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## **THE EVOLUTION AND EXPERIENCE OF CHINA'S RURAL GOVERNANCE REFORM**

**Purpose.** *The purpose of this paper is to review the evolutionary development process of rural governance in New China and to reflect on the governance measures adopted by the country's rural revitalization strategy.*

**Methodology / approach.** *This paper uses theoretical analysis and comparative analysis methods to analyze the rural governance practices since the founding of New China by using the perspective of endogenous development theory. Through the literature research and related policy documents of a large number of rural governance researches, the paper summarizes the accumulated data, analyzes the evolution process of rural governance in China and evaluates the current status of the governance system.*

**Results.** *The article briefly reviews the evolution of rural governance in China since the founding of New China, including major policy adjustments and changes in actual conditions. Domestic scholars have studied the ability of each subject to participate in governance and the actual governance model. It should be pointed out that the importance of participating ability in the subject is more significant when various conditions are becoming more and more perfect. Especially in the case of the country's continuous strengthening of the external governance capacity at the grassroots level, the villagers' own participation ability and willingness have not improved, so the purpose of governance itself is difficult to achieve. It may further affect the realization of the national rural revitalization strategy and the governance modernization process of the entire country.*

**Originality / scientific novelty.** *From the perspective of endogenous development, this paper analyzes the ability of rural governance to participate in the main body, and evaluates the problems faced by rural governance in the current stage of China's injection of huge resources into rural areas.*

**Practical value / implications.** *To better play a role in the current rural revitalization strategy, the government provides a way of thinking to better formulate policies and achieve sustainable development in rural areas.*

**Key words:** *rural governance, evolution, governance capacity, economic development, China.*

**Introduction and review of literature.** In accordance with the 2014 National Bureau of Statistics, there are nearly 32,683 townships, 585,451 village committees in China; 0.57 billion rural population (data released by the National Bureau of Statistics of China in 2017), such a large group, such a vast rural area, its ups and downs associates to the future and fate of the entire country. Governance in rural areas is also a hot spot for high-level officials and scholars.

At present, the Chinese government considers it extremely important to solve

the problems concerning agriculture, rural areas and farmers, and has put forward a major task of implementing the strategy of rural revitalization. The fundamental way out is in the modernization of rural governance system and governance capacity by implementing the strategy of rural revitalization and thoroughly solving the problems of «agriculture, rural areas and farmers». But the reality is villager which is poorly organized and the collective economy is weakness, governance capability weakening, in rural grassroots governance practices of the elite governance become seeking profit, loss of traditional culture governance, governance logic is divided into fragmentation, and so on. Rural grassroots governance need to modernize its own continuously, which will strengthen their own construction unceasingly, adjust the structure of the management system and the regime, improve the governance ability. In order to solve the current problems, the government and academia attached great importance to the research on rural governance. In 2018, there are 198 Projects of the National Social Science Foundation of China related to rural society, including 38 rural governance projects.

**The purpose of the article** is to review the evolutionary development process of rural governance in New China and to reflect on the governance measures adopted by the country's rural revitalization strategy.

**Results and discussion. 1. Evolution, characteristics and effects of rural governance in China.**

**1.1. 1949–1976:** A highly centralized rural governance system. From the founding of New China to around 1976, rural areas established a highly centralized rural organization system in accordance with a series of policy requirements issued by the state, through agricultural production cooperatives and people's communes. It offers a large number of resources for the initial industrialization of New China. However, due to the strong control of the state at this stage, the historical breakdown of rural society has been caused, and the country's laws and policies have been forcibly imported into rural society through political means. It inhibited the peasants' autonomy and the diversity of agricultural development, and at the same time it also produced cadres and masses. The identity system implemented by the people's communes has created the formation of a dual society in urban and rural areas. As L. Huizhong and L. Ming pointed out in the article «Institutional Supply, Fiscal Decentralization, and Rural Governance in China», the logic at this time is the logic of governance and the logic of state construction [1]. The village confronts problems such as lack of governance, inadequate supply of public goods, low efficiency of agricultural production, and dilapidated agricultural infrastructure [2].

**1.2. 1976–1987:** The villager autonomy system was gradually established From the 1980s to 1987, due to the weakening of the country's penetration, the land reform of the household contract responsibility system in rural areas changed the form of production organization in rural areas, and the farmers who mastered the means of production made the rural areas renewed their vitality. The rural areas began to explore the road of self-government from rural public affairs such as public security and construction of water conservancy facilities. Finally, the Organic Law of

Villagers' Committee (Trial) was passed by the Standing Committee of the National People's Congress. Village self-government achieved many results. During this period, rural society has been greatly developed, the living conditions of farmers were greatly improved, grassroots social organizations have also developed slowly, and clan organizations and kinship organizations in some rural areas have been restored. Village-level autonomy in the true sense also began during this period.

### 1.3. 1990–2006: The perfect development of villager autonomy system

Before the abolition of agricultural taxes in 1990, village self-government continued to improve. In 1998, the Organic Law of Villagers' Committee was officially passed. It renders the villager's autonomy from development to maturity. Despite the continuous advancement of the system, there were many problems in the governance of rural areas in the process of development. The weakening of the rural collective economy led to the fragmentation of village organizations, the increase of rural burdens, the tension between the cadres and the masses, the stratification of village committees, and religious organizations spread in the countryside.

From the «Agricultural Tax Regulations» in 2006 was officially abolished by the state to today, rural financial funds were reduced, townships and institutions were merged, and partial posts were withdrawal. At the same time, at the county and city level, the rural financial power was collected, and the devolution of the power was the «soft centralization» pointed out by scholar M. Xuefeng. The logic of the implementation of governance by village cadres has undergone profound changes. They were no longer the agents of the state to collect agricultural taxes, and their sense of distance and looseness with farmers was also becoming more apparent. In order to promote the development of rural areas, the state continued to inject a lot of resources into rural areas. The township government faced the pressure of attracting investment, developing the economy, applying for projects, and maintaining social stability. Some social organizations and new Village Sage had more opportunities to participate in rural governance.

From the development process of villager autonomy above, it can be seen that the governance of rural areas has experienced the development trajectory of state rule, state encouragement and autonomy, and multi-center participation in governance at the present stage. The characteristics and effects are shown in table 1. Scholars have done a lot of research from the aspects of grassroots party organization construction, the governance capability of rural cadre, grassroots democracy, and rural governance models, and have achieved many results.

If it said that the internal governance capacity of rural areas was difficult to play before the suppression of the state before 1978, then the state's control is gradually relaxed, decentralization, and resource injection. Especially after the abolition of agricultural taxes, the internal governance capacity of rural areas should be further developed. It should not go to the opposite side of Prosperity and order. Although scholars have studied this from many angles, in the case of increasingly perfect external conditions, it was necessary to analyze the current problem from the perspective of the lack of governance ability of the actors.

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*Table 1*

**The characteristics and effects on each stage**

Evolution stage	Institutional characteristics	Governance effect
High concentration phase	National omnipotence	Successfully mobilized the general public to join the national construction; the supply of rural public goods has been improved, But the autonomy of farmers is severely suppressed.
Initial stage of villager autonomy	Household responsibility contract system; control and limited dependence on the establishment of social organizations and mass autonomous organizations	Inspired farmers' willingness to produce; small-scale peasant economy developed; autonomous organizations recovered
Villager autonomy improvement stage	Abolition of agricultural taxes; Decentralization of authority; Development of mass autonomous organizations	The tax burden of farmers has been reduced, and villagers' democracy has developed
Capacity construction phase	Further decentralization of the matter; Multiple management of social organizations; Various resources cover rural areas and support rural development	Social organizations have the opportunity to participate in rural governance, and there are many forms of participation in governance

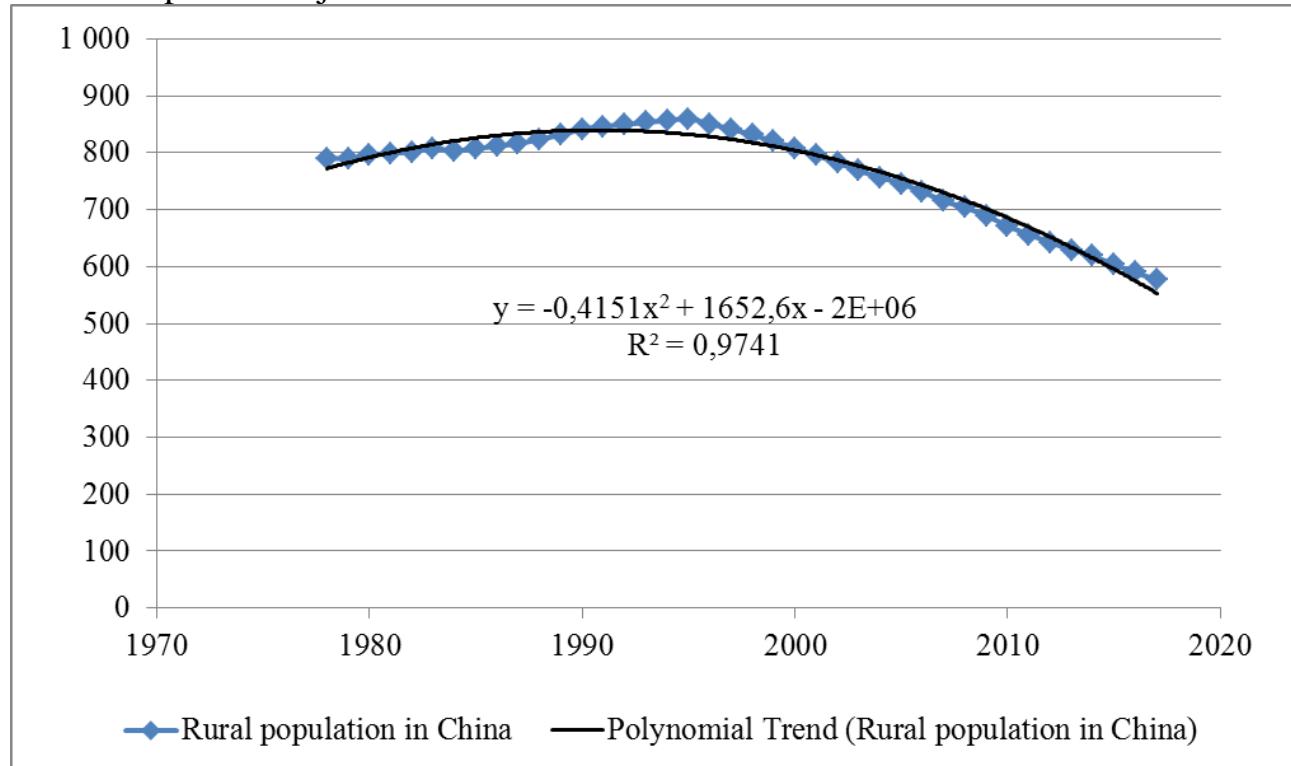
*Source:* developed by the authors.

**2. The composition and problems of China's rural governance system at the present stage.**

China's rural governance system is a grassroots governance system established under the leadership of the Communist Party of China. It is divided into an organizational mobilization system, a management and an operative system, a system of powers and responsibilities, and a service system. Some scholars believe that the rural party organization is the political mobilization start button reserved by the Party Central Committee in rural areas. The grassroots party organizations play their advanced nature and lead the development of the rural service system. The village self-governing committee is an elected organization that implements self-management, self-education and self-service of the villagers according to law. The villagers supervise the exercise of the rights of the village committee and the grassroots party branch, and the party and government departments at the higher levels take assessment and accountability for them.

From the practice point of view, the village committee is not in a good situation, the village-level financial resources are scarce, and the relationship between the cadres and the masses is tense. The institutionalization of village self-government cannot keep up with the actual needs of rural social development in the new era, and the village committee becomes the next level of «township administration» management. At the same time, with the development of new urbanization (figure 1 shows that the rural population has continued to decline after 1990, data released by the National Bureau of Statistics of China in 2017), people's activity space has

undergone profound changes. In the context of increasingly open, flowing, differentiated and diversified rural areas, cultural breaks and multi-value conflicts and rural talents are lost. There is a phenomenon that the actual governance subject and the development subject do not match.



**Fig. 1. Changes in rural population in China, mln people**

*Source:* developed by the authors based of the data of National Bureau of Statistics of China.

**3. Reconstruction of China's Rural Governance Capacity System.** The composition of China's modern rural social governance structure includes the state's grassroots political power, villagers' organizations, and other organizations. As actors in governance, their ability to participate in governance affects the effectiveness of rural governance. Chinese scholars have different research on the ability of rural governance actors:

*3.1. The Constructive Effect of the Participation of National Grassroots Political Power.* The Communist Party of China as the ruling party not only plays a decisive role in macro governance, but also its grassroots party organizations play a central role in rural governance. Village cadres and rural party members are generally older, lacking informatization ability, low level of knowledge, unreasonable leadership style, and corruption problems in some cadres. Scholars have conducted a lot of research on the governance of grassroots party organizations. Y. Xianglu believes that strengthening the grassroots party organization as the main line, strengthening the party leadership, developing the economy, serving the masses in the overall thinking of rural governance and improving the establishment of rural grassroots party organizations, deepening the rural collective Property rights reform, giving play to the role of new agricultural management, building rural policy support mechanisms and other countermeasures [3]. L. Rongrong pointed out that the

modernization of the governance capacity of the township government puts forward new requirements for the cadre competence, mainly reflected in the four aspects: learning and implementation competence, innovation and patient work competence, response and dedication competence, and emergency and negotiation competence. It is necessary to improve the competency of township cadres. It is necessary to standardize the operation of the system, change the working mode, improve the incentive mechanism, enhance the incentive effect, foster a healthy culture, and eliminate the concept of «official standard» [4]. Y. Zi believes that in the current rural governance, the over-dense of public resources to the country side leads to the target management responsibility system embedded in the practice of grassroots democracy, and causing the bureaucratic hierarchy of the semi-formal administrative structure. Grassroots governance system supplies under a variety of tensions, not only failed to bring the rejuvenation of rural social publicity, but have led rural governance to the opposite of good governance instead. In the process of implementing the rural revitalization strategy, village cadres should become the subject of joint governance of public resources, and may also fall into the hotbed of «micro-corruption» in rural areas without supervision. In order to better benefit the people in modern countries, it is necessary to continuously improve the administrative capacity of the administrative villages and promote the modernization of the rural governance system and governance capacity [5]. In Q. Jingdong's depth study of the project system affirmed its significance for breaking through the bureaucracy, but also pointed out that it may form a monopoly [6].

*3.2. The effect of village group participation in construction.* W. Yan and W. Chonghui believe that the masses under the leadership of CPC are the main body of negotiation and governance [7]. The active participation of the people is the basis for achieving township governance. Their quality, ability and enthusiasm for participating in public affairs directly determine the quality of governance. However, due to the fact that farmers leave rural areas to work in the city, this part of the population with strong ability cannot effectively participate in the governance of the village. The left-behind elderly, left-behind children, and left-behind women cannot participate in the governance of the village effectively because of their age, gender, limited energy, and other reasons. This is what the scholars call the hollowing out of the countryside. However, the traditional rural concept has been violently impacted in China's modernization process, and the new social order has not been perfected. The cohesiveness of the village residents has been dissipated. This phenomenon is called atomization of the village. Scholars have studied these issues. X. Mingzhu believes that peasant political participation is an important guarantee for promoting the modernization of governance capabilities. We have to do a good job in grassroots party building, arouse farmers' awareness of political participation; innovate participation platforms, encourage farmers to participate in political activities; strengthen education for the people and enhance the quality of farmers' political participation; provide participation guarantees and guide farmers' political participation [8]. L. Yiqiang and C. Ming believe that by developing rural social

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organizations to build a social foundation for village-level democracy, ordinary villagers will be brought into the process of democracy through organizational mechanisms, and activate the institutional code and creative potential of village-level democracy [9]. H. Ying believes that China's gradual villager autonomy still faces many practical dilemmas, such as the lack of democratic awareness and capacity of the villagers, excessive government intervention in village self-government, and the fact that rural social self-governing organizations cannot provide social foundation for the development of village self-government. To promote the development of villagers' autonomy, we should gradually improve villagers' sense of participation and autonomous ability, and the government should gradually grant power to lower levers and allow villagers to keep a bigger room of villagers' autonomy in order to breed self-organization in the rural community, so that the social base of villagers' autonomy will be strengthened [10].

*3.3. The effect of other social groups participating in construction.* At the present stage, in the actual process of rural governance, scientists believe that relying on the interaction between the state and society and between the state and the people is very important to the stability of the social order. An authoritative but not omnipotent party listening to public opinion has implications for the transformation of China. In addition to the participation of the state and the public in rural governance activities, actors with specific resources in society also play a very important role in rural governance activities. Y. Deru believes that the significant problem of rural governance is the massive loss of elites in the countryside, the failure of the apathy of the autonomous system, and the breakdown of the spirit of rural governance. He advocates that the local sages of the new era should be absorbed into the rural governance system according to local conditions and actively play their role [11]. Z. Guofang has studied the participation of social capital in rural governance, arguing that social capital can promote rational collective action, which is conducive to the achievement of rural governance goals [12]. Y. Zi pointed out that some local village-level governance currently exhibits oligopoly in terms of authority structure, resource allocation and interest extraction. Grey interest production, elite alliance and political asylum contribute to oligarchy governance reproduction. The input of exogenous interests and the weak rural society have become the forming and plastic element of the widowed village [13]. On the one hand, it is necessary to use social capital to inject funds for rural development. On the other hand, when introducing social capital to participate in rural governance, it prevents the tendency of oligopoly in village governance.

In 2019 the Document No. 1 of the Central Government, pointed out that the establishment of the leadership system and working mechanism of the party organization led by the combination of autonomy, rule of law and rule of virtue, and the role of the masses in the governance of the main body; supporting talent recruitment, promotion channels, functional positioning, and funding guarantees, and stressing that village committees should perform the functions of grassroots mass autonomous organizations and play the role of various organizations at the village

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level. Form a multi-agent participation governance model led by grassroots party organizations.

#### ***4. Comparison of typical models of rural governance in China at the present stage.***

*4.1. It is based on a government-led multi-governance model.* First of all, the Communist Party of China is China's ruling party, and its ability to govern must be extended to various administrative levels, including reaching the grassroots of the village, to ensure the party's leadership over the broad masses of the people. Rural governance reforms, including village self-government, are also driven by the government. The government influences the autonomy of rural society by appointing villages, education and training, appraisal, and rewarding village cadres; absorbing and influencing rural social elites. Therefore, the government's model of leading rural governance is not difficult to understand. This kind of governance has its historical value naturally, but the existing problems should also attract enough attention.

Secondly, in theory, villagers who are self-governing villages should have a self-management of the villagers. However, due to the existence of grassroots political power, civil authority and other organizations, they will have an important impact on the decision-making, implementation, methods and effects of rural governance. The grassroots government determines the direction and structure of governance and deals with matters within the system. Civil authorities and other organizations deal with matters outside the system. In some cases, grassroots regimes need to use civil authority and other organizations to help deal with things that are difficult to do with laws and orders. Therefore, there is a pattern of dominant participation in multiple participation. In some cases, this model will become an alliance of local interests. However, its positive significance is also obvious. In most cases, everyone has the opportunity to negotiate and communicate.

*4.2. It is a model of elite governance.* Regardless of who is involved in governance, they are elites with certain resources (distributive resources and authoritative resources) and social status in the village. Whether it is the past «village gentry» or the current «capable person», they play the same role in the process of rural governance. These elites are the targets of the state powers in different periods, and they serve the public interests of the villagers through them. This also has its positive and negative side.

China should also pay attention to foreign research results and absorb useful experiences. A. A. Thuesen and N. C. Nielsen believes that the local action groups level makes improvements to local development in the form of leverage, democratisation and bottom-up decision making, which none of the other levels would be able to provide with the same level of efficiency or effectiveness [14]. M. Shucksmith links rural integrated development with spatial planning, local shaping, capacity-building and new endogenous development concepts to study rural governance in northern Scotland and to design specific governance structures [15]. A. Mosimane and J. Silva believes that local governance structures require more external support and oversight to design and implement ways to distribute benefits to

community members; fairness can only be achieved when the clear objectives of the benefit-sharing system used by local governance structures involving transparency and share the benefits fairly [16]. In analyzing the rural governance of the Czech Republic, M. Šimon and J. Bernard believes that the EU's «project class» measures can strengthen the capacity of rural participants from the outside [17]. These research results provide a good idea for solving current rural governance problems.

**Conclusions.** First, although scholars suggest improving the governance capacity of different actors, there is no clear and uniform definition of the ability of actors to participate in governance. In particular, the villagers' capacity of autonomy is not defined. It is difficult to investigate and determine which ability that villagers need to improve. Moreover, domestic scholars have relatively lack of empirical research on relevant theories applied to rural governance, and it is difficult to test the theory and improve the theory. Due to the heterogeneity of rural China, scholars' conclusions are also limited to a certain area, which means that other areas should study their own rural governance issues and solve specific problems in rural development and governance.

Secondly, China's rural autonomy is the villager autonomy promoted by the state, and the enthusiasm of the villagers to participate in governance affairs spontaneously is not high. In order to mobilize the enthusiasm of grassroots cadres, the current state has given support in terms of promotion, assessment, and funding guarantees, and the tendency of village cadres to become more bureaucratic is becoming more and more obvious. This has its positive significance, especially in rural areas where the central and western regions are underdeveloped. Because village cadres have low incomes and few chance of promotion, their enthusiasm is difficult to mobilize. However, from a long period of time, the impact of this bureaucratic trend requires further research. In the case of external «governance by others» ability continues strengthening, if the villages' internal autonomy cannot be improved or missing, and governance becomes a national matter, the villagers passively accept it. This is clearly contrary to the spirit of governance, and the realization of the national rural revitalization strategy and the goal of governance modernization may be affected.

China is implementing a rural revitalization strategy and proposing effective rural governance. Obviously, improving the ability of each actor and cultivating the internal dynamics of rural governance will be a topic that needs urgent research in the academic world.

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