

From Peasants to Farmers: Peasant Differentiation, Labor Regimes, and Land-Rights Institutions in China's Agrarian Transition

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Q. Forrest Zhang¹ and John A. Donaldson¹

Abstract

The development of factor markets has opened Chinese agriculture for the penetration of capitalism. This new round of rural transformation—China's agrarian transition—raises the agrarian question in the Chinese context. This study investigates how capitalist forms and relations of production transform agricultural production and the peasantry class in rural China. The authors identify six forms of nonpeasant agricultural production, compare the labor regimes and direct producers' socioeconomic statuses across these forms, and evaluate the role of China's land-rights institution in shaping these forms. The empirical investigation presents three main findings: (1) *Peasant differentiation*: capitalist forms of agricultural production differentiate peasants into a variety of new class positions. (2) *Market-based stratification*: producers in capitalist agriculture are primarily stratified by their positions in labor and land markets; their socioeconomic statuses are linked with their varying degrees of proletarianization. (3) *Institutional mediation*: rural China's dual-track land system plays a crucial role in shaping the diverse and unique forms of capitalist production.

Keywords

China, peasants, agrarian transition, capitalism, land rights

¹Singapore Management University, Singapore

Corresponding Author:

Q. Forest Zhang, Department of Sociology, Singapore Management University, Level 4, 90 Stamford Road, Singapore 178903

Email: forrestzhang@smu.edu.sg

Old Wu spent most of his adulthood eking out a meager living as a peasant in one of China's poorest areas—Zhaotong Prefecture in the southwestern province of Yunnan. Like most rural producers living under China's Household Responsibility System (HRS), Old Wu and his family were allocated use rights over a tiny plot of collectively owned farmland in his native village. Too many people farming too little land under harsh natural conditions had trapped his family in a life of poverty and what has been described as "agricultural involution"—increasing intensity of labor use merely to maintain an unstable subsistence.¹ Like many other rural residents, he chose migration to search for a better life. Unlike most other migrants in China who shift from countryside to city, however, Old Wu, wife and five children in tow, migrated to another rural area—Donglin Village in An'ning County, near the provincial capital city of Kunming. There, he was employed as a farm worker by an urban entrepreneur who used his connections with the village authority to rent undeveloped village land long-term. On this land, the entrepreneur established a commercial orchard and rural recreation area, where Old Wu works with other hired hands to tend the five hundred *mu* of fruit trees,² pick the fruit, and receive guests seeking to get away from the stresses of the city. The Wus, living in employer-provided housing, receive far more in wages than they could have hoped to obtain from subsistence farming. At the same time, however, old Wu now answers to a tongue-in-cheek self-described landlord, a class that is reemerging in some numbers after a hiatus that began soon after 1949.

Despite the apparent continuity between his life as a peasant in Zhaotong and as a farm worker in An'ning, Old Wu has more than just shifted geographically. He and his family have migrated away from the traditional household-based subsistence farming, which has dominated rural China for millennia, to a capitalist form of production in which Old Wu sells labor to the owner of substantial land rights and capital. The Wus have joined the newest revolution in rural China: the penetration of capitalism into agriculture and the transformation of the peasantry.

In the Reform era (1978 onwards), China's rural society has experienced rapid changes sparked by rural industrialization and rural-to-urban migration. Changes in the rural social structure followed at the heels of these economic changes—most notably, rising disparities among rural residents and the growing ranks of both rural entrepreneurs and rural nonfarm workers. However, these rapid changes notwithstanding, agriculture itself in rural China has remained largely unchanged since the implementation of the HRS in the early 1980s. Among rural China's agricultural producers, the traditional household-based subsistence farming persisted as the dominant form.

During the past few years, however, new developments in rural China have opened agriculture to the penetration of capitalist relations of production. With that, the age-old agrarian question reemerges in a new Chinese context and presents itself at the forefront of studies of rural China. Numerous questions emerge. How does the penetration of capitalism into agriculture transform agricultural production and rural social structure in China? How does shifting from traditional household-based farming to capitalist forms of agricultural production affect rural producers socioeconomically?

How do social institutions in rural China mediate the confrontation between capitalism and agriculture to create unique outcomes?

In this article, we address these questions by examining new forms of production, class relations, and labor regimes that have emerged in rural China's agrarian transition. More specifically, we investigate (1) how the spread of capitalist relations of production transforms farming households in rural China from subsistence peasants into new social classes, (2) how the social power and economic benefits of agricultural producers in different forms of capitalist production are linked with their varying degrees of proletarianization, and (3) how rural China's dual-track land system mediates the interaction between capital and labor and creates diverse and unique labor regimes in China's agrarian capitalism.

In the following, we first try to provide a rigorous conceptualization of the "peasantry" as a social class in the Chinese context. We then discuss the persistence of Chinese peasantry throughout previous episodes of rural social changes and compare how this new round of social change—which we summarize as China's transition to agrarian capitalism—will affect the peasantry differently. Our empirical findings of various forms of capitalist production and social relations in these forms are presented next. We then summarize the empirical evidence to address the three research questions outlined above and conclude with a discussion on the implications of this study for future research.

The Chinese Peasantry: From Resilience to Dissolution

Peasants and the Peasant Form of Production

The term *peasant* is a politically charged and often contested or misused term, as shown in the "peasant essentialism" debate, as well as in the Chinese context.³ The great historical and spatial variability in the social existence of noncapitalist agricultural producers has given rise to competing conceptualizations of the characteristics that constitute peasantness.⁴ In this study, we adopt Friedmann's approach and define peasants as *those agricultural producers who, first, use family labor—and thus the household as the unit of production—to produce mainly for subsistence and, second, depend on noncommoditized relations for the household's reproduction*. Friedmann proposes using "forms of production" as the central concept in analyzing agrarian social relations and defines forms of production through a double specification of the unit of production and its social formation.⁵ *Social formation* here refers to the context for reproduction of units of production. In this way, peasant production, as a form of production, is then distinguished from other forms (such as simple commodity production and capitalist production) by the combination of two characteristics: the use of households as units of production and the noncommoditized reproduction of the households. This latter, according to Friedmann, means that "access to land, labour, credit,

and product markets is mediated through direct, non-monetary ties to other households or other classes, and . . . these ties are reproduced through institutionally stable reproductive mechanisms.”⁶

To be sure, this definition of peasants excludes other characteristics often associated with peasantry, such as subjugation to more powerful outside interests and embeddedness in the traditional rural community.⁷ However, it achieves both parsimony and conceptual consistency through the two common denominators of peasantry: household production and noncommoditized reproduction.⁸ This definition is also particularly suited to investigating the agrarian question—how penetration of capitalism transforms agricultural production—because it specifically draws the distinction between peasant production under noncapitalist economies and forms of production under capitalist economies.

Based on this two-pronged conceptualization of peasants, we can then deductively hypothesize the two directions taken by capitalist transformation of the peasant form of production. The first involves a shift to commoditized reproduction of the households. While rural households remain as units of production, the social context for their reproduction changes as they increasingly depend on commodity relations for such reproduction. This occurs when farming households are integrated into markets for exchanging land, credit, farm input, and products needed to secure their subsistence and production. To use Friedmann’s term, this form of production, based on households as units of production but with commoditized reproduction of the households, constitutes *simple commodity production*; the simple commodity producers can be called *farmers*.⁹ Second, agricultural production can expand beyond the rural household as a unit of production, either by dissolving the household or by subsuming it under a larger organizational unit. This occurs when labor becomes commoditized. Family labor is replaced with wage labor, sold, individually or collectively, by producers and bought by capital owners, who reorganize it into production. Friedmann labels this form *capitalist production* and its producers *farm workers*.¹⁰

The hypothesis explored here is that once land, labor, and capital become commoditized, peasant production will change along these two dimensions. Our empirical investigation of this hypothesis will thus explore these two routes of de-peasantization resulting from penetration of capitalism into China’s agriculture and how they transform peasant producers. In the next section, we briefly review the persistence of the peasant form of production in rural China in previous episodes of social changes, before describing recent developments in rural China that ushered in capitalist commodity relations and began the process of de-peasantization.

China’s Resilient Peasantry: De-Agrarianization without De-Peasantization

In contemporary sociology, much of the interest on the agrarian question centers on the persistence of family production in agriculture—put either as the “small farm problem” or “embarrassment of the peasantry”—in both advanced capitalist societies and

developing countries.¹¹ In the Chinese context, however, different questions arise because the Chinese peasantry showed resilience against not only capitalism but also socialism. Prior to the Communist revolution and founding of the People's Republic of China (PRC) in 1949, peasant production not only persisted but remained dominant in agriculture, and the question was more about the absence of capitalist development.¹² In the socialist period, China's Communist leaders saw collectivized large-scale agriculture as a necessity for capital accumulation and rapid industrialization and perceived smallholding peasant production as fertile ground for spontaneous capitalism. Thus, the state attempted a wholesale elimination of the peasantry through collectivizing agricultural production. Yet some argue that turbulent policy changes over the past sixty years of the People's Republic have only resulted in an expanded peasantry.¹³

The short-lived land-reform policy of the early 1950s granted land rights to all peasants, solidifying smallholding peasant households as units of agricultural production, while also subjecting them to the political domination and economic extraction of an increasingly powerful state.¹⁴ The subsequent collectivization campaign later that decade had the elimination of the smallholding peasant economy as a key policy goal and reversed the land-reform policy with regard to family-based landholding and production.¹⁵ Under collectivized socialist agriculture, collective brigades and communes replaced rural households as units of production. However, the reproduction of these collective units of production was still not commoditized but, rather, was done through either self-provisioning or through "direct, non-monetary ties" to other units of production and state agencies.¹⁶ Despite the difference in unit of production, this form of noncommoditized collective production shares two key similarities with peasant production: the exclusion of commodity relations in social reproduction and the personal subjugation of direct producers to external actors—in this case, the socialist state. Thus, it is probably more accurate to call this form "socialist peasants" and see the result of collectivization not as elimination of the peasantry but, rather, its preservation—or, as some put it, the "re-feudalization of the Chinese peasantry."¹⁷

The third shift, de-collectivization, implemented between 1978 and 1984, dismantled agricultural communes and allocated land-use rights—though not ownership—directly to rural households. With the breakup of the communes, rural China again became a sea of smallholding producers. These moves reinstated family farms as the unit of production in Chinese agriculture, reinforcing the peasantry as a class.¹⁸ Rural China experienced rapid changes in this period, especially industrialization and mass migration, both of which transferred, on a large scale, rural labor to nonagricultural employment. However, much less was happening within agricultural production itself, beyond the gradual growth of markets for farm inputs and products. While some households hired workers on a small scale, the majority of the rural population that remained in agriculture continued in the traditional form of production, using household labor to till small, often discontinuous, plots of contracted household land to "produce mostly for their own consumption, direct or indirect."¹⁹ Therefore, while in the third phase, China's rural population has experienced rapid *de-agrarianization* (i.e., growth

of nonagricultural sectors), for the agricultural producers, the peasant form of production still dominated, muting the *de-peasantization* process.²⁰

If these three major policy changes could not shake the foundation of the Chinese peasantry, what forces could possibly create enduring structural changes among China's agricultural producers? We hypothesized earlier that the spread of capitalist relations of production into agriculture, mainly through the expansion of labor and other factor markets in rural China, would push forward de-peasantization along two directions and differentiate the peasantry into simple commodity farmers and capitalist farm workers. But are the conditions present for the penetration of capitalism into agriculture in China?

Agrarian Transition in China

Two recent developments lead us to argue that capitalism has started its penetration into Chinese agriculture and the fourth phase of rural transformation is under way—which, in contrast to the three previous episodes of social change in rural China under the PRC, we call the “rise of agrarian capitalism.” First, the Chinese central state in recent years has been actively promoting the scaling-up of agricultural production through encouraging private, collective, and public companies to enter agriculture and organize agricultural production.²¹ Critics of de-collectivization have long lamented the loss of scale caused by dividing commune land to household production.²² Other East Asian governments such as Japan, South Korea, and Taiwan, to reduce loss of production caused by land reform, all resorted to some efforts to consolidate overly parcelized land resulting from their land-reform policies.²³ The Chinese government has also tried to increase productivity of its agriculture through increased-scale production. One often-adopted program is introducing industrial capital into agricultural production through many conduits including “dragon-head enterprises.”²⁴ As these firms, regardless of their ownership type, are virtually all market-integrated firms, we expect their entrance into China's agrarian economy—combined with central and local policies intended to promote scaled-up and modern agricultural production—to be a major impetus in introducing capitalist forms of production that organize production beyond the household and the use of wage labor.

Second, the lack of market mobility allowing productive factors such as land to circulate and concentrate in a few hands had previously been a primary barrier to the development of capitalism in Chinese agriculture. However, the recent rapid development in all factor markets has finally put that missing piece in place. Labor mobility, especially that of rural labor, is already remarkably high in China.²⁵ Much of this labor mobility has been agriculture-to-nonagriculture labor flow. However, once more rewarding employment opportunities began to emerge within agriculture itself, rural-to-rural migration of poor surplus agricultural labor increased. One study, for example, concludes that, as early as 1995, some 12.9 million migrants traveled from one rural area to another, up from a modest 2 million in 1988.²⁶

Meanwhile, capital markets in rural China, for their part, remain underdeveloped. The state-run Rural Credit Cooperative system is in shambles and riddled with corruption, partly due to repeated unsuccessful administrative changes to the system, and tends to divert funds away from agricultural production in favor of enterprise development.²⁷ However, other conditions provide some remedy to the underdeveloped capital markets. First, the small scale of China's peasant production—the departure point for producers' spontaneous capitalism—means that even small amounts of capital, accumulated from profits in agriculture, via migrant remittances, or through other income sources created by China's reform policies, often suffices to allow initial steps toward more modern production. Second, new opportunities have emerged in rural China to secure underground financing through kinship networks and informal financial institutions such as rotating credit associations.²⁸ If such underground banking was able to help launch rural industrialization in coastal regions, it should be able to support the rise of agrarian capitalism as well. Finally, the state and various nongovernment organizations have also implemented a number of programs that focus on alleviating the lack of credit for peasants in rural China.

Finally, the immobility of land had previously been the greatest barrier to the rise of agrarian capitalism in rural China. Under rural China's dual-track land system, farmland (and much of the country's forest land and various types of unutilized or undeveloped land) is collectively owned by villages. Land-use rights are then contracted to peasant households on a largely egalitarian basis as an entitlement.²⁹ While village authorities reallocate land from time to time to adjust land distribution to demographic changes, each peasant household's access to a piece of land is theoretically guaranteed as an entitlement based on its membership in the collective and, thus, becomes economically inalienable.³⁰ But since the mid-1990s, land-rental markets have developed rapidly in many rural areas, allowing use rights of contracted collective land to circulate among rural households through market exchanges. While the buying and selling of rural land is still not permitted, these rental markets have allowed the scaling-up of agricultural production.³¹

Farmland has been the last frontier for the penetration of markets and commodity relations in agricultural production. Once this last piece falls into place, we have strong reason to expect that new actors will enter the agriculture sector and that new forms of production that transcend the boundary of family farms and rely on commodity relations for reproduction will emerge. Land-rental markets make it possible for some producers to part with their access to—or control over—means of production, partly or completely, while at the same time, other actors accumulate more land. Subsequently, newly semiproletarianized and proletarianized agricultural laborers can then sell their labor to owners of land rights and capital, transforming themselves from peasants to various new types of producers.

To date, little of the extensive research on rural China covering wide-ranging issues, including rural industrialization, rural governance, migration, productivity changes, and land disputes, has focused on the emerging transformation of the Chinese peasant

class. Many of the forms that are analyzed below have in fact been noticed in the literature. As early as 1985, a survey by Unger documented the emergence of entrepreneurial farming, while a number of Chinese and Western scholars, starting from the beginning of the present decade, have researched contract farming.³² In late 2009, one volume of *World Development* devoted to studying the agrifood industry's impact on small farming dedicated no fewer than three articles to China. Oddly, one of these studies, while noticing numerous unanswered questions in the literature, concluded that the rapid changes in the agrifood industry in China brought no structural shift to China's farmers.³³ Despite these and other studies, the researchers also noted serious gaps in the literature. In particular, no research to date has focused systematically on the emergence of new forms of agricultural production by examining the recent changes in the power relationships between the farmer, agribusiness firm, and the state. The present article endeavors to remedy this neglect of the agrarian question by focusing on an important yet understudied process of social transformation in China's rural society.

Identifying Pathways

This research on the confrontation between capitalism and agriculture in China, the multiple labor regimes it creates, and the changes it brings to the peasantry is primarily based on fieldwork conducted during three trips in 2007 and 2009 in two Chinese provinces. Since patterns of agrarian capitalism in China likely vary by region, we visited one province each from China's coastal (Shandong) and inland (Yunnan) provinces. We also incorporated insights from previous fieldwork in other provinces, as well as from secondary sources. For both provinces, we researched agricultural products that have expanded past household production, in terms of either increased labor or land. We selected a range of cases that allowed us to examine the role of different actors that have stimulated expanded production, including rural households, local entrepreneurs, domestic Chinese companies, multinational corporations, and the central and local governments. In Shandong, we studied the production of fruit, vegetables, and poultry. In Yunnan, we examined tea, coffee, wasabi, vegetables, fresh-cut flowers, fruit, and rubber. During our fieldwork, we interviewed government officials, farmers, entrepreneurs, managers, staff, and others involved in the growing, harvesting, marketing, and processing of these crops. In addition, we visited fields and home-steads in these areas to witness firsthand the processes that were occurring. In each of these areas, capitalist forms—and relations—of production have emerged, but in different ways and with varying effects on the social and political life of rural residents.

We classify the numerous examples of nonpeasant production of commercial crops into six distinct forms of production (with household-based subsistence farming as the reference category) based on the combination of units of production and social formation (see Table 1). As we move through this typology, the forms vary along two dimensions. First, in all but one (form 1), the control over—and use of—labor and land expands beyond the household in some way, through utilizing more land or labor

Table 1. Typology of Nonpeasant Forms of Agricultural Production

	1. Commercial farmer	2. Entrepreneurial farmer	3. Contract farmer	4. Semiproletarian farmer worker with Chinese characteristics	5. Semiproletarian farm worker	6. Proletarian farm worker
Unit of production	Household	Household plus hired labor	Household organized by companies	Company farm	Company farm	Company farm
Land	Allocated family land	Allocated family land plus rented land	Allocated family land	Collective land rented to companies	Work on company land; have allocated land at home	Landless, work on company land
Labor	Family labor	Family labor plus hired labor	Family labor	Wage labor	Wage labor	Wage labor
Capital	Moderate, mainly self-supplied	Substantial, mainly self-supplied	Moderate, mainly company supplied	Substantial, company supplied	Substantial, company supplied	Substantial, company supplied
Harvest	All for nonlocal markets	All for nonlocal markets	Sold to contracting company	Belongs to the company	Belongs to the company	Belongs to the company

than that allocated or originally available to the household. Second, commodity relations enter into all forms of production, but vary in degree and scope. Especially with the commoditization of land and labor, social relationships between actors change. Various employment relationships are formed; distinct labor regimes emerge. Some rural residents gain control over more land and labor and improve their social power vis-à-vis the state or corporate capital, while others lose control, subjecting them to exploitation by other, often new, actors. Under these forms, the status of these direct producers shifts from “peasants” under household peasant production to “commercial farmers,” under simple commodity production, or “farm workers,” under capitalist production. Moreover, the economic benefits for these former peasants also change. Although their conditions usually improve compared to the original form, the benefits of de-peasantization actually decline as the degree of producers’ proletarianization increases.

This typology identifies multiple pathways through which agrarian capitalism is emerging in rural China and how the de-peasantization process is unfolding along each pathway. Placing these forms on a table does not imply a stage model. Instead, one does not necessarily lead to another. This diversity of forms results from various agents’ experiments with capitalist agriculture, adaptation to local conditions, and negotiation with other actors; it is common to see multiple forms coexisting within the same locality and sometimes within the same company. We see evidences of pressure, primarily from certain kinds of agribusinesses seeking to acquire more control over land and reduce the social power of labor, to shift toward greater proletarianization of farm workers, just as the neo-Leninist position on agrarian transition would predict.³⁴ However, specific local conditions, as well as intrinsic characteristics of agricultural production, as we will show, pose obstacles to such efforts and sustain other forms of production.

These forms are types distilled from inductive empirical generalization. They are often only approximated in specific cases in reality; many hybrids could also exist. Furthermore, the purpose of this study is not to quantitatively document the percentage of each form in the agricultural population nationwide, a task that awaits more comprehensive data, but rather to conceptually identify emerging forms of nonpeasant production and paths of de-peasantization.

Point of Departure: Subsistence Peasant

The point of departure for all these pathways of agrarian capitalism is well documented: household-based, smallholding production, mainly for the direct or indirect consumption of the household itself. By classifying them as *subsistence peasants*, we do not imply that these households are totally insulated from commodity relations. As Friedmann points out, “The chief unifying and distinguishing characteristic of the peasantry is *partial* integration into markets” (emphasis added).³⁵ In fact, subsistence peasants can—and in China, generally do—produce surplus crops for sale. But the penetration of commodity relations has not yet severed these households from local, communal, noncommoditized relations for their reproduction.

Although Friedmann's differentiation between subsistence peasants and simple commodity producers—on the basis of commoditization of reproduction—is conceptually sound, methodologically it lacks specificity. What exactly constitutes “commoditization of reproduction,” especially in the Chinese context? What do farming households need to do to have “complete separation of the household from all ties except those of market” and shift out of peasantry? Friedmann puts more emphasis on the external contexts in which households operate, such as high mobility of land, labor, and credit. While external conditions like the presence of markets do shape internal characteristics of households, some households can still choose not to integrate into markets.³⁶

In our view, for the Chinese context at least, the change that actually severs a household from all nonmarket, communal ties for its reproduction—and shifts them from subsistence peasants to simple commodity producers—is specialized production for nonlocal markets. This means that households specialize in producing cash crops that have negligible local demand.³⁷ Because they engage in specialized production, which they need to do to stay competitive on markets, they can no longer meet their subsistence needs through self-provisioning. Since they produce for nonlocal markets, they can no longer resort to local, reciprocal ties for the exchange of their products for means of subsistence. Thus, the shift from production mainly for self-consumption or local markets to specialized production for nonlocal markets leads to two other changes. First, the selling of these products, destined for distant markets, and the setting of prices are consequently no longer influenced by local, particularistic relations but determined by abstract market forces unaffected by local social relations. Second, once these households are severed from local communal ties, but integrated into abstract, impersonal market relations, they enter into market competition with other specialized producers and become individualized enterprises, acquiring, in Weber's words, “absolute economic individualism of the farmer, the quality of the farmer as a mere businessman.”³⁸

As a result of these changes, when the simple commodity producers renew their means of production and subsistence, all of their interactions with other households and other classes are mediated by market relations and based on monetary terms. They become fully integrated into markets for the reproduction of the household. By comparison, subsistence peasant households produce either for self-consumption or for exchange on local markets, where their interactions with customers and the setting of prices are both embedded in the reciprocal, personalized relations of the local rural community. Their reproduction is either through self-provisioning or through localized exchanges with at least some mediation by nonmarket relations.

Operating under these different contexts, subsistence peasants and simple commodity farmers also develop contrasting motivations and behaviors.³⁹ Since their aim is subsistence rather than profit, peasants do not usually respond to changes in market prices by shifting to other products. When prices fall, increased self-exploitation, which results in deteriorating living conditions, is the typical response by subsistence peasants. Without factor mobility of land and labor, peasant households also do not compete with each other as individual, rational enterprises. Instead, they are connected

through communal relations, such as reciprocal sharing of labor during busy seasons, which we frequently observed in the underdeveloped parts of China.

The particular form of peasant production in rural China resembles Friedmann's "independent household production" in which the availability of and access to land allows households to resist commoditization and continue with subsistence production.⁴⁰ As noted earlier, rural China's collective land ownership and HRS entitle peasants to economically inalienable access to farmland. This means that even when they are less productive than other producers, as long as they do not have—or do not choose to pursue—alternative nonfarm employment opportunities, they cannot be forced out of subsistence farming by market competition. Thus, China's land-rights institution and the land entitlement it provides represent what Friedmann calls "institutionally stable reproductive mechanisms" for subsistence peasants, providing them with a modicum of social power.⁴¹

Distributing communal land among numerous households, however, also had its negative effects. First, scale of production was greatly reduced. In many parts of China, especially the more densely populated areas, each household's contracted land barely sufficed to support the subsistence of the household.⁴² Second, rural households were turned into atomized individual actors, each too small, too poor, and too socially powerless to integrate into markets for commercial crops. Without external help, they became risk-averse and adopted a survival-first strategy typical of smallholding subsistence peasants.⁴³ Together, these two forces prevented some peasants, especially those in more remote areas of China, from taking advantage of the new market forces released in rural China. Even though shifting to simple commodity production by growing high-value cash crops may be more profitable, for many of these smallholding peasants, shifting to crops destined for remote markets, which could only be accessed through external intermediaries, was too great a risk to their survival. Thus, despite many changes in rural China, this form of peasant production remains common throughout the country, especially outside wealthier coastal provinces.

Form 1: Commercial Farmer

The next type, *commercial farmers*, are producers in the simple commodity form of production—households that specialize in production for nonlocal markets and whose reproduction is all through commodity relations.⁴⁴ Commercial farming had a long history in rural China, tracing back at least to the late imperial period. After its elimination during the collectivization period, this form reemerged just a few years after reform began, when marketization of agricultural products made it possible for commercial households to sell their crops and buy grain on markets.⁴⁵

As noted earlier, by shifting from subsistence farming to commercial farming, even though production is still organized within the household, the household itself is embedded into a wholly different context and, as a result, develops new motivational and behavioral characteristics. The aim of production shifts from subsistence to profit. Commercial farmers have, to some extent, shaken off traditional risk aversion. Since

they engage in competition with other producers, their survival as profit-seeking enterprises requires their adaptation to changes in relative prices and increases in productivity. Thus, their pursuit of higher productivity tends to raise the aggregate productivity of the agricultural sector.

Mr. Chen, a commercial farmer living in the rural areas of Simao Municipality (now renamed Pu'er Municipality), Yunnan Province, is a typical example. He and his family have shifted from growing corn on his farmland to exclusively growing coffee beans. This shift took several steps. At first, while Chen and his family tended the corn on their own plot, Chen himself worked in an ad hoc manner at Beigui, a local coffee-producing town-and-village enterprise (TVE). There he earned essential cash to supplement subsistence farming and also learned the skill of growing coffee. Soon afterwards, just as Nestlé became active in the area as a buyer of coffee beans, Chen switched from working for Beigui to growing coffee beans on his family's land. Soon the family, like most of its neighbors, switched completely out of growing corn and other grains to growing exclusively coffee beans on its twenty *mu* of land. Then, as now, the family sells exclusively to Nestlé, which has proven to be a dependable buyer, purchasing coffee beans at the international price (some computer-savvy farmers even check the international price on the Internet).⁴⁶

By shifting from subsistence to commercial farming, the Chen family now depends entirely on markets for their reproduction. They sell their products at the international trading price to a multinational corporation, neither of which can be influenced by any local relations. Furthermore, the family's reproduction depends on making a profit in its coffee production, which translates into maintaining a cost of production below the fluctuating and unpredictable international trading price. To do so, Chen invested the capital he accumulated in preliminary processing equipment to shell, clean, dry, and split (and otherwise add value to) coffee beans before delivery. The family also purchased a truck, their second, which they use to deliver the beans to Nestlé's buying station and transport grain, farm inputs, and other needs, which are all purchased on markets. While the fluctuation of coffee prices reportedly has hurt other coffee farmers, partly because of his upgrading, Chen reports that it does not hurt him much and he makes at least some money each year—enough to buy on the open market all the means of subsistence. Chen's coffee shrubs even survived the untimely frost in 1999, which devastated many local coffee farmers. Many commercial farmers responded to such changes by shifting out of the unprofitable coffee production and into the booming market of Pu'er tea (which subsequently faced a nationwide glut in supply and a steep drop in price). Chen's family, however, chose to stay. Now cash from coffee sales allows the family to pay tuition and send their two children to a more prestigious boarding school in the municipal seat.

Few rural families, however, can shift from subsistence to commercial farming on their own. External conditions need to be present to connect producers and products to external markets. Thus, like the Chens, most subsistence peasants require some form of outside impetus to help them learn how to grow new economic crops and provide needed capital. More importantly, these farmers depend on others to provide two conditions:

the infrastructure for transporting the often-bulky products out to markets and market intermediaries that connect distant buyers to the producers. In some cases, when roads (even humble dirt roads) link local areas to marketing towns and beyond, middlemen can come in to purchase commercial crops, inducing households to shift production.

Oftentimes entrepreneurs and companies provide the needed access to skill, capital, and market. In Chen's case for instance, first the Beigui Coffee Company, then Nestlé, acted as the outside stimulus that brought skill, cash, and, most importantly, the stable market that was required for the family's shift into the exclusive commodity production. According to a company representative, Nestlé purchases about one-third of Pu'er's total output of coffee beans, directly from producers like Chen. Nestlé also provides free training to farmers who request it, through both training farmers directly and through training local technicians, with the provision that they subsequently train others in coffee production.

Despite the importance of private enterprises, local governments often play the crucial role in providing the infrastructure and market connection and, thus, shape the growth of commercial farming in an area. This can be seen vividly in many places in rural China. Shouguang County in Shandong Province, for example, has become the largest vegetable production base and vegetable trading center in the country, thanks largely to efforts by local governments. Hundreds of trading companies are now based in Shouguang; hundreds of long-haul trucks depart daily to ship vegetables to every corner of the country. Similarly, in Yunnan Province's Chenggong County, the local government established the largest flower trading and auction market in Asia, which brings in numerous trading firms to buy fresh-cut flowers from local commercial farmers. The government also set up a "green passage," creating designated express lanes on local roads to facilitate the speedy transport of flowers to the international airport in the provincial capital. In cases like these, once governments provide the external conditions, local agriculture usually experiences a wholesale transformation from peasant production to commercial farming and other forms. As a result, development of commercial farming in rural China often shows a pattern of regional specialization and concentration. The locus of competition shifts from among household producers, on the basis of household characteristics, to among producing regions, on the basis of conditions external to households.

Form 2: Entrepreneurial Farmer

When utilized labor and land expands outside household endowments, agriculture producers become *entrepreneurial farmers*. For this to happen, markets for labor and land must develop and commodity relations further penetrate into the renewal of land and labor. With the hiring of nonfamily wage labor, the unit of production transcends the household boundary and increases in scale. Economic, often exploitative, labor relations replace familial, patriarchal relations in organizing labor power in production. The entrepreneurial farmer departs from subsistence peasant in two ways: transcending

the household as the unit of production and integrating commodity relations into all areas of reproduction—including labor and land. Thus, entrepreneurial farming constitutes a capitalist form of production.

For decades, Mr. Hong and his family toiled the ground of Dounan Village, an area of Yunnan Province known for its quality, fresh vegetables. In recent years, Dounan has begun producing vegetables in sufficiently large scale—much of it by commercial farmers—to market to urban areas, bringing newfound prosperity to the area. Hong first gained experience producing vegetables on his family's allocated plot and on his neighbors' plots, where he worked as a temporary hired hand. Soon, he attained sufficient skill and capital to allow the family to increase the scale of production and upgrade to more skill-intensive and valuable varieties of vegetables, such as Italian lettuce. The Hong family began renting land from other households, renting at their peak between ten and twenty *mu* of land closer to Kunming, the provincial capital city. The increased scale of production also compelled the family to hire from the local labor market informal, temporary workers year-round, primarily migrants from poor, remote areas of Yunnan Province. The employment relationship is entirely casual and based on spot transactions, with no contracts, benefits, or protection. Wages are paid in cash after the work is done. The entrepreneurial farmer and the hired farmhands, nevertheless, do develop stable, long-term relationships. Mr. Hong has a group of his regular hires, who have already learned required skills. He sells his produce to wholesalers, who in turn sell to outside, urban markets. This type of production has helped his household (and others like his) attain an annual income exceeding RMB 100,000 (approximately US\$14,600).⁴⁷

The temporary farmhands ready for hire in local labor markets are immigrants from poor regions both within and outside Yunnan. After obtaining the required residents permits, they typically bring their entire families; rent older housing within the village; and send their children to local schools, paying the same tuition as local students. For many of them, aside from the short-term gain of labor wages, there is also a potential long-term gain: learning the skills of growing and selling vegetables commercially, which can allow them to become commercial or even entrepreneurial farmers on their own. For instance, many farmers in surrounding areas were willing to rent out their land to Dounan farmers, like Mr. Hong, and stayed on to work as laborers on their own land. When the five-year rental contract expired, these previously hired hands took back their land and started to farm vegetables on their own, although these tended to be less expensive types of vegetables, such as cabbage.

As the owner of the means and skills of production and with the means to hire outside labor, entrepreneurial farmers like Mr. Hong benefit from expanded production and market participation and, more importantly, extract surplus from hired laborers. They become the dominant actors in this capitalistic employment relationship to such an extent that entrepreneurial farmers, compared to producers in other forms in this typology, are positioned at the height of social power and economic benefit.

Form 3: Contract Farmer

In the previous two forms of nonpeasant production, no corporate actors are involved. Even when labor is commoditized, the hiring of labor is done on an ad hoc basis without establishing long-term, formal employment relationships. Similarly, although production goes beyond the household, it is still not organized in a formal organization structure. Aside from the capitalist production that spontaneously emerges with entrepreneurial farmers, another way to introduce capitalist production into agriculture is through the entry of market-integrated, profit-seeking agribusiness into agricultural production, a trend that the Chinese government has encouraged and supported in recent years.

As a number of scholars have shown, agriculture—as a land-based, seasonal, and natural process of production—poses special obstacles to capital.⁴⁸ In some cases, capital is not able to industrially organize an agricultural production that is more productive than small farmers. Capital often chooses to settle off-farm or near-farm on the agricultural commodity chain and specializes in producing farm inputs and processing farm outputs, while leaving the natural process of agricultural production—often the more risky part in the commodity chain—to small farmers. In other cases, capital manages to industrialize agricultural production and obtain productivity superior to that of small farms. Then it often chooses to directly organize agricultural production to capture surplus generated in that process. Thus, the entry of capital into agriculture takes a variety of forms, ranging from contract farming to independent production. We witness the growth of a variety of these forms of capitalist agricultural production in China's agrarian transition as well.

When agribusiness, for whatever reasons, is unable to industrially organize agricultural production to outperform small farmers, it then has to procure agricultural products from small producers. When these small producers are independent commercial farmers, agribusinesses face the problem of fluctuating supply caused by producers' shifting in and out of a commercial crop, sometimes dramatically, when prices for that crop change. One solution to that problem many companies have adopted is to have a production base that establishes formal contractual relationships with a large number of direct producers, usually in a contiguous area. In the Chinese context, this has been known as some variation of a "company + base + farmers" model.⁴⁹ In this relationship, the company typically provides farmers with raw materials, technology, training, service, and, in many cases, start-up capital. While the households retain control over their land and labor, they sign contracts, which generally lock them into a selling price, with a promise to sell their harvest to the company that established the base. We label this form the *contract farmer*.

One of the many examples that we encountered of this type of production was a Shandong meat-processing company, one of a group of companies that processes chickens for Kentucky Fried Chicken, Wendy's, and other products under the Yum! brand. In addition, this company also has a duck processing plant, as well as two plants for processing microwavable food. Established in 1988, the company now reportedly

directly employs more than eight thousand people and has revenue in excess of RMB 800 million (approximately US\$117 million). The company estimates that about 40 percent of its production comes from bases established through a series of contracts signed directly with approximately ten thousand households in the surrounding areas.⁵⁰ It provides the baby chickens and ducklings, two to three days from hatching, to the participating farmers, as well as feed, medicine, technology, and management advice. The company guarantees a minimum or “protective” price, pays the farmers immediately upon delivery, and has generally established a solid relationship with the farmers over the course of time.⁵¹

Farmers who produce under contract with this firm confirm much of the company’s point of view. For instance, Mr. Zhao’s farmland contains three duck coops and more than eighty-six hundred ducks, which he husbands, selling the full-grown ducks (after forty-six days) back to the company. Through his association with the company, Mr. Zhao reported that he can earn RMB 1,500 each month, or about RMB 18,000 (approximately US\$2,600) annually. However, he argues that the company, because of its size and market position, holds the preponderance of power, which it uses to hold down the purchasing price to RMB 1 for each grown duck. Located in an urbanizing area, Zhao’s family land has shrunk from 1.7 *mu* per capita to about 0.3 *mu*, due to land expropriation by the state. Now, instead of growing grain for subsistence as they had previously, Mr. Zhao and his family dedicate most of their land to raising ducklings, retaining a small plot for growing fruits and vegetables for self-consumption. In fact, given their limited land, animal husbandry through contract farming may be one of a few viable options in the agriculture sector remaining for the Zhao family, as their reduced land size has partially proletarianized them.

Contract farmers bear resemblance to the commercial farmers: households remain the unit of production. They still control the collective land allocated to them, use family labor, grow economic crops for nonlocal markets, transact with outside actors, and depend on markets for their reproduction. In this sense, they can still be considered simple commodity producers. The two differ, however, in two respects. First, households of contract farmers are subsumed under a bigger unit of production—the company—which organizes numerous households into coordinated production and controls the production process, at least indirectly. The contract farmer household is no longer an independent enterprise like a commercial farmer household but becomes a subunit of another enterprise. Second, due to their lack of access to capital, markets, or skill, contract farmers subject themselves to surplus extraction by a more socially powerful economic actor. By providing farmers with the needed capital, inputs, skill, and market access, the corporate actor is able to gain control over the production process and labor products and reduce contract farmers’ negotiating power and profit margin. Contract farmers, on the other hand, only contribute labor and land to the production and are legally bound by contracts to sell his product solely to the company.

Because contract farmers like Mr. Zhao no longer have enough means of production to produce independently, this greater degree of proletarianization weakens their social power vis-à-vis other actors. In comparison, for commercial farmers like the

coffee grower Mr. Chen in Pu'er, their control over means of production affords them the independence and the ability to choose among multiple purchasers of their harvests, enjoy a market-set price for their products, and sell to the highest bidder.⁵² Contract farmers, on the other hand, have to accept a price dictated by the contracting company.⁵³ Although contract farmers like Mr. Zhao are typically better off economically than they were under subsistence farming,⁵⁴ they appear to be not as well off as independent commercial or entrepreneurial farmers.

Form 4: Semiproletarian Farm Worker with Chinese Characteristics

Partly in response to their unfavorable position vis-à-vis the companies, contract farmers have often disregarded contracts and sold their harvest to other purchasers who, without bearing production costs the contracting company incurred, offered higher prices. This has created a prevalent predicament known as the “middleman problem” (also called “side selling”), referring to itinerant middlemen who secretly purchase products from companies’ production bases. In other cases, according to one report, contract farmers tried to deflate costs by cutting corners in the production process, resulting in product defects.⁵⁵

From a contracting company’s perspective, one long-term solution to this middleman problem may come from gaining greater control over the growing and harvesting process and changing farmers’ incentive structure. Or, companies may find directly organizing agricultural production more profitable than contracting out. For either purpose, agribusiness firms can establish production bases by renting land from the legal owners of the land, the village. Under this arrangement, some rural households still work on the piece of household land originally allocated to them by the collective, although now rented to the company base, growing whatever the company assigns them to grow. In other cases, land is consolidated and household boundaries erased; farmers simply work for the company on company land. Even when farmers continue to work on the allocated household land, a profound change has occurred: they are now only providing labor in the production process, while the company controls land-use rights and the right to dispose of harvest from the land. Through this process, they become *semiproletarian farm workers with Chinese characteristics*.

We add the appendage “with Chinese characteristics” because without China’s unique institution of collective land ownership and individualized land-use rights, this form might not have emerged. The companies that form the base typically establish the contractual relationship with the village collective authorities, not with the individual farmer, as is the case with the contract farmers, because negotiating individually with farmers incurs a high transaction cost and does not guarantee contiguity in rented land. Because the collective land ownership restricts village authorities from disenfranchising rural residents from their land, it also restricts companies from denying rural residents jobs on company production bases. Without such a restriction, an enclosure movement led by these companies could easily have forced many off their land and into the army of proletarianized labor. In this way, farmers become

semiproletarian, in that they still have an entitlement to collective land (and in fact often receive rent from the company). Yet they simultaneously must sell their labor to the company for wages. In a sense, these farmers trade their entitlement to land-use rights for entitlement to company jobs. They “own” (or have a right to) their jobs in a way unlike proletarianized workers.

Shandong’s Yuhua Date Company, which started as a TVE, was subsequently sold to a private company. In 1987, the enterprise began growing dates in bulk, exporting them to outside markets. About one-third of their production takes the form discussed above: the company leases farmers’ land for thirty years from the village collective and hires village residents to grow, manage, and harvest date trees. Farm workers are paid individual wages, based on the acreage of trees they tend. Yuhua does not pay farm workers for the dates they harvest, arguing that the company owns the harvest, while workers’ labor has already been compensated in wages. Through a team of foremen and managers in a hierarchical organizational structure, Yuhua controls and manages the land it rents and closely supervises the farm workers it hires. As a result, it reportedly has little problem with farmers selling their produce to middlemen, which is deemed to be theft of company assets.

In this and other examples, we observed that rural households do benefit economically from this type of arrangement. But the social power of the farmer is among the lowest compared to the previous forms.⁵⁶ Compared to contract farmers, these semiproletarian farm workers relinquish control over all means of production (although they often receive rent for their allocated land rights), enter into labor-selling employment relationships with the company, and are subjected to direct company control in the production process. As a result of their semiproletarianization, they lose any claim over the harvest and only receive wages for their labor time. The contract farmers, in comparison, at least retain autonomy during the production process.

When rural residents lack capital and know-how, they will often benefit financially by making these sorts of arrangements. In the case of the company, this form allows access to more farmland, enhances their control over the production process, and helps to overcome the middleman problem.⁵⁷ However, in this form, due to the entitlement farm workers enjoy and companies’ incomplete control over means of production, companies are restricted in their ability to discipline labor, suppress wages, and extract surplus. Furthermore, because companies enter transactions with entire villages, the village authorities, acting as the collective owners of land, can engage in collective bargaining with companies and obtain higher rents or wages. To address these limitations, companies have found other ways to obtain even greater control over their employees, the production process, and the harvest.

Form 5: Semiproletarian Farm Worker

Under this form, the company owns or otherwise controls the land of its production bases and hires rural workers. The farm workers, who migrate to the company’s production base, still possesses use rights over their own land, granted by China’s dual-track land

system, but their land is elsewhere; it could be farmed by family members for subsistence or rented out to relatives, neighbors, or entrepreneurs. Hence, the laborers are classified as *semiproletarian farm workers*: they sell labor for wages yet still retain access to some means of production, although not directly used.

The Dahongpo Coffee Plantation in western Yunnan Province controls a base of some seven thousand *mu*, of which forty-five hundred are currently cultivated with coffee plants. For its base, the company leases land that was previously classified as undeveloped land, mostly on mountain slopes, with long-term leases that expire in 2030. The company received capital support from the Bank of Agriculture and an earmarked World Bank loan to invest in infrastructure. The local government was also involved in the early years in attracting poor peasants to migrate to the base to grow coffee.

The company tightly controls the entire process of growing and harvesting. Like most others of its kind, this company provides land, training, fertilizer, pesticides, seeds, and other inputs. The company has a hierarchical organizational structure in place to supervise farm workers. The workforce of more than six hundred farm workers (in 168 farming households) are divided into four teams, each managed by a group of full-time supervisors and technicians. In total, the company employs fifteen full-time managerial staff. The company passes down orders through this hierarchy to farm workers on every production procedure, ranging from when to apply fertilizer and pesticide to when to start harvesting. Materials such as seeds, fertilizers, and pesticides are also distributed from the company, through the teams and down to each worker family.

The company establishes a production quota for each *mu* of land and splits with farm workers the within-quota harvest on a 6:4 ratio. All of the sales from above-quota harvest belong to the farm workers. Company representatives acknowledge that the harvest belongs to the company but argue that the company chooses to give workers a share in the harvest, in lieu of wages, to attract workers. The company's control of land and its close monitoring of the entire production process reduce the flexibility of farm workers here in comparison to the contract farmers who work on their own land. Farm workers have great difficulties in "stealing" the harvest and selling it to middlemen for higher prices, as the company can relatively easily monitor this. Workers also face dire consequences, including expulsion from the farm, if caught. Furthermore, these farm workers enter employment with the company individually. Compared to farm workers in form 4, they have no organizational or material bases to engage in collective bargaining with the company.

This company leaves the impression of being a benevolent employer. Not only does it give farm workers a generous cut in the proceeds from the harvest, but it has also provided land for migrant farm workers to build their own housing (this is also out of necessity, so that workers can live near the fields and tend the crops more closely). The easy availability of undeveloped land in the area and the relatively tight labor supply means that the company has to offer better terms to attract migrant laborers, whose access to entitled collective land at home may also serve to strengthen their bargaining

power. Many companies that operate production bases in this form are constrained in a similar way: the large areas of land they can gain control of are rarely prime farmland but reclaimed land of various sorts, located in remote areas, another legacy of China's collective land system. During interviews, company representatives repeatedly stressed that if they had had access to better farmland not burdened with a population of entitled villagers, they would not have bothered with the undeveloped land they currently used. When facing the choice of renting collectively owned land and then hiring villagers versus opening up undeveloped land and hiring migrant laborers, many companies embraced the latter for the greater control over labor it provided them. From the farm worker's point of view, however, while the company provides job opportunities that would not otherwise exist, their social power is quite constrained, resting in the form of an escape clause: the land back home that the workers retain.

Form 6: Proletarian Farm Worker

A final form emerging in China, the *proletarian farm worker*, is similar to the previous type, except that, being landless laborers without major viable alternative livelihoods, these farm workers are even less socially powerful. Sometimes these are laborers whose land has been expropriated, but more typically, the hiring company compels the workers to abandon their land-use rights back home. For instance, the previously mentioned Beigui Coffee Company started off in the 1980s as a TVE in Yunnan's Pu'er Municipality. It re-formed to become a shareholding company in 1998, with the local Supply and Sales Cooperative, a government agency, holding the majority stake and workers each holding shares. Of the ten-thousand-*mu* base that the company controls, half is rented from farmers and half was previously classified as undeveloped land that the company leased long-term (fifty years) from the village collective. The operation involves two thousand farmers, most of whom are stable farm workers who moved their entire families from poor areas, primarily Zhaotong Municipality in north-eastern Yunnan, one of China's poorest regions.

Unlike the previous forms, the company encourages peasants to give up their land rights in their home villages and to obtain a local permanent-resident permit, which does not grant them any entitlement to collective land. In a sense, these relocated migrant workers become second-class citizens in their adopted villages. They are members of the villages, their children can go to local schools, and they have the same formal political rights as locals, but they do not have access to collectively owned land. This arrangement completes the proletarianization of the farm workers, rendering them closely dependent on the company. Workers can earn income from three sources: First, for each *mu* of coffee shrubs under their cultivation, they earn a labor wage of RMB 15; second, as a bonus to give workers more incentive, the company pays a weight-based purchasing fee for the coffee beans workers yield; and third, workers can earn a picking fee during peak harvesting season if the company has need. Like Dahongpo, at Beigui, the company also takes total control over the production process. Given the larger size of Beigui (two thousand workers in 600 households,

compared to six hundred workers in 168 households at Dahongpo), the company organizes production in a three-tiered hierarchy: company-farms-teams. While team leaders are selected from farm workers, the managers at the farm level are full-time employees of the company. Overall, more than thirty salaried staff supervise the company, managing the production process in a top-down manner.

The company argues that the farm workers are far better off than they were as a result. Given that these farmers had been subsistence peasants from extremely poor areas who migrated to Pu'er voluntarily, that is likely to be true. The company estimates farm workers earn between RMB 20-30,000 (US\$2,900-4,400) per household, which is far higher than the net rural income of any county in Zhaotong. While these poor farm workers likely benefit financially to some degree and even emerge from poverty, in terms of political and social power, they are the weakest among the forms we have highlighted. Land can act as a type of insurance on which poor farmers can often fall back as they migrate or take other risks to improve their livelihoods.⁵⁸ The fact that Beigui requires its workers to switch their household registrations, in effect giving up their rights to land, makes them unusually dependent on the company and base. The company's need to attract workers serves as the primary barrier limiting the extent to which it can exploit this dependence.

In this and the two preceding forms, where agribusiness directly organizes agricultural production, one sees several similarities. The rural household is dissolved as the unit of production, as labor is now organized on a much larger scale industrially, with the help of hierarchical organizations. Direct producers are all proletarianized to the degree that they only contribute labor to the production process. The commoditization of labor also replaces the patriarchal relations within families with exploitative relations between labor and capital. Labor-saving and productivity-enhancing technologies are also more common in these three forms. For instance, in addition to advanced pesticide and seed varieties designed to increase productivity, large-scale irrigation systems are spread throughout these farms—an undertaking beyond the means of small producers in China. In other parts of the region, agribusinesses have utilized biotechnologies in selecting seeds and breeding hybrids, as well as advanced greenhouses in cultivation. Aside from these technologies, division of labor and bureaucratic supervision have also been added and refined to maximize labor efficiency and production quality. All these measures help agribusiness to organize agricultural production processes that achieve productivity that is superior to that of small farmers, making it profitable for agribusiness to directly engage in agricultural production.

Conclusion

Rapid development of land, labor, and capital markets in rural China has triggered fundamental changes in how these factors of production are controlled and used and how agricultural production is organized. Well-developed markets for agricultural products allow some rural households to shift from producing subsistence staples to

economic crops, base their livelihood entirely on commercial exchanges, and become commercial farmers. Labor and land markets, on the other hand, allow both entrepreneurial individuals and corporate actors to expand agricultural production beyond the traditional household-based smallholdings and enter into new employment and authority relations with direct producers.⁵⁹

We hypothesized that introduction of these capitalist forms and relations of production would lead to the differentiation of the Chinese peasantry along two directions: maintaining the household as unit of production but commoditizing its reproduction or commoditizing labor and organizing labor beyond the household into production. Our empirical analysis shows that the hypothesized peasant differentiation is indeed well under way in rural China. Through entering six different forms of nonpeasant production, former peasants are differentiating into a variety of new class positions. While national data are not yet available on how widespread these forms are, our observations from two geographically and economically contrasting provinces and numerous reports in Chinese media and research publications suggest that these processes of agrarian transition and peasant differentiation are progressing nationwide.⁶⁰ The central government's announcement in 2008 that it would further spur the development of rural land markets and scaled-up agriculture will add more fuel to this fire.

The differentiation of Chinese peasants raises another question: for agricultural producers now working in capitalist agriculture, how do their socioeconomic statuses vary? While quantitative confirmation awaits more comprehensive data, our findings point to a general pattern: the rise of market situations in determining socioeconomic status in China's rural stratification structure. All producers in the nonpeasant forms of production differ from peasants in one aspect: their reproduction is fully integrated into markets and based on commodity relations. As such, their socioeconomic statuses are determined by their positions in markets, especially in land and labor markets. More specifically, varying degrees of proletarianization of direct producers are associated with their diverging socioeconomic situations and their social power vis-à-vis other economic actors.

The labor-hiring and land-renting entrepreneurial farmers are clearly the best off. Not only have they expanded the scale of production, but more importantly, they occupy superior positions in authority relations, have greater social power, and can appropriate the labor surplus of the workers they hire. Commercial farmers' control over means of production allows them to produce independently and enjoy the full benefits of commercialized production. Contract farmers, in comparison, are partially proletarianized and have to rely on inputs from capital owners to engage in commercial production. Even the autonomy they seem to enjoy in the production process is more apparent than real, as households become subunits organized by companies and production processes are dictated from without. Many producers are proletarianized to even greater degrees, due to a variety of reasons, ranging from total loss of land to unproductive or insufficient land. With relatively little social power, these producers enter into much more precarious positions in capitalist agriculture. They are dominated in authority relations, have little autonomy in the production process, and only

receive wages for their labor. Among these farm workers, we still find nuanced differences in their degree of proletarianization. The semiproletarian farm workers in form 4, thanks to the land rights they rented to the companies, enjoy an entitlement to their jobs; the proletarian farm workers in form 6, on the other hand, are totally dependent on their employers, not only for their jobs but also for residential statuses. In sum, we propose that under the scope conditions of participation in nonpeasant forms of agriculture, the stratification of agricultural producers in rural China is primarily determined by their market positions (and less by demographic patterns or political power). More specifically, we suggest that the increasing proletarianization of direct producers tends to weaken their social power and economic benefits.

Our findings also highlight the importance of specific local social institutions in mediating the confrontation between capitalism and agriculture in rural China. As land is the most important means of production in agriculture, the institution that determines the distribution of land rights—in rural China's case, collective ownership and individualized use rights—constrains the form and extent of capitalism's penetration into agriculture, as well as the proletarianization of direct producers.

Through the discussion above, we can see that differences across labor regimes in the six forms can largely be attributed to the way in which rural producers maintain their access to collective land and bring that into the production process. The entitlement-based land rights, on one hand, allow subsistence peasants to reject commoditization and resist capitalism; on the other hand, these rights also provide a base for commercial farmers—and contract farmers to a much less degree—to continue independent household production. Even when land rights are controlled by agribusiness, as in forms 4 and 5, laborers' entitlement still provides them some leverage and protection.

In sum, rural China's land system constrains capital's tendency to proletarianize direct producers and acts as a unique social condition that shapes the spread of capitalism in Chinese agriculture. On the basis of these observations, we venture to argue that by offering varying degrees of protection to producers against the domination, exploitation, and dispossession by capital, rural China's entitlement-based land system augments the social power of direct producers, weakens the disruptive effects of capitalism, and, thus, reduces direct producers' resistance to capitalism. However, from many agribusinesses' perspective, this institution is an obstacle to growth. Nearly all of the companies we interviewed expressed a desire to expand their production bases but found the primary barrier to be want of land—or, put in another way, the difficulty in wresting control over collective land from rural households. In fact, many companies and entrepreneurs that established bases have been compelled to do so often on previously unproductive land that they themselves develop as farmland. Instead of using land that is currently being farmed by peasants and farmers, some companies in Yunnan have even chosen to venture into Laos, Vietnam, and Myanmar to acquire land and expand production.

Discussion **[AQ: 1]**

In this study, we have focused on analyzing how the introduction of capitalist forms and relations of production into Chinese agriculture transforms rural social structure.

It is important to note, however, that we agree with critics of the Marxist tradition of agrarian studies that capitalist relations of production are not the only forces shaping rural social structure. The industrialization of the natural process of agriculture, for example, can also change social structure⁶¹—and has been carried out under socialism. We also acknowledge that agriculture poses special obstacles to the penetration of capitalism and reject the teleological assumption in some Marxist—especially Leninist—agrarian studies that sees growth of capitalism in agriculture as a natural tendency and the resulting differentiation and eventual dissolution of the peasantry as a predetermined outcome. In fact, we stress how rural China's land-rights institutions act as a unique constraint on the penetration of capitalism. We do, however, argue that capitalism nevertheless remains a powerful force in shaping rural social structures and will transform many agricultural producers from peasants to new class positions as shaped by capitalist labor relations.

We documented various nonpeasant forms of production that have emerged in China's agrarian transition. To some extent, the emergence of these forms is sparked through the experimentation of various actors. For instance, agribusiness firms have attempted various arrangements in a bid to find one that better fits their interests. To a more limited extent, direct producers, through trial and error as opportunities emerge, enter and exit different forms, seeking to enhance their incomes. Similarly, local governments, sometimes acting as facilitators but other times acting more directly as entrepreneurs, have encouraged the development of capitalist production. This study, however, does not engage in a systematic investigation on what factors determine the emergence and dominance of one form in an area as opposed to other possible alternatives, although we suggested some tentative hypotheses. This question awaits future research.

This study also has implications for the debate on land privatization in China. Our findings suggest that the collective land ownership in rural China—despite well-publicized and very real land grabs, both legal and illegal—has allowed the rise of agrarian capitalism in China to proceed without the mass displacement of peasants that has occurred in some other countries. Under private land ownership, however, companies (or individual entrepreneurs) can acquire land without having to absorb labor previously attached to it. Companies can then replace labor either through mechanization where possible or, in the case of labor-intensive crops, by hiring landless laborers. Either way, labor wage will be further suppressed and surplus extraction will intensify. Against the social power of more organized and resourceful forces with designs on scarce land and cheap labor, disorganized and poor peasants have few weapons with which to resist. The collective ownership of land, however, gives producers an imperfect, yet significant, modicum of power over a scarce resource—land—with which to bargain with these more powerful forces, much to the benefit of China. At the same time, endowing the farmers with these rights has not prevented the scaling up of production that is the goal of China's government.⁶² In fact, the scales of production in these newly emerged capitalist forms are generally larger than those under both the land-reform period and the HRS. In each of the forms 3 to 6, for example, production has exceeded the household scale, with some plantations we visited reaching ten thousand *mu*. In contrast, under the Land Reform and HRS, production was carried out on

the household scale, which translated to less than one single *mu* in densely populated parts of China.

Our study, however, also shows that increasing the scale of production and subordinating direct producers to agribusinesses does not need to be the only way to modernize China's agriculture and improve rural lives. On this point, this study reinforces Philip Huang's recent argument about the viability of household-based, smallholding agriculture in China, at least for the foreseeable future.⁶³ Huang derives his argument from macro-level trends in the changing rural demography and national dietary patterns. He argues that the declining agricultural labor force—thanks to rural-to-urban migration and declining birth rates and the increasing dietary demand for animal-based foods, fruits, and vegetables—will reverse the long-existing trend of agricultural involution among China's smallholding agriculturalists. This will allow them to employ more fully their family labor and produce higher-value cash crops, resulting in rising per capita productivity and income. Our findings in this study contribute by supplying the micro-level mechanisms through which small household producers make the transition from involuntarily subsistence farming to developmental commercial farming. Expansion of capitalism into China's agriculture not only has failed to end smallholding household production, it in fact has offered opportunities for commercialized small family farms to remain viable and benefit from market growth.

After millennia of organized agricultural production, more than half a century after the Communist Revolution in China, and decades after the establishment of the HRS, the phenomenon described here, we believe, represents the start of a new phase of social change in rural China—the transition to agrarian capitalism—which also ushers in the differentiation of the Chinese peasantry. This change will have profound impact on rural Chinese society and needs to be considered in future studies of rural China.

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Notes

1. Philip C. C. Huang, *The Peasant Family and Rural Development in the Yangzi Delta, 1350-1988* (Stanford, CA: Stanford University Press, 1990).

2. One *mu* is approximately one-sixth of an acre (0.1647 acres).
3. Henry Bernstein and Terence J. Byres, "From Peasant Studies to Agrarian Change," *Journal of Agrarian Change* 1, no. 1 (2001): 1–56. At times scholars' objections to the term "peasant" appear to be no more than either knee-jerk reaction, as when authors use the term interchangeably with "farmers" without defining and differentiating between the two concepts—Robert F. Ash, "The Peasant and the State," *China Quarterly* 127 (1991): 493–526—or eschew the use of the term because of its derogatory connotations, without considering the analytical purchase it provides—Kate Xiao Zhou, *How the Farmers Changed China: Power of the People* (Boulder, CO: Westview, 1996). Despite this, many more considered objections to the term are not easily dismissed.
4. Henry Bernstein, "Concepts for the Analysis of Contemporary Peasantries," *Journal of Peasant Studies* 6 (1979): 421–44.
5. Harriet Friedmann, "Household Productions and the National Economy: Concepts for the Analysis of Agrarian Formations," *Journal of Peasant Studies* 7 (1980): 160.
6. *Ibid.*, 163.
7. Teodor Shanin, "Peasantry: A Delineation of Concept and a Field of Study," *European Journal of Sociology* 12 (1971): 289–300.
8. We are aware that Friedmann also advocates for the replacement of the term "peasant" with new concepts that are based on specified forms of production. However, what she considers the weakness of the term "peasant"—being *negatively* defined as resisting commoditization and rejecting market integration—precisely identifies the point of departure for the transition that this study focuses on. On the other hand, to parse out different forms of production that exist among peasants and then formulate new concepts to replace "peasant" is not the goal of this study.
9. Without detouring into the details, we note that Friedmann's definition and use of the term "simple commodity production" (Friedmann, "Household Productions and the National Economy") differs from that of other authors—Judith Ennew, Paul Hirst, and Keith Tribe, "'Peasantry' as an Economic Category," *Journal of Peasant Studies* 4 (1977): 295–322; and Bernstein, "Concepts for the Analysis of Contemporary Peasantries"—who equate peasants with simple commodity producers and argue for the replacement of term "peasants" with the concept "simple commodity producers."
10. Friedmann, "Household Productions and the National Economy." There is a third direction of transformation, albeit not into a capitalist but a socialist form of production: households dissolve as units of production, yet the noncommoditized reproduction remains. This happened in China under socialist collectivized agriculture, as will be discussed shortly.
11. Henry Bernstein, "Agrarian Questions Then and Now," *Journal of Peasant Studies* 24 (1996): 22–59.
12. Huang, *The Peasant Family and Rural Development*. Naturally, in rural China, just like in other rural societies, a diversity of forms of production and classes of producers existed historically. In the late imperial and republican periods in particular, commoditization in agriculture progressed to a relatively high degree in some pockets of the country. However, it suffices to say that the household-based, noncommoditized peasant production remained the most prevalent form, and peasantry remained the dominant class among agricultural

- producers. Furthermore, precedents of de-peasantization were both geographically isolated and historically truncated.
13. Chris Bramall and Marion E. Jones, "The Fate of the Chinese Peasantry since 1978," in *Disappearing Peasantries? Rural Labour in Africa, Asia and Latin America*, ed. D. Bryceson, C. Kay, and J. Mooji (London, UK: Intermediate Technologies Publications, 2000).
 14. Vivienne Shue, *Peasant China in Transition: The Dynamics of Development toward Socialism, 1949-1956* (Berkeley: University of California Press, 1980).
 15. The smallholding peasant economy, after all, was considered by Lenin as "engender(ing) capitalism and the bourgeoisie continuously, daily, hourly, spontaneously, and on a mass scale." Daniel Kelliher, "Chinese Communist Political Theory and the Rediscovery of the Peasantry," *Modern China* 20, no. 4 (1994): 387–415. The distrust of peasants' political "dual nature" ran through generations of Communist thinkers and leaders.
 16. Friedmann, "Household Productions and the National Economy," 163.
 17. Edward Friedman, Paul G. Pickowicz, and Mark Selden, *Chinese Village, Socialist State* (New Haven, CT: Yale University Press, 1991).
 18. Bramall and Jones, "Fate of the Chinese Peasantry since 1978."
 19. Shanin, "Peasantry," 3.
 20. Bramall and Jones, "Fate of the Chinese Peasantry since 1978."
 21. Scott Waldron, Colin Brown, and John Longworth, "State Sector Reform and Agriculture in China," *China Quarterly* 186 (2006): 277–94.
 22. See, for instance, William H. Hinton, *The Privatization of China: The Great Reversal* (London, UK: Earthscan, 1991); Xiaoyuan Dong, "Two-Tier Land Tenure System and Sustained Economic Growth in Post-1978 Rural China," *World Development* 24, no. 5 (1996): 915–28; Loren Brandt et al., [AQ: 4] "Land Rights in Rural China: Facts, Fictions and Issues," *China Journal* 47 (2002): 67–97; and Chris Bramall, "Chinese Land Reform in Long-Run Perspective and in the Wider East Asian Context," *Journal of Agrarian Change* 4 (2004): 107–41.
 23. Bramall, "Chinese Land Reform." However, whether land consolidation leads to productivity gains is debated. If farm size increases, but not to the extent of allowing mechanization and is not associated with increased labor input, land productivity may decline due to reduced per unit labor input and a lower intensity of land use. Land consolidation has to be carried out in certain ways, such as moving land to more efficient users, to increase productivity. Forrest Q. Zhang, "Retreat from Equality or Advance toward Efficiency? Land Markets and Inequality in Rural Zhejiang," *China Quarterly* 195 (2008): 535–57.
 24. Waldron, Brown, and Longworth, "State Sector Reform and Agriculture in China."
 25. Alan De Brauw, et al., [AQ: 5] "The Evolution of China's Rural Labor Markets During the Reforms," *Journal of Comparative Economics* 30, no. 2 (2002): 329–53.
 26. Bryan Lohmar, Scott Rozelle, and Changbao Zhao, "The Rise of Rural-to-Rural Labor Markets in China," *Asian Geographer* 20, no. 1–2 (2001). [AQ: 6]
 27. Ling Zhu, Zhongyi Jiang, and Joachim von Braun, *Credit System for the Rural Poor in China* (New York, NY: Nova Science, 1997); and Linxiu Zhang, Jikun Huang, and Scott Rozelle, "China's War on Poverty: Assessing Targeting and the Growth Impacts of

- Poverty Programs,” *Journal of Chinese Economics and Business Studies* 1, no. 3 (2003): 301–17.
28. Kellee S. Tsai, *Back-Alley Banking: Private Entrepreneurs in China* (Ithaca, NY: Cornell University Press, 2002).
 29. Brandt et al., “Land Rights in Rural China.”
 30. We hasten to add that expropriation of farmland by state agencies is possible and has happened so frequently that it has become a major source of contention in rural China. Xiaolin Guo, “Land Expropriation and Rural Conflicts in China,” *China Quarterly* 166 (2001): 422–39. This kind of land grab, however, can only happen with the use of the state’s coercive power and mostly for nonagricultural uses of the land. Private actors, no matter how economically powerful, cannot deprive agricultural producers of their land and then use that land for agriculture.
 31. Forrest Q. Zhang, Qingguo Ma, and Xu Xu, “Development of Land Rental Markets in Rural Zhejiang: Growth of Off-Farm Jobs and Institution Building,” *China Quarterly* 180 (2004): 1040–62; James K. S. Kung, “Off-Farm Labor Markets and the Emergence of Land Rental Markets in Rural China,” *Journal of Comparative Economics* 30, no. 2 (2002): 395–414; Brandt et al., “Land Rights in Rural China”; and Scott Rozelle, Jikun Huang, and Keijiro Otsuka, “The Engines of a Viable Agriculture: Advances in Biotechnology, Market Accessibility and Land Rentals in Rural China,” *China Journal* 53 (2005): 82–111.
 32. Jonathan Unger, “The Decollectivization of the Chinese Countryside: A Survey of Twenty-Eight Villages,” *Pacific Affairs* 58, no. 4 (1985–1986): 585–606; Fengqin Liu, “Buwanquan Heyue Yu Luyue Zhang’ ai: Yi Dingdan Nongye Weili” [Incomplete Contracts and Obstacles to Contract Enforcement: The Example of Contract Farming], *Jingji Yanjiu* [Economic Research] 4 (2003): 1–22; and Hongdong Guo, Robert W. Jolly, and Jianhua Zhu, “Contract Farming in China: Perspectives of Farm Households and Agribusiness Firms,” *Comparative Economic Studies* 49 (2007): 285–312.
 33. This is likely because these researchers’ instruments do not detect the increasing numbers of commercial and entrepreneurial farmers in China. Honglin Wang et al., **【AQ: 7】** “Producing and Procuring Horticultural Crops with Chinese Characteristics: The Case of Northern China,” *World Development* 37, no. 11 (2009): 1791–1801.
 34. Alain De Janvry, *The Agrarian Question and Reformism in Latin America* (Baltimore, MD: Johns Hopkins University, 1981).
 35. Friedmann, “Household Productions and the National Economy,” 166.
 36. *Ibid.*, 163.
 37. Some households may choose to specialize in producing staple grains for nonlocal markets. But to do that, they must produce in large enough quantities to be worthwhile, which, in China’s context, would require them to expand with more land and labor beyond the household endowments and through market transactions.
 38. Max Weber, “Capitalism and Rural Society in Germany,” in *From Max Weber*, ed. H. H. Gerth and C. W. Mills (New York, NY: Oxford University Press, 1958), 363.

39. Eric R. Wolf, *Peasants* (Englewood Cliffs, NJ: Prentice Hall, 1966); Teodor Shanin, "The Nature and Logic of the Peasant Economy, II," *Journal of Peasant Studies* 1 (1974): 186–206; and Bernstein, "Concepts for the Analysis of Contemporary Peasantries."
40. Friedmann, "Household Productions and the National Economy," 176.
41. *Ibid.*, 163.
42. Other factors such as population growth have also created insufficiency of land for subsistence in some parts of China. As a result, some members of rural households become proletarianized and have to sell their labor for wage employment—sometimes in agriculture, thus becoming other forms of producers.
43. James C. Scott, *The Moral Economy of the Peasant: Rebellion and Subsistence in Southeast Asia* (New Haven, CT: Yale University Press, 1976).
44. In the remainder of the article, we use "commercial farming" and "simple commodity production" interchangeably.
45. Huang, *The Peasant Family and Rural Development*; and William L. Parish, *Chinese Rural Development: The Great Transformation* (Armonk, NY: M. E. Sharpe, 1985).
46. The purchased coffee beans are processed in Nestlé's factory in Dongguan Municipality in Guangdong Province, where instant coffee is produced for China's swelling legion of coffee drinkers.
47. Hong's family income is many times larger than the average annual net per capita rural income in 2007 for Yunnan (RMB 2,250) and China (RMB 3,587). The exchange rate is based on US\$1 = RMB 6.837, the prevailing rate in June 2009.
48. Karl Kautsky, *The Agrarian Question* (Winchester, MA: Zwan, 1899/1988); Susan A. Mann and James M. Dickinson, "Obstacles to the Development of Capitalist Agriculture," *Journal of Peasant Studies* 5 (1978): 466–81; Harriet Friedmann, "World Markets, State and Family Farm: Social Bases of Household Production in the Era of Wage Labor," *Comparative Studies in Society and History* 20 (1978): 545–86; and David Goodman, Bernardo Sorj, and John Wilkinson, *From Farming to Biotechnology: A Theory of Agro-Industrial Development* (Oxford, UK: Basil Blackwell, 1987).
49. See, for example, Liu, "Buwantuan Heyue"; Kaiwen Feng, "Cunmin Zizhi, Hezuoshe He Nongye Chanyehua Jingying Zhidu De Xietiao Yanjing: Laizi Shangdong Yantai De Diaocha Baogao" [Co-evolution of Rural Self-Governance, Cooperatives and the Institution of Industrialized Agricultural Production: A Survey Report from Yantai, Shandong], *Chinese Rural Economy* 2 (2003): 45–50; Dinghuan Hu et al., **[AQ: 8]** "The Emergence of Supermarkets with Chinese Characteristics: Challenges and Opportunities for China's Agricultural Development," *Development Policy Review* 22, no. 2 (2004): 557–86; and Guo, Jolly, and Zhu, "Contract Farming in China."
50. A further 40 to 50 percent of their production comes from a more formal contract with village governments, form 4 in our typology. Thus, this case, as with many others, produces through multiple forms.
51. A majority of contract farmers surveyed cited the guaranteed price as the main reason why they entered such agreements, according to a recent survey. Sachiko Miyata, Nicholas Minot, and Dinghuan Hu, "Impact of Contract Farming on Income: Linking Small Farmers, Packers, and Supermarkets in China," *World Development* 37, no. 11 (2009): 1781–90.

52. This is consistent with recent research that concludes that small farmers generally can benefit from participation in modern agriculture, but mainly when they dominate the production mix and participate as producers. See Thomas Reardon et al., [AQ: 9] “Agrifood Industry Transformation and Small Farmers in Developing Countries,” *World Development* 37, no. 11 (2009): 1717–26.
53. Theoretically, contract farmers can enjoy one advantage: they can shield themselves from market risks by obtaining from the company a protecting, floor price for their products. In our fieldwork, we routinely found that farmers, sometimes even the local governments, try to secure protection prices from the contracting company, often to no avail. Even when a protecting price is put in contract, it often does not materialize into real protection. Mr. Zhao told us, for example, that when market price dropped below the protecting price on contract, the company would simply raise prices of inputs sold to farmers to offset the difference.
54. Miyata, Minot, and Hu, “Impact of Contract Farming on Income.”
55. Ibid.; and Hongbin Li, “Zai Nongye Chanyehua Fazhan Zhong Peiyu He Tigao Nongmin Zuzhihua Chengdu Yanjiu” [A Study on Nurturing and Strengthening the Organization of Farmers through Developing Agricultural Vertical Integration], *Nongye Jingji Wenti* [Issues in Agricultural Economy] 1 (2008): 99–102.
56. Similarly, one recent study also concludes that farmers’ bargaining power tends to be considerably lower, in part because of the detailed contracts that constrain the scope for bargaining and the village collectives’ role as brokers. Randy Stringer, Naiquan San, and Andre Croppenstedt, “Producers, Processors, and Procurement Decisions: The Case of Vegetable Supply Chains in China,” *World Development* 37, no. 11 (2009): 1773–80.
57. For instance, one study of vegetable production in China finds that companies prefer to this form for the “most pesticide sensitive, high value vegetables.” Ibid.
58. Dong, “Two-Tier Land Tenure System.”
59. Another type of actor often found active in China’s agricultural modernization is the agricultural cooperative, organized mainly on a voluntary basis by groups of farmers or one or more village collectives. These cooperatives, which reemerged in the late 1980s and increased steadily to more than 150,000 nationwide by the middle of the current decade, can be structured in different forms. Yamei Hu et al., [AQ: 10] “Organization and Strategy of Farmer Specialized Cooperatives in China” (Rotterdam, the Netherlands: Erasmus Research Institute of Management, 2005); and Feifei Zhang, Guoxia Wang, and Jianming Cai, “Different Types of Agricultural Cooperatives with Periurban Farmers in China: Two Cases,” *UA-Magazine* 17 (2007): 35–37. The great variety among cooperatives precludes attempts to categorize them into their own type. Many cooperatives appear to be no more than variations of other forms described in this article. For example, when a group of households form a cooperative in a bottom-up manner and pool their resources to expand production through renting more land and hiring labor, these producers are essentially entrepreneurial farmers. On the other hand, the top-down cooperatives in which residents within the cooperative hold land-usage rights, but the land and production are managed in a hierarchical manner, can be considered as a variant of form 4, the semiproletarian farm workers with Chinese characteristics.

60. An exception to this can be found in Wang et al., "Producing and Procuring Horticultural Crops with Chinese Characteristics." These authors' survey of Beijing and Shandong surprisingly find no incidence of contract farming. However, their measures apparently do not allow them to detect commercial or entrepreneurial farmers, which our fieldwork revealed were common forms among the vegetable farmers we interviewed in Shandong. If they had, the study would likely have revealed that the changes in the retail system had indeed sparked important changes affecting the relative power of the producers they surveyed vis-à-vis agribusiness and other actors.
61. Goodman, Sorj, and Wilkinson, *From Farming to Biotechnology*.
62. Recent studies have also cited poor farmers' access to land under current institutional arrangements as one reason why poorer, smaller farmers have gained from changes in food retailing. Wang et al., "Producing and Procuring Horticultural Crops with Chinese Characteristics." Less than formal property rights have also benefited small producers in other contexts. In Romania, for example, small-scale farmers fought against the privatization of "communal property," in this case a granary that had previously been part of the village's collective farm under the previous communist regime. Katherine Verdery, "Fuzzy Property: Rights, Power, and Identity in Transylvania's Decollectivization," in *Uncertain Transition: Ethnographies of Change in the Postsocialist World*, ed. Michael Burawoy and Katherine Verdery (Lanham, MD: Rowman & Littlefield, 1999).
63. Philip C. C. Huang, "Zhongguo nongye mianling de lishixing qiji" [China's Agriculture Faces a Historical Opportunity], *Dushu* [Readings] 10 (2006): 118–29; and Philip C. C. Huang and Peng Yusheng, "Sanda lishixing bianqian de jiaohui yu zhongguo xiaoguimo nongye de qianjing" [The Convergence of Three Historical Changes and the Prospects for China's Small-Scale Agriculture], *Zhongguo Shehui Kexue* [Chinese Social Sciences] 4 (2007): 74–88.

Bios

Q. Forrest Zhang (forrestzhang@smu.edu.sg) received his PhD in sociology from Yale in 2004. He started investigating China's agrarian transition in a study, published in 2004 in the *China Quarterly*, on the growth of land markets in rural China. This current article is the fourth in this series and will be followed by studies on reforms in China's state farms and on contract farming.

John A. Donaldson (jdonaldson@smu.edu.sg) graduated in 2005 from George Washington University with a PhD in political science. In addition to his research on the transformation of China's agrarian system, he also studies local rural poverty reduction policies in China and central-local relations. Outside the Chinese context, he has also published on the political dimension of the relationship between economic growth and poverty reduction. His research has been published in such journals as *World Development*, *International Studies Quarterly*, *China Journal*, and *China Quarterly*.