenomenon, but seldom investigating its root deep in financial capitalism (Piketty, 2014; Sassen, 2014). Yet class contradiction in the core does not necessarily reveal itself in the form of class struggle. On the one hand, international asymmetry has allowed the countries of the core to extract enormous profits from the periphery. When these profits flow back to the society of core countries, regardless of how unfair the allocation is, the lower middle-class people would still be able to share a small portion. Hence though a majority of them could enjoy proceeds from the global system, they would still prefer a state system of financial capitalism that engages in international competition. On the other hand, ideological machines (including media, cultural industries and academics)

have strived to hide the structural source of class contradictions and ease the class confrontational mood. Consequently, the discontent among lower middle class has often expressed itself by way of various kinds of identity politics, such as religious or ethnic confrontations, xenophobia and others. Right-wing populism and even fascism are generally on the rise in Europe, the USA, Japan and non-constructive radical politics is showing its face in different countries. All these have roots deeply ingrained in the system of financial capitalism.

The Global South, in general, has different conditions even though they witness identity politics. But within this chaos created by global financial capitalism, their social contradictions would be more often expressed as direct antagonism towards their own government. The key reason is that these countries, unlike the core, could get as much political and economic gain globally on the one hand and transfer crisis outwards on the other. Therefore, the return they enjoy and the risk they bear in the international contest are highly asymmetrical, and this is manifested directly as domestic social contradictions.

Core countries can engage in 'transfer of political cost', the main substance of which is monetary-geopolitical-military strategic deployment in character. Such a strategy comprises of all kinds of smart power and soft power moves, to topple governments in peripheral countries which are seen as barriers to the optimization of interests of the core. Alternatively, such countries could be denationalized, hollowed out of sovereign substances. Political and economic instability of opponents is on the one hand beneficial to the capital of core countries for acquisition of valuable assets; on the other hand, it also induces international capital to flow back to core countries. An aspect of denationalizing is to reduce a country's capability in adjusting its economy to combat the destructive flow of capital. This is done by knocking out the relatively competitive state capital even as its national capital is not yet competent to compete in the international sphere. This strangles the country's international competitiveness in the long term.

In this context, the producers of knowledge and public opinions in these countries lack proper understanding of their situation because they are under the spell of the hegemonic power of the core. They simply blame it on the backwardness of their own country's economic system and see it as inferior to the advanced systems of developed countries. As a result, economic and social contradictions are then rendered into political contradiction. Furthermore, some of these movements have been launched to serve the core's geopolitical strategy.

In the South, China relatively speaking was better positioned to deal with the double cost transfer from the core countries. In the following,

we will elaborate how China negotiates with the global financial crisis of 2008 through a large-scale investment into the rural areas.

China's Responses to the Global Financial Crisis of 2008

In New China's 60-year history of modernization and industrialization, as a rule, capital intensive urban industry has been able to achieve a 'soft landing' (Wen, 2012) whenever the cost of economic crisis could be transferred to the rural sector, and the status quo has been maintained. When costs have not been transferrable to the rural sector, however, the urban sector has experienced a 'hard landing' (Wen, 2012), leading to major reforms in fiscal and even economic systems. The recent example is China's response to the global financial crisis of 2008 and how she continues to negotiate with its repercussions.²

In the late 1990s, macroeconomic fluctuation has led to deterioration and crisis in rural governance (Dong & Wen, 2008). Since 2003, the ruling party has reiterated the importance of the *sannong* problem, referring to peasants, villages and agriculture as the most important of all problems. In 2005, the policy of New Socialist Countryside has been listed as the first major strategy in China's future development.

Since then, a series of pro-rural policies has been implemented, and the rural sector has been given a chance to rehabilitate. The regulatory function of its labour pool for industrialization has partly been restored. The function of the county economy as the second capital pool besides the urban sector has been strengthened. It has played a positive role in enhancing the sustainability of development and rectifying the long-lasting structural imbalance of the national economy, in terms of industrial over-capacity, capital excess, labour surplus, disparities between coastal regions and hinterland, rural-urban polarization as well as income inequality.

Between 2003 and 2008, investment into the rural sector was over RMB 1473 billion.³ The fiscal investment into the *sannong* problem during 2003 and 2009 has accumulated to RMB 3096.752 billion, that is, an average of RMB 15,000 per household. This has substantially increased the capital stock in the rural capital pool. Infrastructure investment has provided a great number of local non-agricultural employment opportunities. The once heavily debilitated regulatory function of the rural labour pool has thus been restored.

Second, pro-rural investment has stimulated rural consumption demand. During 2000 and 2003, the annual increase of retail sales volume in rural consumer goods market below county level was only about RMB 100 billion. In 2004, it number doubled to RMB 231.2 billion. It is estimated that the big push by the New Socialist Countryside would increase the rural retail sales volume of social consumer goods annually by about RMB 400 billion, that is, an annual increase of over 2 per cent in GDP (Huang, 2005).

Third, as significant resources are flowing back into the rural sector and the tension between the peasants and grass-root governments is being mitigated, the contradictions and conflicts in rural communities are centred around disputes about general benefits. The rural sector at large has become more stable and would be the social base of the *sannong* as a vehicle to bear the cost of another crisis transfer. These have been the vital conditions affording China ample leeway to deal with the 2008 global crisis. China maintained a high GDP annual growth rate from 2003 to 2007, but the national economy became increasingly dependent on the international market in this period. In 2006, this dependence was estimated to be at 66 per cent. This fared unfavourably in comparison with other countries. Between 1980 and 2001, the dependence on trade in economies, such as the USA, Japan, India and Germany, were within 14 per cent to 20 per cent (Shen, 2004). In this condition of general over-capacity, China could only 'use the future over-capacity to digest the present over-capacity' (Lang, 2010). In other words, China has no more space to deal with its over-capacity in the future.

The global credit crunch of 2008 caused China's unbalanced economy and export-dependent sectors to be hit hard instantly. The contribution of export to GDP growth dropped from 2.6 per cent in 2007 to 0.8 per cent in 2008. International capital in commodities future markets increased after the sub-prime crisis pushed up primary product prices. China suffered a serious instance of imported inflation (Wang, 2008). The Producer Price Index (PPI) rose from 5.4 per cent in 2007 to 8.1 per cent in 2008. The monthly Consumer Price Index (CPI) reached 8.7 per cent. Long-lasting insufficient domestic demand and over-dependency on export and investment had made China's economy highly susceptible to external crisis. The GDP growth rate declined to 9 per cent. This was still considered a respectable growth figure, but compared with previous years, it was just a step away from recession.

Just like in the financial crisis of 1997 and 1998, the Central Government's response was to stimulate domestic demand by positive fiscal investment. The planned scale was up to RMB 4 trillion by the end

of 2010. However, even though the government was successful in resuscitating the economy, the rescue measures of 1997–1998 were skewed in favour of urban interests, leading to the over appropriation of rural resources. The rural sector had to bear much of the institutional costs, which gave rise to an escalation of social conflicts.

In contrast, the rescue measures of 2008 and 2009 emphasized investment in the rural sector, which was a continuation of the Central Government's *Sannong* New Deal since 2003. Two of the three factors of production (namely, capital and labour) have flowed back into the rural sector in a significant way and partly restored the regulatory function of the rural labour pool. Moreover, a second capital pool (the first being in the urban sector) has been in the process of being constructed in the rural economy at a county level. Hence, there was a major difference between two national measures dealing with external crises. In face of the financial crisis of 1997 and 1998, new public debt was mostly spent on infrastructure, whereas in 2008 investment allocation of RMB 120 billion was the following: RMB 10 billion in public housing, RMB 34 billion in rural livelihood and rural infrastructure, RMB 25 billion in railway, highway and airport, RMB 13 billion in medical care, education and culture, RMB 12 billion in energy efficiency, environmental and ecological preservation and RMB 6 billion in supporting entrepreneurship initiatives and industrial structure adjustment, and RMB 20 billion was advanced from the 2009 budget for reconstruction after disaster. It is obvious that most of the new funds were used in livelihood-related projects and over one-third in rural projects. Only RMB 25 billion was spent on infrastructure (Wen, 2012). Despite continued government investments, rural society has been confronted with the problem of brain drain and weakening self-organization capability.

Attenuation of Rural Grassroots Self-organization Capability

Because the Central Government finally removed the agricultural tax in 2004–2006, rural China entered into a post-tax era characterized by an essential structural change. Since the rural population is increasingly composed of the elderly, women and the very young, the capacity of the *sannong* as shock absorber and social regulator is thus weakened considerably. Young and prime labour forces with higher human and natural resources stock (potential surplus value stock) have been migrating out of rural China over the last two decades. New generations of

migrant workers from rural regions tend to settle in cities as the new rural population are excluded from land redistribution when the neoclassical conjecture of 'the scale economy of land' is now being legalized as a formal policy. As a consequence, the rural labour force that is left over comprises women and the aged (Wen & Yang, 2012). Whether it is the elderly and women left behind in villages, or the first generation of workers who have endured multiple exploitations and returned from cities, the human resource stock is too low to be attractive to external capital seeking to capitalize on cheap human resources. In other words, the capitalization of the rural surplus labour force is necessarily untenable, even if the aging rural sector is willing to be capitalized on so as to seek development opportunities. The question of how the left-behind rural inhabitants can become agents of rural sustainable development has become a great challenge in the post-tax era. The crux seems to hinge on how the rural labour force reservoir may be resuscitated. What should be emphasized is the essential change in the social fabric has taken place as a result of the outward drain of rural human resources.

Since 1989, the contribution of agriculture to GDP and peasant's household income has been declining. After the decline of township-village enterprises, peasant households seeking comprehensive returns had to adjust their labour portfolio which was getting increasingly oriented towards cities in order to seek short-term cash income to maintain reproduction. This resulted in a massive flow of migrant workers from the rural areas into cities. These workers mostly comprised surplus labour forces from rural households that owned a small number of assets (the usage right of a small parcel of arable land). In this way, they were different from the working class as defined in classical political economy, which arose from being expropriated of the land. Such migrant workers endured irregularly paid wages, accepted employment without social benefits and consciously suppressed consumption in order to collect a cash income higher than that obtained from rural labouring. What underpinned this practice was the particular form of land ownership that was in place. Arable land is collectively owned by a rural community and distributed within the village. Meanwhile production subcontracting has been determined according to the size of the household. This has been the real foundation of China's ability to maintain low labour costs for 20 years. The so-called 'comparative advantage' theory has failed to explain China's ascendancy because there was no shortage of developing countries with a huge population base but which could not replicate similar economic outcomes.

Nevertheless, the Government policy of New Socialist Countryside, with its stress on investment inputs to the countryside and to agriculture, reinforces the money-oriented solution to the crises. Ironically, it is this same money-orientation that destroys the social fabric of communities. The following example of the rural reconstruction effort of the Puhan community offers possibilities beyond government efforts from above. Puhan believes that the cultural regeneration of the community with a reintegration of young people in the village and agricultural community is a more resilient way.

Puhan Rural Community

Initiated in 2003 by Zheng Bing, Yongji Peasant Association is the first peasant association in China officially registered under the Ministry of Civil Affairs. A primary school teacher for over 10 years in Zaizi Village of Shanxi province in north China, Zheng organized science and technology training courses for local peasants. Recognizing that if peasants did not have common interests, it would be very easy for them to be disbanded, so she decided to organize them.

As the Asian financial crisis revealed the fragility of the bubble economy, Zheng quit her teaching job and in 1998 began to devote herself to organizing cultural and economic activities based on grass-roots women's collectives. With the support of the Women's Federation of Yongji City, she launched a women's club, which was named the Center for Women's Cultural Activities and Women's Association. When male peasants showed interest in the association, they were also accepted as members, and the base of the association became larger and larger. Formally established in 2003, the Yongji Peasant Association now has 3865 members from 35 villages in two counties, namely, Puzhou County and Hanyan County. It organizes six technological services centres, a handcrafts cooperative, a youth farm and an ecological agriculture zone (Sit, 2011; Zhao & Yang, 2007; Zhou, 2012). Some of these efforts are described below.

Towards an Ecological Agriculture

Although the fertilizer-based cooperative agriculture can make profit, Puhan makes efforts in transforming agriculture from chemical to

ecological agriculture. On the one hand, it runs four retail stores which sell fertilizers and provide technological advice for peasants. Thirty per cent of profit goes to the whole community. On the other hand, Puhan has been experimenting on organic farming for several years. Once a local government official asked Zheng Bing, ‘you have done so well for ten years, but why don’t you build a factory and set up a business company?’ Zheng Bing responded, ‘every mu⁴ of land is a factory, if we do it well, it will bring more profit than running a factory. And the environment can become better. Why do we have to build a factory?’ ‘You won’t see any factory. Our offices are on the second floor of peasant houses’ (Chen, 2012; Han, 2012).

In 2008, Puhan designed a 10-year plan for the future. One of the targets is to convert 50,000 mu of its 80,000 mu arable land into organic farming. They persuade the household one by one to improve the quality of soil. Gradually, they persuade every household to begin organic farming from 1 to 3 mu. In 2011, Puhan has successfully converted 3,000 mu into organic farming. Hong Kong business company, Mecilla, wanted to purchase organic cotton but did not believe Puhan could produce organic cotton. A Swiss organization, Helvetas, was sent to investigate. It finally agreed to cooperate with Puhan after discovering lots of *coccinella septempunctata linnaeus* on the land. The purchasing price is 20–30 per cent more than the market price. Mecilla even requested for 30,000 mu to grow cotton, but Puhan declined the offer as they believed that mono-culture will bring harm to the land and ecology. They had paid high costs to learn the negative effects of mono-culture. In 2006 and 2007, over 60 per cent of land was invested in growing asparagus. But in 2008, a big pest disease destroyed nearly all asparagus (Ren, 2013). In 2012, they successfully practiced ecological agriculture on nearly 10,000 mu. Zheng Bing remarks, ‘being peasants, we must cultivate our feelings for the land. Is it possible if human beings take pills (referring to chemical fertilizers) everyday?’ (Zheng, 2012). A simple and alternative calculation is provided for the peasants. During the slack farming season, a peasant normally goes out to work in the city. He can earn RMB 60–70 per day. Then he spends 2-day wages for a bag of chemical fertilizers. If he spends 1 day to make compost, such as mixture of weeds, grass and soil, after several months, he can save money because he does not need to buy any chemical fertilizers. It is even cheaper than goat manure and cow manure which cost more than RMB 100. In this way, a peasant can save money and the soil is greatly improved (Zheng, 2012).

Association of Organic Agricultural Cooperatives

Forty professional cooperatives are established on a voluntary basis, of which 20 cooperatives are registered and the other 20 are non-registered. Before 2007, the association has 28 professional cooperatives. After the law of cooperative was announced, the government gives each cooperative a grant of RMB 30,000–50,000. Some cooperatives were formed just because they wanted to apply for the government grant. However, they did not do any cooperative activities after receiving the government grant. So Puhan decided not to do any more cooperative registration.

Every cooperative has between 20 and 150 households, with 100 and 150 mu of land. The cooperatives focus on cultivation of cotton, asparagus, bean, apple, persimmon, almond, peach, walnut, pear, hawthorn, *cedrela sinensis*, jujube, corn, pepper, sweet potato and sesame. There are also poultry cooperatives with focus on producing chicken, pig, cow, sheep, rabbit and fish. Other activities under taken are the cultivation of vegetables, watermelon production and small-scale industries, such as spinning, weaving, embroidery and others. There are 12 staff members who monitor the activities of cooperatives with one staff member taking charge of 50–150 households. They provide services and assistance to the cooperatives in order to promote the transition to organic agriculture (Ren, 2013). In 2005, they organized study tours to Nanjie Village of Hehan Province and Scientific Village in Sichuan Province, which practice modern large-scale agriculture and eco-tourism. After returning home, they concentrated 1850 mu of land in order to copy the above models. However, the experiments of land concentration completely failed (Ren, 2013). Thereafter, they adopted a decentralized way of household management of land. One cooperative is generally composed of 20–100 households with groups being formed of 3–5 households each. The agreement is to carry out examination of five standards: examination of fertilizers, usage of pesticides and selection of seeds, technological trainings, quality control and marketing. But individually, each cooperative has its own management of land and production. In other words, each farming household controls and manages its piece of land. Any kind of cooperation is based on voluntariness and commitment (Ren, 2013).

The association provides some benefits in order to encourage peasants to adopt organic farming. The association owns three agricultural machines, which are used for plowing, tillage and sowing. The market service charge is RMB 30 per mu, but they only charge RMB 10 per mu in the first year, and free of charge in the second year. They produce

organic seeds, RMB 10 per mu, while the market price is RMB 40 per mu. They even provide some tools for members (Ren, 2013).

It takes about 20 minutes from the community to Yongji City, and about 40 minutes to Yuncheng City by car. Organic agricultural products are fixed at only 20 per cent higher than the market price. The idea is to let the people enjoy good and healthy food, while money and profit are not the first priority.

Youth Organic Farm

In face of rural youth exodus, the core group has mobilized their sons and daughters to return to the rural since 2008. For example, Han Lei, the son of Zheng Bing's classmate, was persuaded to work for the association after graduation at Yuncheng Agricultural College. Against his original dream of being a government official in the small city, he has explored another path of life style in the countryside. Another example is Liang Xiaoli, whose mother is core member of Hongliang Handicraft Cooperative. She found a job in the supermarket in the city after she graduated. Later she found it was unnecessarily expensive to lead a city life with boredom. She decided to go back to home village.

In 2008, Zheng Bing recruited more than 20 young people and then a youth organic farm was set up. They contracted about 28 mu of land. Each is required to cultivate 1 mu and to take record about progress. They are also required to do collective farming. They did experimental organic farming for 3 years. In 2010, after having a good harvest of organic cotton on some experimental farmland, they promoted the relevant techniques and skills to other farming households. The target is to gradually improve the fertility of soil. Now the Farm has 53 young staff members who are doing experimental organic farming on 68 mu of land at a monthly salary of around RMB 800–1000 (Chen, 2012; Han, 2012).

Every young staff member is also requested to collect a monthly cost of garbage collection, that is, RMB 2, from each village. At the beginning, they were not willingly to do it as they thought it was not a decent job. They considered themselves as educated people, and they felt embarrassed when it was related to dirty work. Then Zheng Bing and other senior staff arranged a series of meetings for the young staff to discuss with village heads, village cadres and garbage collectors. They taught the young staff how to conduct household interview through the process of garbage collection. In that sense, the young staff can understand more about the reality of different peasants and also pay respect to physical

laborers. Afterwards, every month the young staff arrange a lunch meeting for garbage collectors to show their appreciation. Gradually, the young staff become more identified with peasants and workers. On the other hand, they are no longer arrogant outsiders in the eyes of villagers (Zheng, 2013).

Han Lei and Liang Xiaoli have changed their minds and behaviours after working with peasants for several years. Han Lei was sent by Zheng Bing to attend a youth training course organized by James Yen Rural Reconstruction Institute in 2006. He felt surprised when he found fellow classmates from prominent universities such as Peking University and Tsinghua University willingly to collect urine and feces to make organic compost. He thought he could do better than them as his major subject was agriculture. Now he is in charge of the Youth Organic Farm and is the leader of the young team. He organizes many collective activities for young colleagues such as hiking and camping on the mountains. He even mobilizes his classmates and friends to go back to village (Chen, 2012).

Liang mentioned that she felt very upset when she returned to home village. In the dominant discourse, a successful model of a rural youth should lead a decent city life and never return to any village. Liang has gradually overcome these prejudices about shames and failures through learning together with young colleagues, senior staff and peasants. She found it interesting to learn ecological farming in the actual cotton field and apple land, even though it is indeed hard work (Liang, 2011).

Puhan intends to complete 30,000 mu of organic soil conversion by 2018. Puhan cooperates with the Rural Youth Training Program of Liang Shuming Rural Reconstruction Centre to introduce zero-waste Natural Farming Fermentation Bed technology to 600 livestock farming households. Laoshi Farm, named after a famous rural reconstruction movement leader, Liu Xiangbo, becomes not only a demonstration farm of natural farming and husbandry but also a model of rural youth engaged in organic agriculture. By raising livestock at the scale of 5 pigs, 5 goats and 20 chickens, each household can convert 10–15 mu of corn and wheat into organic farming using compost made with fermented manure. Apart from that, the participants are encouraged to document and learn traditional knowledge and skills such as making sesame oil by stone grinder, natural dyeing and weaving, paper cutting, among others (He, 2017).

Social and Cultural Activities

Puhan aims to let economic activities and public services go hand in hand. They redistribute the profit through providing public services and

organizing social and cultural activities for women, children and the elderly.

In 2011, the net profit was about RMB 2 million. The profit mainly came from the organic agricultural cooperative association 60 per cent, fertilizer cooperative 20 per cent, handicraft cooperative 10 per cent and others 10 per cent. In 2012, collective consumption and marketing generated an income of RMB 5 million. They divided the net profit from the cooperatives into three parts: 60 per cent to members, not through cash, but through other method. They did not grow rice, so they did collective purchase of rice. A profit of 30 per cent went to the whole community, and particularly to those sectors which did not have much income. Ten per cent of cash bonus went to all members (Zheng, 2013).

Hongliang Handicrafts Cooperative not only reactivates traditional knowledge, such as spinning, weaving, dyeing and embroidery, but also organizes social activities for the elderly. The members are mainly middle-aged women who frequently visit the elderly and to learn from them. Now there are around 200 members, RMB 1000 for each share, but the maximum is five shares (Zheng, 2013).

There are more than 2,000 old people who are aged at above 65 years old. It is impossible to build a big elderly care centre. The elderly people are invited to be teachers of the handicrafts cooperatives and of summer camps. The elderly people are also encouraged to learn to use computers to communicate with young people such as their grandchildren. For the elderly who cannot take care of themselves, matching services are provided with some middle-aged women providing in-door services for the elderly who are differently abled (Liang, 2017).

Children summer camps are also organized. Children are taught to learn local knowledge, such as how to recognize different seeds and plants, and how to grow cotton and weave. Children have more social interactions with the elderly. One of the slogans is that 'you, I, he or she do not exist on one's own, we exist as a family. Fame and fortune are not our goals, but only truth, kindness and beauty' (Liang, 2017).

Conclusion

Other than the usual approach of providing more urban jobs, an alternative more socially and culturally beneficial to society in the long term is to enhance local resilience against globalization and reactivate rural communities to promote jobs as well as reincorporate young people.

Though the Chinese government's central policy of 'New Socialist Countryside' attempts to absorb the crises of overproduction and unemployment through large scale domestic investment in basic infrastructure and social welfare in rural areas, it does not necessarily strengthen local resilience. Local resilience evolves through initiatives from below for social transformation through self-organization, popular participation, reciprocity and ecological practices. The efforts from the above should be integrated with the efforts from below.

Based on Puhan's experiences, the major functioning vehicle at the grassroots level should be comprehensive rural community cooperatives. Besides ensuring effective investment, rural regions can also be better organized to benefit the majority of peasants, including women, the elderly and the handicapped.

Puhan works hard to keep 'the identity and reality of peasantry' alive: living on land as a way of life and means of livelihood, supported by small-scale manufacturing industries. It adopts collective management of the commons such as land resources and labour power. Puhan has established several cooperatives against the trend of individualization and privatization. The goals are neither to be an agri-business nor to be subject to them. The basic social structure is family units working hand in hand with community management. The practices of organic farming embody the values of ecology and ethics, becoming more and more important. Rural-urban interaction and cooperation are carried out through fair trade of farm products.

Apart from economic business, there are various cultural and social activities. Marginalized groups such as women, the elderly, the youth and even the handicapped are encouraged to be involved in activities of community building. Particularly, the youth education and leadership training becomes the priority task for the future of rural society.

Through cultivating on the land and working with peasants and workers, the youth have gradually taken a different perspective on nature and social relations. They no longer consider the countryside as a failure and a shame. They no longer dislike physical labour such as farming and garbage collection. They have learned not only knowledge of ecological agriculture and skills of handicrafts but also the importance of self-organization and cooperation. Hence, they are no longer so self-centred and market-oriented.

All these are carried out with an understanding of the importance of the cultivation of social relations that form the basis of interdependence, mutual support and recognition, reaffirming the genuine wealth of the people, rather than monetary value determined by capitalistic relations.

Hence the social organization of labour and peasants form an important part of the strategy to build an alternative to a merely finance driven approach.

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Notes

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2. Wen Tiejun analyses the ten cyclical economic crises that China experienced since 1949 till now. Retrieved from <http://our-global-u.org/oguorg/en/series-no-5-chinas-real-experiences-professor-wen-tiejun-on-ten-cyclical-economic-crisis-in-china-1949-2016/>
3. Data sources: *China Statistical Yearbooks*. Due to limited data in several years, the actual total fund investment is estimated to be more than RMB 1790.
4. The unit of land in China is *mu*. 15 *mu* is 1 hectare.

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