



Argumentum

E-ISSN: 2176-9575

revistaargumentum@yahoo.com.br

Universidade Federal do Espírito Santo  
Brasil

SIT, Tsui; WONG, Erebus  
China's Modernization, Rural Regeneration and Historical Agency  
Argumentum, vol. 5, núm. 2, julio-diciembre, 2013, pp. 139-166  
Universidade Federal do Espírito Santo  
Vitória, Brasil

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## China's Modernization, Rural Regeneration and Historical Agency

Tsui SIT<sup>1</sup>Erebus WONG<sup>2</sup>

**Abstract:** Since the late Qing Dynasty, regardless of ideological preferences, Chinese intelligentsia and politicians have uncritically adopted the models of industrial and later financial capitalism at the expense of the peasants, the majority of China's population. This has led to the three dimensional rural issues of peasant, village and agriculture. If 'rural China', or rural governance based on small peasantry and village community is sustained, for the cultivation of interdependent and cooperative relation among a community and among neighboring communities, not only does it protect the livelihood of the majority of the population but also function as 'a resistance' to the external crisis derived from global capitalism. The current official experiments of building a socialist countryside or the rural reconstruction movement activists are contributing to the defense and justification of small peasantry and village community, amid the disasters induced by capitalism. China's take-off is based on the exploitation of rural China. But the continuous experiments of rural reconstruction may provide an alternative to destructive modernization. This paper argues for rural reconstruction as an alternative to destructive modernization. It divides into three parts: 1. historical review of China's modernization; 2. pro-capital crisis and cost transfer to the rural; 3. experiments of rural reconstruction. These issues may provide insights to overcoming the destructive aspects of global capitalism.

**Keywords:** Modernization. Small peasantry. Village community. Rural reconstruction movement.

*Submetido em: 30/04/2013. Reapresentado em: 18/07/2013 Aceito em: 05/09/2013*

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## Modernization and its Other

Like most of the once down-trodden colonized nations, China's key historical project of the last 150 years has been to enforce modernization.

The aim and mechanism of modernization has generally been simplified as industrialization, a process China has pursued since the mid-19th century.

Wen Tiejun portrays China's development in the last 150 years as 'the four phases of industrialization of a peasant state' with the ultimate aim of becoming a powerful modern state to counter European and Japanese imperialism, and later the United States' embargo during the Cold War. The first attempt was the *Yang Wu*<sup>3</sup> Movement initiated by the Qing dynasty from 1850 to 1895; the second the industrialization policy pursued by the Republican government from 1920s to the 1940s; the third the "state primitive accumulation of capital" practiced by the Communist Party regime from the 1950s to the 1970s; and the fourth the reform and open-door policy promoted by Deng Xiaoping since the late 1970s (WEN, 2001).

There has been intellectual consensus on modernization calling out for radical social reform in China in the 20<sup>th</sup> century. Since the 1920s all major intellectual thought has been in agreement that China needs a thorough social overhaul. The only difference was whether the model should be American capitalism or Rus-

sian socialism. Among these radical ideas and social programs, the rural reconstruction movement during the 1920s-30s represented by Liang Shuming and James Yen was a social initiative that was much neglected. It is of particular relevance to reconsider this intellectual heritage in post-development China. We will turn to this later in this essay.

The marginalization of the rural reconstruction movement was not without a reason. Rural China had been stigmatized as being backward and low in productivity. According to diagnosis by the intellectuals it was the root of China's submission in the capitalist world order. In a word, rural China needed to be abnegated in order to modernize China. Rural China along with the peasantry had become the Other of the modernization project.

Nevertheless, not unlike the stigmatization of the colonized by the colonialists, the state of being rendered as Other usually implied brutal exploitation. Such was the fate of Rural China. Unlike the advanced western countries which had colonies to exploit from and then a periphery to transfer its cost of development, China could only rely on internal exploitation in order to accomplish industrialization. When it was no longer profitable to exact surplus value from the rural sector, the latter serves as a buffer to absorb social risks in urban sectors caused by pro-capital reforms. Such has been the essence of China's developmental trajectory in the last 60 years. To have a better understanding of the peasantry's con-

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<sup>3</sup> *Yang Wu* literally means "affairs related with the West".

temporary situation, it is advisable to look into the detailed mechanism beyond the clichéd dichotomy of “collectivization” and “liberalization” as often represented by two figures: Mao and Deng.

### **The Trajectory of China's Modernization in the Last Six Decades**

After 1949, the drive for modernization was imperative. The desire to erase the shameful memory of being a defeated semi-colony and the anxiety of lagging behind as a backward peasant country underlay the drive for modernization. Though established as a socialist state in 1949, socialism was not an exclusive imperative for the new regime. Even before the final victory, the new government had initially opted to orient China's development toward a “national capitalism” under the leadership and tutelage of the State. At one point, even the possibility of introducing investment from capitalist states was not totally excluded. However, the Korean War and the Cold War had forged the fate of China's subsequent trajectory. Under the bearing of geo-political complication, the new regime finally opted for industrialization according to the Soviet model. However a weak country's affiliation with a powerful ally did not usually come without a cost. One of the institutional costs of Soviet style industrialization in China was the establishment of an asymmetric dual system exploiting Rural China.

#### **Dual System**

Frank (1969) challenged the “dual society” argument which depicted Latin

America as structured by a dualism of a stagnant, backward traditional rural sector and a thriving capitalist sector. So said, the goal of development was to modernize or assimilate the former into the latter. However Frank pointed out that what had been happening was actually an internal colonialism in which urban sectors extracted surplus from rural areas. Latin American societies were defined by a dynamic between the two sectors that mirrored the “center-periphery” relationship of the developed and under-developed regions at the global level. In fact, the correspondence was not accidental. They originated from the same historical process known as capitalism but manifested at different correlated levels.

We can discover a similar dynamic in China's industrialization after the 1950s which accounted for China's trajectory in the last 60 years (WEN, 2009). First in order to obtain technology and industry transfer from the Soviet Union, China submitted to its geopolitical orbit. Apart from paying a dear cost in terms of human life in the Korean War, the institutional cost was equally significant. Russian aid translated into the burden of foreign debt. Armed with a powerful industrial capacity, the Soviet Union's impetus to export its products and capital along with its political, ideological and military influence soon clashed with some socialist nations' development agenda.

China's institutions that had been transplanted from the USSR, including industrial administration, bureaucracy and the tertiary education system, remained in-

tact and became a form of path-dependency despite its delinking later. In order to sustain modernization while maintaining a high-cost “superstructure” (institutions in general), China had to have recourse to a strategy common among developing countries. Unlike early industrialized countries which could extract resources and surpluses from colonies or externalize institutional cost by transferring it to the less powerful periphery, the new industrializing countries had to pursue a sort of “internal colonialism” or self-exploitation by extracting resources or surpluses from less privileged domestic sectors especially from the rural sector. Rural collectivization (the People’s Commune) was less an ideological maneuver than an institutional strategy to systemically extract rural surplus at a lower transaction cost.

The State thus controlled all surplus values produced by both rural and urban labor. It was a state monopoly system for production, purchasing and marketing. The central government thereby allocated resources to expand heavy-industry based production.

As Wen Tiejun and his colleagues summarize, before 1978 China adopted four kinds of industrialization strategy: (a) extracted surplus value from the agricultural sector through low purchasing price of agricultural products and high pricing of industrial products; (b) forced the modernization of agriculture (mechanization and using agro-chemicals) to absorb domestic industrial products through rural collectivization; (c) mobilized inten-

sive and massive labor input to substitute for capital factor under condition of extreme capital scarcity. When faced with economic crises, the State tried to ride them out by transferring the redundant labor force to the rural sector through ideological mobilization (WEN et al. 2012).

The dual structure in China’s society was thus institutionalized (the notorious urban household registration system and its discriminatory welfare system that was unfavorable to the rural population).

The exploitation of the rural was rationalized in terms of the vision of building a modern China, strong enough to counter western hegemony. Hence it is not surprising to see that the rural sector has been appropriated for the realization of industrialization, especially in view of the pre-emptive measures against Communist Party-ruled China by the western bloc during the Cold War, a strategy still practiced by the US now. In other words, industrialization was regarded as the vital means to secure independence and safeguard sovereignty. Along this line of logic, the later Open Door Policy and marketization, instead of a rupture, has in fact been in continuity with the developmentalism pursued by a late industrializing country. As long as the aim was development as rapid industrialization, it was an essential question whether the means was collectivization or the introduction of foreign capital. Therefore once the shift in geopolitics provided the conditions, China opened its door to the capitalist world, first by allowing the access to

its labor resources, then to its domestic market.

According to Kong Xiangzhi's research, the contribution of peasants to nation building in the first 60 years of the People's Republic of China was around RMB 17.3 trillion, made possible by policies such as the price scissors system of agricultural and non-agricultural products, the mobilization of cheap labor, and land acquisition (KONG XIANGZHI, 2009).

### **Land: the most important stabilizing factor in China**

Despite this, the peasants were still willing to support the state's industrial policy which was exploitative to peasant labor and land. This is so partly because the Chinese Communist Party (CPC) had implemented and then completed land reform (1949-1952).

CPC used the traditional slogan of 'land to the tillers' to mobilize hundreds of thousands of peasants to fight for land revolution and the national liberation movement. After 1949, CPC took power and implemented comprehensive land reform. Land was equally distributed among peasants. At least 85% of peasants enjoyed the benefits of land distribution. Each peasant household had, and most of them still have, a small parcel of arable land. The per capita arable land was 1.37 *mu* (approximately 0.1 hectare) in 2008. In other words, around 900 million small

landowners are highly dispersed throughout the whole nation.<sup>4</sup>

China feeds 19% of the world's population with only 8% of the world's arable land (2011).<sup>5</sup> The total population has reached 1.3 billion. According to the Ministry of Land and Resources of China, the arable land is around 122 million hectares (2011)<sup>6</sup>, about 13% of the total area of the country. However, China's agricultural output is among the largest in the world. China's grain output has recorded growth for the eighth consecutive year. It reached 571.2 million tons in 2011, 140.5 million tons more than the output in 2003.<sup>7</sup> Land distributed to the peasantry is utilized mainly for food production to maintain self-sufficiency. There are around 200 million small rural households and 600 thousand villages (NATIONAL BUREAU OF STATISTICS OF CHINA, 2010). Each peasant household has an arable plot which is ultimately under the direction of the village committee. In terms of legal entitlement, arable land is collectively owned by a rural community and distributed within the village according to the size of household and other factors. It is a form of collective ownership. As a whole, the majority of the population in China consists of small holding (land-owning) peasants.

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<sup>4</sup>[http://www.stats.gov.cn/tjsj/qtsj/hjtjzl/hjtjsj2010/t20111229\\_402788871.htm](http://www.stats.gov.cn/tjsj/qtsj/hjtjzl/hjtjsj2010/t20111229_402788871.htm)

<sup>5</sup> Sources: Food and Agriculture Organization of the United Nations, United Nations Population Division, and World Population Prospects.

<sup>6</sup><http://www.mlr.gov.cn>

<sup>7</sup> WEN Jiabo. **China's Agricultural and Rural Development.**

Strictly speaking, the migrant (peasant) workers are not the proletariat, the classical definition being those who have nothing for the market except their labor-power. The peasant workers still have their own parcel of arable land for subsistence. They are not landless people. This is undoubtedly the legacy of the 1949 Revolution. One of its political achievements has been the realization of material improvement for the majority of the people, i.e., the peasants. Nowadays, peasants and workers are increasingly suffering from exploitation and social injustice, but the legacy of land revolution, as well as a few residual socialist practices, still more or less insulates Chinese society from being ruthlessly plagued by the neoliberal globalization and its destructive projects of modernization.

Since 1989 the contribution of agriculture to GDP and peasants' household income has been declining. After 1993 the development of rural enterprises was systematically curbed in order to boost export-oriented growth (i.e. globalization). This resulted in massive flow of migrant workers from the rural areas into cities. These workers mostly comprised of surplus labor force from rural households that owned a small arable plot. They were therefore different from the working class as defined by classical political economy, which derived from the expropriation of land. These migrant workers endured irregularly paid wages, accepted employment without social benefits and consciously suppressed consumption to collect (once a year in some cases) their

cash income. What underpinned this practice has been a particular form of collective land ownership. It has been the real foundation for China's ability to maintain low labor costs for 20 years. The rural sector has taken up the cost of social reproduction of labor, a cost capital generally aims to shrug off. The so-called "comparative advantage" theory is not enough to explain China's ascendancy because there was no shortage of developing countries with a huge population base (not to mention that large surplus labor force could also turn into a source of social instability which has not been the case in China).

The second important function of the rural sector is to serve as a buffer to absorb the institutional costs of the urban sector which have been expressed as crises. In China one of the crises repeatedly took the form of massive unemployment. There were three occasions before 1978, in which the regime initiated massive population migration to the rural areas through political movements. It was in fact a way to resolve the crisis of urban unemployment. After the reform, the rural sector has continued to stabilize Chinese society as a whole by two essential functions. Primarily the rural sector continues to serve as a labor pool. But that alone cannot explain China's so-called "comparative advantage" (abundant supply of cheap labor). Since unemployed labor in the urban sector can also result in social unrest, so-called advantage can turn into disadvantage. The urban sector as a capital-intensive pool is necessarily vagarious and risk-

generating, constantly destabilizing the society through cyclic crises. On the contrary the rural sector can regulate the labor market by re-absorbing unemployed migrant workers in cities in times of economic crisis. Its stabilizing capacity lies at the rural land community ownership system that has remained intact to some extent until today.

In China land is not simply a production factor as simplistically theorized by mainstream economics. It also carries important social and cultural functions. As Polanyi (1944) argues, land possesses qualities that are not expressed in the formal rationality of the market. During the last 30 years since the Reform, it has been an important factor in stabilizing the society at large. In the rural sector, land-ownership is a form of collective ownership. Indoctrinated by neoliberal ideology, many intellectuals in China nowadays advocate radical privatization of land. Radical privatization may facilitate and thus accelerate the commodification of land. But we must ask an essential question: who then takes a larger share of the institutional returns? Obviously it is not the small holding peasant households with their last small parcel of land but most likely the real-estate interest bloc and rent-seeking authorities. Who will eventually bear a greater part of the consequent institutional costs in terms of social destabilization? Apparently, once again the powerless peasants. These problems are missing in the lop-sided concept of efficiency/productivity as measured by gains in GDP growth through the commodifica-

tion/monetization of land. Non-monetized or immonetizable factors like social stability, community integrity are essential to a society in development.

### **Land expropriation**

Nevertheless, more and more peasants are losing their land. The government estimates that the current amount of arable land is roughly 122 million hectares, which remains unchanged since 2005. According to Tan Shuhao's research, the ratio of construction site in arable land occupation has continuously increased from around 10% in 2002 to 80% in 2008.<sup>8</sup> The Ministry of Land and Resources disclosed that of the loss of arable land, 77% goes to construction projects.

According to *2011 China Urban Development Report* by the Chinese Academy of Social Sciences, the number of Chinese peasants who have totally or partially lost their land currently amounts to 40-50 million. The number is going to increase by 2-3 million per year. Land expropriation is propelled by local governments and speculative financial capital. Since 2000, only 20-30% of the capital gain obtained from value added to land has been distributed to the village level and merely 5-10% is eventually allotted to be shared by the peasants as compensation. Local governments take away 20-30% of the added value whereas real estate developers take a lion share of 40-50%. 60% of peasants'

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<sup>8</sup> Tan Shuhao presented her research findings at the International Conference on Comparative Studies for Sustainable Development, Renmin University of China, in Beijing on 9-10 July 2011.



petitions arose out of land disputes. A third of these cases are related to land expropriation. 60% of those surveyed are facing difficult living conditions, particularly in regard to the issues of income, retirement and healthcare.

Local government's fiscal constraint has been a major cause of extensive large-scale land expropriation. Since the Reform intermittent economic crises had confronted the central government in the form of deficit crisis on several occasions. The central government responded by adopting the policy of decentralization of the tax and revenue system which led to local government's dependency on local revenues. In the period starting from 1984, local governments occupied farmland for local industrialization in order to generate income. It was the period of "land for local industrialization". In 1994, China was confronted with a triple crisis (balance of payment crisis, fiscal deficit crisis and bank system crisis). It was the year marking China's reckless embrace of globalization. The central government implemented a drastic tax and revenue system reform. Before 1994 about 70% of local tax revenues went to local governments. But since then about 50% has gone to the central government. In order to compensate for the drop in the share of revenues local governments again appropriated farmland to invest in commercial projects. This was the period of "land for commercial fortunes". Since 2003, local governments have increasingly collateralized farmland for mortgage loans from commercialized banks. In the age of fi-

nancialization, it is the period of "land for mortgage loans" (YANG; WEN, 2010).

### **Landless New Generation**

In 2003, the Law of the People's Republic of China on Land Contract in Rural Areas was promulgated. It stated that new inhabitants would obtain contracted land only if there were land reserved, land increased through reclamation or land turned back by other contractors. One possible consequence of this new legislation is to exclude those born from that time onwards from being beneficiaries of land distribution. Once arable land is no longer evenly distributed and the peasants no longer have an expectation to share in the benefits of land, the mechanism of risk management through internalization in rural community would be greatly weakened. The behavior of migrant workers from rural regions as such is going to change quite fundamentally.

It is expected that the new generation of the rural population will radically dislocate themselves from agriculture and the rural regions. Nowadays, there are around 263 million peasant migrant workers in the city.<sup>9</sup> Unlike the former generations of migrant workers seeking employment in cities, the newer generations are no longer content with simply earning enough cash to maintain the reproduction of peasant households. Furthermore, cash income needed for expenditures like education and medical

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<sup>9</sup> National Bureau of Statistics of China, February 22, 2013.

care have far exceeded that which can be afforded by localized laboring in agriculture. The will of the new rural generation to settle in the cities is in tandem with the government's policy of urbanization. Moreover, they are no longer surplus labor from peasant households but in essence have finally evolved into the working class defined by classical theory. They are going to play an active role in the manifestation of structural contradictions of China's society during its transition.

In view of these, the traditional agrarian sector may no longer serve as a reservoir of surplus labor as it used to be under a dual Urban-Rural system.

Therefore, the so-called 'comparative advantage' of China is being eroded.

Collective land-ownership in rural areas is an issue much neglected and glossed-over struggle as the dominant ideology in Chinese intelligentsia and media is neoliberalism respectively in its individualist and statist forms. At the present, it is of utmost importance that the legacy of the 1949 land revolution for small peasants should be safeguarded.

### **Crisis: the cost of pro-capital reform and its transfer to rural sector**

Wen Tiejun argues that since 1949 till 2009, China has gone through eight notable crises and the rural sector has always played the role of social stabilizer by absorbing the cost of crisis. The root of crisis has been the reckless pursuit of modernization and industrialization. The out-

breaks of crises have been interspersed along a trajectory marked by four instances of introducing foreign investment. The first instance of economic crisis triggered off by seeking foreign investment occurred with the deterioration of the China-USSR relation. During 1950-1956 the USSR's total aid investment in China was worth USD 5.4 billion (WEN et al, 2012). In 1960 the USSR aborted all aids and investment, thrusting China's economy into crisis first in 1960 and then again in 1968. The intensification of capital inevitably entails increasing risk. Introducing foreign capital in pursuit of industrialization, be it Soviet or western capital, would make a nation vulnerable to economic risk. Crisis is inexorably endogenous to capital.

The second instance of foreign investment playing havoc with China's economy began in 1971 when China accepted USD 4.3 billion western investment, leading to economic crisis first in 1974 and then in 1979 (WEN et al., 2012). The third instance of introducing large-scale foreign investment occurred in the 1980s. Many local governments leapfrogged to attract FDI and therefore amassed a lot of foreign debts which again proved to aggravate economic crises, one in 1988, followed by another in 1993. All the above foreign investment-induced economic crises belonged to internal crises derived from domestic fiscal deficits. In the fourth instance since the mid-1990s after China embraced globalization, the crises broke out in 1998 and 2008. These two crises can be categorized as "imported crises," a

consequence of the external financial crisis at the global level.

In the economic crisis of 1960, 12 million unemployed educated youths were sent to the countryside in the name of receiving re-education by the peasants and building the new socialist village. In the crisis of 1968, another 17 million youths were sent to the countryside to release the pressure of large-scale unemployment. In 1974, again more than 10 million were dispatched. The total number added up to around 40 million. By absorbing the unemployed labor force the rural sector actually served to absorb the cost of crisis caused by the pursuit of modernization. Wen Tiejun hence generalizes a regularity of crisis and reform in China in the last 60 years. He concludes that if the economic crisis induced by introducing foreign investment could be contained by displacing the adverse conditions towards the rural sector and the crisis in the capital-intensive urban-industry sector could be thus much abated, China would achieve a soft-landing and the existing institution could be maintained as the pressure is released. Otherwise, in the cases of “hard-landing” in the urban sector the central government would be forced to initiate a ‘reform’ in the fiscal and economic system (WEN et al., 2012).

In reality, the so-called ‘reforms’ that were much hailed by the west as well as the official media and ideologues were nothing more than a series of expedient measures in response to crisis, much less deliberately planned by some wise leaders.

### **‘Three Dimensional Problem’ of Rural China**

The rural has been constantly appropriated and once systematically exploited for national modernization. It is in this context that Wen Tiejun coins the renowned notion of the “three-dimensional problem of rural China”: (*sannong wenti*). Wen explains that the problem of rural sector in China cannot be simply regarded as an agricultural issue, but involves the inter-relations between “rural people (income disparity/migrant workers), rural society (multifold socioeconomic issues and governance), and production (agricultural vertical integration/township and village enterprises development)”. So by “three dimensions’ he refers to the peasantry, the villages and agriculture, none of which could be reduced to the other. It follows that China’s rural problem cannot be simply solved by industrializing (modernizing) agriculture according to the US model as naïvely imagined by many advocates of modernization. Although in 2012 the rate of urbanization in China has surpassed 50%, in the near future about 600 million people still live in the rural areas. Even if we can put aside the unsustainability of industrial agriculture in terms of ecological devastation and energy-consumption, the surplus labor force (maybe up to 200 millions) thereby liberated by highly mechanized agricultural production simply cannot be absorbed by the expansion of industrial capacity in the world.

In other words, peasant agriculture remains an indispensable mode of produc-

tion in China whether the single-minded advocates of modernization like it or not. In the light of it, Wen (2001) summarizes that "China's problem is the tension aroused in an agrarian society, characterized by overpopulation and limited resources, by the process of internal and primitive accumulation of capital for state industrialization".

### **"Rise" at the expense of the rural**

In 2010, China stood as the second largest economy after the United States. According to IMF statistics, China foreign reserves reached 3.1 trillion in March 2011, which accounted for nearly one-third of the share of the world foreign reserves. According to the WTO secretariat, China's share of the global GDP was 9.6% in 2008, 9.1% in 2009 and 10.3% in 2010. Nevertheless this kind of "Rise" is achieved at a dear price. And among those who bear the costs disproportionately the peasantry has shouldered the greatest burden.

As seen above, at the initial stage of national modernization the rural sector had been systematically exploited for accumulation. After China resumed diplomatic relations with the West and once again introduced foreign investments on a massive scale in the early 1970s, serious fiscal and debt crises broke out almost instantly. China's legendary reform and open policy in 1978 actually originated from a response to crisis. At the beginning of the reform, peasants enjoyed the benefit of new policies and witnessed a substantial improvement in income. However in the

early 1990s, the central government systematically suppressed the development of township enterprises. The income growth of peasants has declined since then. The major turn took place in 1993, a year when China was struck by triple crises: fiscal deficit, balance of payment crisis and banking crisis. From then onward China, in order to earn foreign exchange reserve to resolve the foreign debt crisis, suppressed the domestic market and embraced a predominantly export-oriented strategy merging into the globalization. After almost 20 years of its participation in globalization China has now been facing increasing pressure of global excess financial capital. The tension between domestic and international interests is approaching a critical point of explosion. However the export-oriented model has become such a deep-rooted path dependency that China has to make a great effort to switch its trajectory of development.

Despite the stunning economic growth, the environmental and ecological devastation is cataclysmic. Water and air pollution is constantly at harmful levels. 16 of the world's 20 most air-polluted cities are located in China with a population of 400 million under daily threat. One third of the land is contaminated by acid rain. Almost 100% of soil crust is hardened (THE WORLD'S..., 2006). China has become a dumping ground of waste from the West. Waste is one of the top three US export "goods" to China and the fastest growing one.

The National Statistics Bureau announced that according to sample survey and

comprehensive statistics conducted in 31 provinces throughout the nation, in 2010, the total grain production was 54,641 million tons, which was an increase of 1,559 million tons, or 2.9%, when compared with 2009. This is the seventh consecutive year of increased grain production. However, at the same time, the use of chemical fertilizers has increased from around 1 million tons in 1979 to around 5.5 million tons in 2009. Industrial agriculture has become the largest source of water and soil pollution in China. And it is the peasantry who suffer most from chronic agro-chemicals poisoning.

According to China's State Environmental Protection Agency (SEPA), in 2006, 60% of the country's rivers were too polluted to be drinking water sources. Continuous polluted emissions are from industrial and municipal sources, as well as from pesticides and fertilizers. This crisis is compounded by the perennial problem of water shortages, with 400 out of 600 surveyed Chinese cities reportedly short of drinking water. According to the Ministry of Water Resources, roughly 300 million people, most of them rural residents, do not have access to safe drinking water.

The social cost of specializing in low-end manufacture is also enormous. In China it is estimated that nearly 200 million people suffer from occupational diseases, over 90% of them are migrant workers from rural areas. In the Pearl Delta Zone alone, each year at least 30 thousand cases of machinery-induced finger-cut accidents are reported, with over 40 thousand fingers mutilated. Again most of the vic-

tims are migrant workers from the rural areas (70.2%, merely 4.3% are from the cities) and many of them fail to receive any compensation in the end (ZHANG, 2005).

At present, China is facing three major structural contradictions. The first is the huge income gap between the urban and the rural sectors; the second is the developmental disparity between the coastal regions and the hinterlands. The peasantry is directly bound up in these two contradictions. The third is the conflict in development strategies between industrial and financial capitals. The former, confronted with excess capacity and fierce international competition (therefore a declining marginal profitability), will become even more vulnerable as the financial sector (largely state-owned monopoly capital) pushes forward monetary liberalization in order to take a greater part in global financial capitalism. Interestingly, in the initial stage of globalization, the rural sector was sacrificed for the industrial sector. Now in the stage of financialization, the industrial sector may be in turn sacrificed for the interests of financial capital.

### **Raw Money Power**

Being pro-capital is often a policy proclivity when a nation pursues industrialization under conditions of capital scarcity (WEN, 2012) That has profoundly shaped the governmental behavior in emerging countries. One of the institutional contradictions in contemporary China is the disparity between the central government

and local governments. The central government pursues state capitalism and takes firm control of various monopoly capitals. At the same time local governments are modeled by government corporatism. Local governments at different levels become increasingly rent-seeking. The central government with a handsome fiscal surplus can afford to orient itself more toward pro-poor and pro-people's livelihood policy. However local governments at various levels under budget constraints remain highly pro-capital. This structural imbalance has become an institutional contradiction affecting China's policy viability.

Since 2003, the Chinese government has started to focus on solving rural problems. A series of pro-rural poor policy has been carried out: the elimination of agricultural tax, comprehensive aid to agriculture, the co-operative medical service system, the cancellation of educational fees in poor western regions, a substantial increase of governmental investment for public services and new rural finance polices, among others.

In October 2005, the Chinese government highlighted the "New Rural Development" as national strategy. The Central Government's No.1 Document, issued in February 2006, illustrated that "the building of a new socialist countryside" is "characterized by enhanced productivity, higher living standards, healthy rural culture, neat and clean villages and democratic administration". Meanwhile, Hu Jintao, General Secretary of the Central Committee of CPC, emphasized, "As the

resolution of issues concerning agriculture, rural areas and peasants [*sannong wenti*] has an overall impact on China's target of building a moderately prosperous society, in all respects, we must always make it a top priority in the work of the whole Party." In October 2007, the articulation of an 'Ecological Civilization' was set as a guiding principle.

In 2005-2012, RMB 6000 billion yuan was invested into New Socialist Countryside programmes, with 95% administrative villages provided with water, electricity, roads, telephone, and internet. The yearly increase rate is 21.8%. The investment for grain production is increased from 102.9 billion to 457.5 billion (WEN, 2012).

In the last decade, the investment into rural society has enabled China to tackle external crisis. For example, in 2008 when the global financial crisis broke out, 20 million peasant workers in the coastal areas lost their jobs. A sudden upsurge of unemployment on such a scale would mean social and political disaster in any country in the world. Yet no major social unrest happened in China. The peasant workers simply returned to their home villages to sit through the period of temporary unemployment. It was because they still have a small plot of land, a house and family to rely on as a last resort. In other words, the small holding in the village is a peasant worker's 'base of social security'.

Apart from the efforts by the government at different levels to solve the rural problems, some villages have negotiated with

the forces of modernization, marketization, urbanization, atomization and monetization of social relations which are destroying rural society. As David Harvey points out, with the advent of capitalism, 'money was the power of all powers', referring to the raw money power which dissolves the traditional community. He further elaborates,

So we move from a world in which 'community' is defined in terms of structures of interpersonal social relations to a world where the community of money prevails. Money used as social power leads to the creation of large landed estates, large sheep-farming enterprises and the like, at the same time as commodity exchange proliferates (HARVEY, 2010, p. 294).

In an attempt to assert its authority of governance or reverse the degradation of the rural society, the central government and village committees have endeavoured to address the detrimental role money plays in destroying social relations. However, the focus of their solutions is still in terms of money, such as to increase the investment in the rural or to share equally the profit. In that sense, they are not critical of the destructive aspects of modernization or developmentalism.

### **An Alternative Path: China's Rural Regeneration Movement**

Today the rural reconstruction movement is the biggest yet peaceful social movement in China with tens of thousands of volunteers involved (WEN et al. 2011). It traces back its intellectual lineage to the

rural reconstruction movements before the Japanese invasion in the 1930s.

Capitalism intruded China soon after the First Opium War of 1840-1842. The traditional social order started to disintegrate and crumble. However, an integration of peasant agriculture, household industry and village community, had been resistant to historical change, that was what Marx referred to the Asiatic mode of production. The notion ignited a debate about China's history and future among Chinese intellectuals.

"Peasantry" was considered as the stagnant and backward element which had become a hindrance to China's progress. Both rightist or leftist intellectuals largely embraced the idea of 'modernization' in the name of 'science' and 'democracy'. China should pursue industrialization in order to resist imperialist invasion. However, there was a different intellectual trajectory critical of industrial modernization. This position took small peasantry as the starting point and ground of China's transformation.

Some famous modern Chinese intellectuals, such as Liang Qichao (1873-1929) and Liang Shuming (1893-1988), challenge Marx's idea of five stages of the world history, namely primitive communism, slavery, feudalism, capitalism, and at last, socialism or communism, arguing that China's nature is a kind of rural governance based on small peasantry and village community, and a combination of private and public ownership of land and labor. This kind of rural governance had

existed for at least two thousand years. In other words, they objected the imposition of Marx's idea of linear development of world history on China, but they agreed with his diagnosis of China's society as having the characteristics of an Asiatic mode of production.

Marx admitted that Asia was beyond his knowledge. Through reading books, reports and other materials written by colonialists at that time, Marx articulated that the basis of Asiatic mode of production was mainly based on 'the unity of small-scale agriculture and home industry', and 'the form of village communities built upon the common ownership of land'.

Lefort (1986) interprets that in Marx the Asiatic mode of production is generally based on the double determination of the individual, as a property owner and a member of the community. Each individual has the status of proprietor or possessor only as a member of the community. Communality of blood, language, customs are the primordial condition of all appropriation.<sup>10</sup> Marx remarked in *Grundrisse*: 'land is the great workshop, the arsenal which furnishes both means and material of labor, as well as the seat, the base of the community' (MARX, 1973, p. 472).

Therefore, Marx elaborates, 'In the oriental form the loss [of property] is hardly possible, except by means of altogether external influences, since the individual member of the commune never enters

into the relation of freedom towards it in which he could lose his (objective, economic) bond with it. He is rooted to the spot, ingrown. This also has to do with the combination of manufacture and agriculture, of town (village) and countryside' (MARX, 1973, p. 494).

As Lefort (1986) further elaborates, the communes are sheltered from all the torments of the political domain, but also that a given mode of communal existence proves to be shielded from outside attacks. And, this simplicity has made Asiatic societies endure social stability. Marx later remarks in *Capital I*:

The simplicity of the productive organism in these self-sufficing communities which constantly reproduce themselves in the same form and, when accidentally destroyed, spring up again on the same spot and with the same name – this simplicity supplies the key to the riddle of the unchangeability of Asiatic societies, which is in such striking contrast with the constant dissolution and refounding of Asiatic states, and their never-ceasing changes of dynasty. The structure of the fundamental economic elements of society remains untouched by the storms which blow up in the cloudy regions of politics (MARX, 1976, p. 479).

Although the idea of a changeless Asia not affected by the general progress of history is a Eurocentric fabrication, Marx did capture some aspects of the foundation of the social stability in Asia. The tenacious capacity of recovery of China's rural society lay in the internal cooperation and the management of the common resources.

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10 See: Lefort (1986), Chapter 5.



Liang (2003), a renowned modern intellectual and politician, visited Europe during 1918 and 1919. He had been involved in pushing for western democracy and parliamentary government. But he changed completely after witnessing the war and the disaster in Europe. He went back to study Chinese traditions again. In *A History of Chinese Culture* (1923), he concluded that Europe was based on urban governance, whereas "China is based on village governance but not urban governance." Village governance is composed of two main factors: small peasantry and village community. He argued that small peasantry is the nature of China's society for at least two thousand years, which is derived from the practice of dividing up property among family members. He further elaborated that during Qing Dynasty (1644-1911), it was stated legally that family property should be divided up equally among the offsprings. In that sense, the majority were small-holding peasants.

The majority of the Chinese population have settled along two main rivers (Yellow River and Yangtze River). A single village or a peasant household could not individually solve the problems of irrigation such as flood and drought. The imperative of survival required a cluster of villages along the rivers to work together to manage public affairs and to deal with external crisis. So the major concern was about an arrangement of cooperative collective labor and the protection of common property. Local governance was derived from village community building that paved the way for the development

of nation-building. Chinese civilization has been based on irrigation, small-scale agriculture, the small peasantry, and village communities.

Moreover, village communities usually contain three crossed layers of relations: kinship (blood), neighborhood (locality), and agricultural fellows (peasants). Village communities not only solve the external crisis such as natural disasters, but also turn the crisis into the reinforcement of the capacity of crisis management. This nevertheless requires mass mobilization among peasant families and village communities. Thus, the practice of sharing common property as well as solving common problem is inclusive and cooperative.

During the 1920s, there was the Rural Reconstruction Movement which attempted to re-activate the Chinese tradition of small-scale agriculture and home industry. Liang Shuming (1893-1988) was one of the movement leaders. He was not only a Confucian and Buddhist intellectual but also a political and social activist. He was involved in the reconciliation between Kuomintang and Chinese Communist Party during the Sino-Japanese War (1939-1945). In 1977, he reflected on his engagement in the rural reconstruction movement during Republican China: "At the very beginning, I was no more than childishly believing that we must learn from the West. Shortly afterwards, I was awoken to understanding that it was impossible for China to become a westernized capitalist society. So I have the idea of village as the national base."

In 1937, Japan, an emerging capitalist country, invaded China. Liang Shuming was forced to stop his experiments of rural construction. In the same year, his book *Theory of Rural Reconstruction* (also entitled *The Future of Chinese Nation*) was published (LIANG, 2006). In the book, he theorized his working experiences in The Institute of Village Governance in Henan province, central China (1929-1930) and The Research Institute of Rural Construction in Zhouping Township, Shandong Province, north China (1931-1937). Counteracting Western and Japanese imperialism and going against the dominant understanding, Liang did not urge for complete westernization and industrialization, the way in which Japan did. Liang not only condemned foreign imperialists but also reprimanded those Chinese nationalists and radical revolutionaries as he thought that they fundamentally destroyed the rural society. Although Liang was born into an urban intellectual's family, he considered the countryside as the base of Chinese rule and democracy. He proclaimed,

The base of Chinese society is a village, and its center is also a village. All cultures mainly come from and are used for the rural society----legal system, secular customs, commerce, among others. Over the past hundred years, imperialist invasion certainly directly and indirectly destroyed the countryside. And what Chinese people had done, such as those revolutionaries who were involved in the Hundred Days Reform or the nationalists who promoted national self-salvation, also destroyed the countryside. Therefore, Chinese history, over the past hundred years, is a history of village destruction (LIANG, 2006, p. 10-11).

In the face of village destruction, Liang devoted himself to rural construction movement. Liang's experiments included "village school as the basic administrative unit", organization of peasants' association, setting up of cooperatives, small scale village industries, improvement of agricultural technologies, among others.

Liang designed the village school as a learning unit that was composed of local elites, common villagers, and outsiders including intellectuals and professionals. The aim was to activate the communal capacity of problem solving at the grassroots level. Therefore, Liang's theorization of and praxis for the future of China is rooted in the village community. He treats 'the rural' as an alternative to modern capitalist society.

Liang mentioned that village regeneration is the means of the revival of Chinese culture. Rather than being a conservative and chauvinist Confucian, Liang reinforced the importance of nurturing "new ethics" from the Chinese tradition, which could make one differentiate oneself from the aggressive bourgeois culture and belief. He criticized that the powerful development of western culture was based on a drive "to conquer Nature and to take advantage of Nature"; and that capitalism is "individualistic and self-centered".

Liang used a metaphor of "new buds on the old tree" to describe the rural reconstruction movement. In 1977, he wrote a paper to reflect on his experiences of rural reconstruction, in which he concluded

that rural reconstruction was a question of ethics: "To be positive towards life and to remember the importance of ethics and friendship", which was a challenge to the capitalist value system. Furthermore, he explained the revival of "Chinese culture": "If you ask me, 'what is actually the revival of Chinese culture in the world in the near future?' I will simply answer that when it proceeds from socialism to communism, religion declines and is replaced with a self-awakening and self-disciplined morality; national law disappears and is replaced with social customs."

Another famous leader of the rural reconstruction movement is James Yen (1890-1990). Yen dedicated his life to the education of the *ping-min* (the common people). He served Chinese coolies working with the Allies in France during World War I. In particular, he helped the illiterate coolies to write letters to their family in China. This experience of working for the poor enabled him to promote the literacy campaign. Returning to China, Yen organized mass education and was involved in the rural reconstruction movement in 1923. The PING (literally means common, ordinary and equal) was the logo of the Mass Education and Rural Reconstruction Movement founded in China in 1923, and is the logo of the International Institute of Rural Reconstruction initiated in 1960.

Yen thought that the majority of the poor were rural people plagued by poverty, physical weakness, ignorance and selfishness. So it was necessary to improve

the quality of peasants and then rural society. Yen also saw the basis for a new Chinese nation in rural reconstruction. His experimental area was Ding County in Hebei Province, some 322 km south of Beijing. Working together with the village committee and local government, Yen coordinated innovations ranging from hybrid pigs and economic cooperatives to village drama and village health centers. His work was disrupted by the Japanese invasion of 1937. He later founded the International Institute of Rural Reconstruction (IIRR) in the Philippines in 1960.

Following Liang's and James Yen's spirit of rural regeneration, a new rural reconstruction movement emerged at the turn of the 21<sup>st</sup> century. Its background has been rural degradation while China's export-led manufacturing industries and the demand for cheap labor are besieged with a world economy battered by financial crises. There has been a heated debate about the *sannong wenti* (three dimensional aspects of the agrarian issue) in the academia and media. Against this background, some intellectuals, NGO workers and local villagers worked together to explore experiments of regenerating rural society, with some viewing it as part of their poverty alleviation work while others seeing their commitment as providing a different mode of modernization in the spirit of Liang and Yen other than the mode of development of the West (urbanization). The first initiative was James Yen Rural Reconstruction Institute (2004-2007) which provided peasants with free training courses and mobilized university students to work for the

countryside. Apart from that, Green Ground Eco-Center was founded in 2006, which promotes ecological farming and rural-urban cooperation. Little Donkey Farm was established in 2008, with an area of 230 *mu* (about 15.3 hectares) and situated in Beijing suburb, which is a partnership project between Haidian District Government and Renmin University of China. It promotes community supported agriculture and facilitates rural-urban interactions. Liang Shuming Rural Reconstruction Centre was set up in 2004, which provides university students with training programs to work in the countryside.

The above experiments are based on the following perspective: with the advent of capitalist modernization and developmentalism, raw money power has caused the gradual deterioration of rural society and communal relations. The solution usually adopted by the government or village committee is one that revolves around the increase of money investment. Hence, cash investment and profit-sharing are typical measures. But human relations to the land and to the community, largely damaged by modernization, are yet to be addressed. In other words, the ultimate concern should be on how one's tie to Nature and to others should be rebuilt. On the one hand, peasant agriculture is an important way of repairing human relations to the mother earth. Currently, the food system of the world is mainly controlled by the capitalist transnational agro-companies which make huge profits through mechanized and chemical mono-agriculture. Countering

this trend, small peasantry and peasant agriculture which practice organic farming and local knowledge, should be protected and promoted. In this way, organic food products can be one of the foundations of rural-urban solidarity. On the other hand, communal capacity should be activated in terms of the utilization of common resources and also the participation in the process of problem-solving. This undoubtedly requires cooperation among grassroots people and intellectuals.

Another example of rural regeneration is Yongji Peasants' Association of Shanxi Province. It was formerly the Center for Women's Cultural Activities and Women's Association established in 2003. Now it has 3,865 members from 35 villages in 2 counties. It organizes six technological services centers, a handcrafts cooperative, steamed buns workshops, and an ecological agriculture zone. Socialized voluntary labor, redistribution of resources, and concern for the young generation are central to these initiatives.

The feeling of solidarity that arises from participation in collective activities rooted within daily practices can be life-transforming, embodying Marx's conception of revolutionary practice as a conjuncture of social- and self-change. By devoting labor to social redistribution rather than to capitalist accumulation, peasants take pleasure in helping others as they gain others' respect for their contributions. Working for others through socialized labor may mistakenly be regarded as a residual practice in a rural

society, but it is also radical practice when considered in the face of the forces of globalization and the hegemonic mentality of individualism and entrepreneurship. Building a culture of collectivity through daily practices of voluntary labor and redistribution of profits is a profound mode of being that counters the violence of capitalist economic endeavors.

### **Rural Regeneration and New Historical Agency**

At this point we must ponder on a pressing question: what is the specific historicity at present that accentuates the historical agency of rural regeneration nowadays?

Three decades of globalization has revealed itself as the reckless ascent of unfettered financial capitalism. In its present stage the globalized financial capitalism is centered around currency hegemony. The Bretton Woods regime has set up US dollar as the dominant global currency. After the abandoning of gold standard in 1971, the dollar has been given a free reign to increase money supply without limits to the world while the US enjoys a form of seigniorage as the dollar is set as the major settlement and reserve currency in the world. Oil has become geo-politically vital as it serves as a new base to secure the dollar's value. Later, financial products add to the list of vital commodities as a majority of the world's financial products are valued in the dollar. And the most important pillar of the dollar's hegemony is US military power. It is no wonder that US military expenditure

alone accounts nearly for 40% of the total sum in the world<sup>11</sup>. In place of the industrial-military complex now there is the geo-politically pervasive, omnipresent Financial-Military Complex. In this sense the overarching shaping force of the world order is no longer geo-politics but currency-politics. Geo-political presence becomes less a determining factor than the hegemonic presence of the dollar in a currency zone. In place of the Cold War geo-politics, it is the age of currency-politics.

It is hard to imagine a better way to do business than exchanging physical commodities with pieces of printed green paper. The only setback is the nominal liability of public debts. No problem as long as the US remains the mightiest military power in the world. The debts issue can be partially resolved by continuously injecting money into the system. Since the financial crisis in 2008 the US has been dumping trillions of dollars into the world market as a strategy to dilute its debts and hence transfer its cost of financialization to the world. As a result the prices of major commodities, most importantly agricultural products and oil, are soaring to the ceiling. Finally it is the moment of truth why the US along with the EU staunchly persist in protecting their own agriculture while disarming most of other nations' food sovereignty.

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<sup>11</sup> In 2012 US military expenditure accounted for 39% of the world's total, four times larger than the nation in the second place (China 9.5%) and more than the total sum of the next 10 countries. (SHAH, 2013; SIPRI..., 2013).

No wonder agriculture has always been the key issue in WTO negotiation.

The theory of so-called "comparative advantage" has it that if you can buy cheap food from abroad why bother growing it by yourself? Grow cash crops instead, or "upgrade" your economy from backward primary industry to the secondary, but be content with low-end manufacture as cheap labor is your "comparative advantage".

However, the age of cheap crops has gone. By controlling oil one controls the modern industrial system whereas controlling food supply is the way to subject the people to the yoke.<sup>12</sup> Without petroleum there is no modern civilization. But without food (and water) there is no civilization at all.

Now geo-political tension is less about regional presence or direct control than as a means to currency-political strategy. For example conflicts and war in oil-producing regions are less about direct control of oil supply than maintaining high oil prices to absorb the expanded money supply.<sup>13</sup> Likewise agro-fuels will never solve the problems as claimed but on the contrary produce more and greater problems (HOUTART, 2009). It's promoted as a means to push up global crops prices and exert tighter control of food

supply. Food production, no less than food supply, is one of the focal points of the new currency-politic strategy. Industrial mono-crop agriculture is situated at multifold strategic points in capitalist dominance and realization of profits. It is against this new historicity that rural regeneration with the peasantry as one of the subjects effectuates a new historical agency.

Capitalism must be transcended for our civilization to be sustainable, and indeed to be civilized at all. But we must not naïvely believe that capitalism has exhausted all its possibilities. Otherwise we would be no less ridiculous than the liberalist "end of history" ideologue. Capitalism never functions as neatly as its liberalist apologists or Marxist critics theorize. In addition to its capacity to constantly innovate, the vitality of capitalism comprises of its monstrous ability to articulate different kinds of mode of production, including pre-capitalist modes and subjugate them into the capitalist system. The origin of capitalism is flagrant enslavement and plunder. Marx is well aware of it as he denounces the myth of capitalist accumulation, the illusion of the immanent self-reproduction of capital. "Long, long age there were two sorts of people; one, the diligent, intelligent and above all frugal elite; the other, lazy rascals, spending their substance, and more, in riotous living" (MARX, 1976, p. 873).

So interests and capital gains are justified by the capital owner's willingness to suppress instant consumption.) "In actual

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<sup>12</sup> Henry Kissinger reportedly said in the 1970s that "[...] who controls the food supply controls the people; who controls the energy can control whole continents; who controls money can control the world." The source of this famous quotation is unknown.

<sup>13</sup> This idea is inspired by Prof. Wen Tiejun.

history, it is notorious fact that conquest, enslavement, robbery, murder, in short, force, play the greatest part...As a matter of fact, the methods of primitive accumulation are anything but idyllic" (MARX, 1976, p. 874). So he presents the famous notion of primitive accumulation which precedes capitalist accumulation; an accumulation which is not the result of the capitalist mode of production but its point of departure. However, he does not stop theorizing an immanent mechanism of the reproduction of capital which would suppress and negate all other modes of production, encompassing the whole mankind and create the endogenous condition for its abolition.

But the trajectory of capitalism has not revealed itself in this way.<sup>14</sup> Global capitalism is an antagonistic system which articulates other heterogeneous modes of existence. Even nowadays the slavery-labor in Brazil fits seamlessly with its industrial agriculture that feeds global capitalism. And we must say capitalism is a total enslavement of nature and of other species. The brutal primitive accumulation is never merely a prelude to the capitalist mode but rather always its very

foundation in view of the world capitalist system. Viewed in this light, neoliberalism is an atavism with its brutal expropriation of the global common. It may be said that capitalism can function only by maintaining a subtle boundary between capitalist mode and the others. Capitalism is global but never universal. The core capitalist nations can resolve the endogenous internal antagonisms only by transferring the cost to the outside. Therefore the capitalist system is essentially heterogeneous and no less antagonistic, incessantly renovating itself, even through self-destruction. That is exactly what we are afraid of. Capitalism with its Financial-Military Complex is bound to be even more brutal, violent and anti-civilizational.

Rural regeneration situated at one of the focal points of contemporary struggle therefore emerges with new historical agency. The overcoming of capitalism is an urgent historical project. But it is an open project. It calls for rethinking modernization in order to open up the horizon and possibility of history again. Modernization as a historical project becomes a linear and single trajectory, equivalent to industrialization or the march toward capitalism. But whenever someone dictates a linear and single totalizing path to us we have every reason to be suspicious of a scheme in the service of partial interests. As Latour (1993) suggests the myth of modernization involves a "purification" of temporality. The present is viewed as purely modern, distinct from the past as outmoded and ineffective and us from our benighted ancestors.

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<sup>14</sup> The Marxian linear history of primitive communism to slavery to feudalism to capitalism and via socialism finally to communism is too square to fit the real progression of capitalism. Marxist historical notion is still bound by the imaginative horizon of Eurocentrism (YOUNG, 2004) with its periphery blind-spot to the colonized and peripheral world. Relationship of production is not always developing forward. It often harks backward in order to achieve higher productivity (higher exploitation rate). Instead of the linear history as portrayed by the West, the history of capitalism is often warped.

We should rethink the distinctions between nature and society, between human and thing, the past and the present, the rural and the urban, us and our ancestors.

That is how the Zapatista insurgency effectuates its historical agency by challenging well-defined capitalist narratives. It rebels against the long-lasting monstrous repercussion of 500 years of capitalist progression by reiterating the suppressed and erased history of brutal "primitive" (yet everlasting) accumulation of capital through colonization and racial exclusion. It subverts all the distinctions between pre-modern and modern (and even post-modern), non-capitalist or capitalist, etc. By articulating a full spectrum of particular and singular struggles (race, gender, culture, territory, community, language, post-colonial, self-governance etc.) it is not universal *chez* Hegel-Marx but total (CECEÑA, 2004). The Zapatista legacy, marginal as it is, has etiolated the songs of triumph in capitalist progression.

An important form of historical-discursive violence is attributing a lack of agency to those dominated (subalterns) and excluded groups. For the secret of capitalism is often silenced exclusion rather than exploitation (wage labor). The ecology and other species are excluded from having a non-anthropocentric intrinsic value to exist in itself; the indigenous people are excluded as sub-humans; the peasants as second-class citizens. This is so not because capitalism is not well developed in these realms but because the very exclusionary mechanism is en-

dogenous to it. Therefore to overcome capitalism at this historical conjuncture, a challenge is to re-effectuate the agency of these groups who have previously been stigmatized with lack of agency ("people abandoned in the rubbish heap of history" as Hrabal puts it<sup>15</sup>).<sup>16</sup> The ecology and

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<sup>15</sup> Quoted from the introduction to the Chinese translation of Hrabal (2002).

<sup>16</sup> In both rightist and leftist theories people have to get involved in the capitalist system in order to secure a place in historical progress. For Marx only the working class has class consciousness, i.e. having historical consciousness. Only the proletarians could exist as a historical agent. For those who are excluded from rather than exploited in the capitalist system, there is no historical agency. When criticizing capitalism, Marx is most capitalistic. For example: "Of all the classes that stand face to face with the bourgeoisie today, the proletariat alone is a really revolutionary class. The other classes decay and finally disappear in the face of Modern Industry; the proletariat is its special and essential product. The lower middle class, the small manufacturer, the shopkeeper, the artisan, the peasant, all these fight against the bourgeoisie, to save from extinction their existence as fractions of the middle class. They are therefore not revolutionary, but conservative. Nay more, they are reactionary, for they try to roll back the wheel of history. If by chance, they are revolutionary, they are only so in view of their impending transfer into the proletariat; they thus defend not their present, but their future interests, they desert their own standpoint to place themselves at that of the proletariat...All previous historical movements were movements of minorities, or in the interest of minorities. The proletarian movement is the self-conscious, independent movement of the immense majority, in the interest of the immense majority" (MARX; ENGELS, [1848], *our italics*). Later, Georg Lukács further develops this idea in *History and Class Consciousness* that the proletariat is the first and probably the only class in history with the possibility to achieve true class consciousness, capable of grasping the concrete totality of the historical process.



the peasantry are among the most important.

The historical agency of rural regeneration entails open potentiality and efficacy. We could not discuss it in length. Here we highlight the community and the common.

One of the central capitalist processes is dismantling the common by expropriation (plunder, privatization or nationalization) or mediation (for example credit creation by banks). In place of the dismantled common, imaginary collectives ("civil society", "the state", "the race" etc.) must be set up. One of the conditions that make rural regeneration a valuable initiative in the historical cause of overcoming capitalism lies exactly on the fact that in rural community a rich heritage of the common is usually still available.<sup>17</sup>

It is well-known that capitalism (in pace with modernization) proceeds side by side with an inevitable breaking up of the 'restricted relationships' of all kinds ("all that is solid melts into air"<sup>18</sup>, most pre-

dominantly between (wo)man and land (nature), as well as among human beings. The breaking up of bondage of all kinds is regarded as an indispensable condition of historical progress. Liberalism thus mythologizes an atomized Individual at its ideological core. These individuals (often modeled in the image of high-income middle class in capitalist metropolis) are bound up by nothing other than private property relationship. (Interestingly Marx's proletarian as deprived individual is ontologically the former's mirror image.) However private property is a myth. The so-called private property is actually a specially managed form of the common. For example money as the prime private property must first of all function as a social tool. Capitalist private property relationship is actually a subtly covert appropriation of the common wealth to serve the interests of particular social groups. An atomized sense of existence is instrumental both in covering up the appropriation of the common and consolidating representative democracy which has degraded into a defensive mechanism of the status quo by immobilizing people's political and historical agency.

Paradoxically only a pack of individuated social beings require the passive representation of a "general will" by an avant-garde party or a partisan political organization. It's because an active political will (or a historical consciousness) can take shape only when the common is experienced. The capitalist blocs, especially the financiers nowadays are the only social groups having an effective political will

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<sup>17</sup> Michael Hardt and Antonio Negri's *Commonwealth* contextualizes itself mainly in the metropolis of core capitalist nations. They touch on the periphery in discussing the notion of altermodernity.

<sup>18</sup> "Constant revolutionizing of production, uninterrupted disturbance of all social conditions, everlasting uncertainty and agitation distinguish the bourgeois epoch from all earlier ones. All fixed, fast-frozen relations, with their train of ancient and venerable prejudices and opinions, are swept away, all new-formed ones become antiquated before they can ossify. All that is solid melts into air, all that is holy is profaned..." (MARX; ENGELS, [1848]).

and historical agency because only they have a clear vision of their appropriation of the common. People, reduced to atomized beings, are blind to the common they are dissociated from.

Then to overcome capitalism, at issue with "the masses resulting from the drastic dissolution of society" (MARX, [1843-1844]) is the formation of people's agency through re-connectivity. The idea that people have to go deep into capitalist relationship in order to transcend capitalism is of course very Eurocentric.<sup>19</sup> If as mentioned the tenacity of capitalism lies in its capacity to articulate with non-capitalist modes of production, then we cannot see why we should not articulate with what is valuable in non-capitalist modes in order to transcend capitalism.

Hardt and Negri (2009) describe how Marx in his old age became less rigid in his progressivist stance. On an occasion he was asked to "[...] adjudicate between two groups of Russian revolutionaries: one side, citing Marx's own work, insists that capitalism has to be developed in Russia before the struggle for communism can begin; and the other side sees in the Russian peasant commune, an already existing basis for communism [...] 'If revolution comes at the opportune moment,' Marx writes, *'if it concentrates all its forces so as to allow the rural commune full scope, the latter will soon develop as an*

*element of regeneration in Russian society and an element of superiority over the countries enslaved by the capitalist system.'*" (quoted in HARDT; NEGRI, 2009, p. 88-9, our italic).

Later in the preface to the Russian version (1882) of *The Communist Manifesto*, Marx and Engels write: "The Communist Manifesto had, as its object, the proclamation of the inevitable impending dissolution of modern bourgeois property. But in Russia we find, face-to-face with the rapidly flowering capitalist swindle and bourgeois property, just beginning to develop, more than half the land owned in common by the peasants. Now the question is: can the Russian obshchina, though greatly undermined, yet a form of primeval common ownership of land, pass directly to the higher form of Communist common ownership? Or, on the contrary, must it first pass through the same process of dissolution such as constitutes the historical evolution of the West? The only answer to that possible today is this: If the Russian Revolution becomes the signal for a proletarian revolution in the West, so that both complement each other, the present Russian common ownership of land may serve as the starting point for a communist development." (MARX; ENGELS, [1882]).

We think it is exactly what rural regeneration is all about---in overcoming capitalism by rediscovering these valuable elements such as the practices of cooperative labor (creativity), collective ownership (sustainable management of the common) and communal credit creation, etc.

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<sup>19</sup> Recall Marx's early notorious remark that colonization was necessary for progress since it introduced the colony into capitalist relations of production ("The British Rule in India", "The Future Result of British rule in India").

Of course, it must be emphasized that rural regeneration is not simply harking back to the traditional forms of rural community, or nostalgic of an idyllic past. The latter's parochialism itself must be fully recognized and transcended. But it can be achieved only through a patient and gradual transformation. External agents could humbly facilitate the process but should be cautious of any missionary or avant-garde mentality. Rural regeneration movement should be supplemented with expanded awareness such as gender, eco-justice and good governance, etc. By this way instead of the Hegelian *aufhebung* to civil society and the state, rural community can remain rooted in its localized finite form yet transcend itself toward a richer agency.

Claude Lefort once asks an astounding yet most meaningful question in Marx's thought: "Should we say that [the proletariat] is the destroyer of the social imaginary or the last product of Marx's imagination?" (LEFORT, 1986, p. 180). Maybe the peasantry with its historical agency, not unlike the proletariat, is too a social imaginary. But it is a timely and efficacious one.

### Concluding remarks

Since the late Qing Dynasty, regardless of ideological preferences, Chinese intelligentsia and politicians have uncritically adopted the models of industrial and later financial capitalism at the expense of the peasants, the majority of China's population. This has led to the three dimensional rural issues of peasant, village

and agriculture. If 'rural China', or rural governance based on small peasantry and village community is sustained, for the cultivation of interdependent and cooperative relation among a community and among neighboring communities, not only does it protect the livelihood of the majority of the population but also function as 'a resistance' to the external crisis derived from global capitalism. In that sense, the current official experiments of building a socialist countryside or the rural reconstruction movement activists are contributing to the defense and justification of small peasantry and village community, amid the disasters induced by capitalism. In summary, China's take-off is based on the exploitation of rural China. But the continuous experiments of rural reconstruction may provide an alternative to destructive modernization.

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