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**New Rural Development under the Background of Collective Economic System**  
**--By investigation and research of the Agricultural and Industrial and Commercial Cooperative of**  
**Zhoujiazhuang in Jinzhou City, Hebei Province**

*The Formation and Development of the Unified "Two-level Ownership" System in Zhoujiazhuang*

The rural cooperative economy occupied the mainstream in the 1950s, but this system became outdated in the majority of China as time went on. However, Zhoujiazhuang Township of Jinzhou City, located 50 kilometers east of Shijiazhuang City, Hebei Province, has largely retained this historical tradition and is known as "the last people's commune in China."Featuring a unique "two-level ownership system"(i.e., means of production owned by cooperatives and production teams) and "unified accounting"(by the cooperative), Zhoujiazhuang township is considered a miracle of China's rural development.

Zhoujiazhuang cooperative consists of 10 production teams. The full name of the cooperative is "the Agricultural and Industrial and Commercial Cooperative of Zhoujiazhuang"(from now on referred to as "cooperative" or "Zhoujiazhuang"). In 1951, Zhoujiazhuang established a cooperative. In 1954, Lei Jinhe was elected the president. In 1956, the Advanced Agricultural Producer's Cooperative was established. In 1958, the people's commune was established. In 1962, the whole country implemented the management system of "three-level ownership" (aka the cooperative, production brigade, and production teams own production). The people and cadres of Zhoujiazhuang analyzed and discussed thoroughly and drew the conclusion that another management-level would be a waste of workforce and resources. Therefore, Lei Jinhe decided to write to the central leaders for help. Finally, with the support of Premier Zhou Enlai and other leaders, Zhoujiazhuang successfully retained the "two-level ownership" accounting system which is suitable for its situation, laying a foundation for the development of Zhoujiazhuang.

In 1982, the household contract responsibility system was established in the rural area, which opened up a new situation for rationalizing rural production relations. The cadres of Zhoujiazhuang studied and discussed the No.1 Document of the Central Committee and mobilized all the members of the cooperative to conduct an in-depth discussion. Finally, the committee reached an agreement and decided to stick to the collective model. In summary, Zhoujiazhuang maintained the features of the People's Commune era, which included farming collectively, keeping a record of work points, distributing income unified, rationing food, and retaining economic forms such as reserved land.

*The Formulation and Implementation of the Responsibility System of Labor Quota Post Management*

By the end of 2017, Zhoujiazhuang Township owns 17,860 mu of land, 4,561 households, 13,804 people, and a total of 8,356 laborers. The total social and agricultural income was 1.11511 billion yuan, the net income was 270.12 million yuan, the national tax payment was 30.66 million yuan, and the public accumulation was 44.27 million yuan. The Agricultural and Industrial and Commercial Cooperative of Zhoujiazhuang is led by the Party committee and town government, which implements a two-level ownership system and unified accounting. The cooperative takes a method of being responsible for labor, output, costs, and bonuses are given if the output is surpassed. The production team implements a "labor quota" responsibility system of post management for each labor force and gradually forms and improves the labor quantitative management system on the basis of mass appraisal. The labor quota is set at a total of 13 grades and 324 items where the standards of requirements and compensation for each labor are refined. After being refined, it is then converted into work points, aggregated monthly, and accounted for once a year. After the public accumulation fund, public welfare fund, and risk fund are extracted, the total income of cooperatives at the end of the year is distributed to the members according to the work points.

Here are two labor quota forms.

Form 1. Labor Quota Scale of Zhoujiazhuang

Scale	Labor quota	Pay	Labor work
1	4	1.4	Cotton sowing
2	10	1.3	Cotton sowing; wheat harvesting; straw gathering; straw trafficking
3	6	1.25	Mechanical cotton sowing; grain crops sowing
4	12	1.2	striking threshing of wheat and grain; grain harvesting
5	43	1.1	plowing; harrowing; hoeing; earthing up; pollinating
6	8	1.05	trafficking manure by a tractor; trafficking manure by human labor
7	104	1.0	human-drawn seed plowing; soaking seed; manure spreading; cotton picking; stubble turning
8	19	0.95	disinsecting; seedbed preparing; seeding
9	69	0.9	Leveling the field edge; leveling rows; second manure spreading; pulling the seedling
10	10	0.85	rolling the ground; gather the sweet potato stem; brushing the trafficking trail
11	31	0.8	Cotton topping; fertilizing; maze disinsecting
12	4	0.75	Cotton-top removal; wheat harrowing
13	4	0.7	Sweat potato picking; cotton picking; cotton spinning
<b>Total</b>	324		

Form 2. Labor Quota of Zhoujiazhuang

Classification	Work List	Conditions				Work Standard	Quota		Pay Criterion		Unit conversion rate	
		Far/Near	Labor	Animal	Tools		unit	quantity	scale	pay	unit	workday
Soil preparation	Plow cultivated land	far	1	1	plow	deep plow, even and straight land	mu	4	5	1.1	1mu	0.275
Sowing and planting	Sow cotton	near	1	1		parallel furrows and adequate young plants	mu	16	1	1.4	1mu	0.087
Fertilizing and watering	Spread manure		1			Well distributed fertilizer	mu	40	7	1	1mu	0.025
Fertilizing and watering	Spread chemicals		1			No harm to young plants	mu	12	9	0.9	1mu	0.075
Seedlingmanaging	Cast sorghum leaves		1			No harm to young plants	mu	1	7	1	1mu	1
Disinsecting and topping	Grain dusting		1			pre-emergence spray	mu	15	5	1.1	1mu	0.073
Crop harvesting	Pick cotton		1			Second and third spray, clean filed, clean stem,	kg	55	7	1	50kg	0.91
Mechanical work	Traffic manure	far	1	3		0.7 cubic meter of earth	carriage	8	6	1.05	1carriage	0.13
Mechanical work	Weeding		6			Carry away the weed	kg	2500	7	6	50kg	0.12
Trivial	Vermicelli		1			6kg vermicelli out of 50kg sweet potatoes	kg	7.5	7	1	0.5kg	0.067

Note: there are more than 320 kinds of labor quota in this township. Only ten kinds are listed.

Some cooperatives often take the records of work only according to the laboring time and ignore the differences in contents and results. However, in Zhoujiazhuang, the labor is refined, quoted, and divided into 13 grades. The compensation standard is reduced from the first grade to the thirteenth grade, and the detailed requirements for each labor are listed. In principle, the dirty, tiring or difficult work tends to occur less frequently and be relatively more rewarding, while the clean and comfortable work tends to happen more frequently with less reward. Also, highly technical demanding jobs demand higher pay. This kind of management is highly refined, guaranteeing the fairness of all labors to a great extent and effectively preventing the lack of work, as well as solving the enthusiasm

and efficiency problems which often occur in collective labor. Compared with other cooperatives, the members of the Zhoujiazhuang cooperative are conscientious, strive for excellence, and produce higher quality work.

Among the ten production teams, only the ninth product team has a specific division of labor. This particular division is responsible for sightseeing and picking agriculture, which is essential for the growth and sustainability of the cooperative. More than 400,000 tourists visit the province each year, and the total annual income is over 18 million.

### *Advantages of Collective Ownership in the Management of Rural Cooperatives*

Given the significant benefits of large-scale land, high mechanization level, and interval planting conditions, Zhoujiazhuang township has rationally planned and scientifically operated 18,000 mu of land, which has dramatically improved the scale benefits. For example, they built isolation belts and planted 10,000 mu of fine wheat varieties to obtain higher yields than the average wheat field in their neighboring towns, who in comparison divide the fields into separate units preventing them from establishing isolation zones or coordinating different demands of farmers. Furthermore, the cooperative gained a lot of economic benefits by creating 4,000 mu of vineyards, 3,000 mu of pear gardens, 1,000 mu of nursery bases, 2000 mu of organic vegetable bases, and also experimental stations for millet, corn, soybeans, peppers, peanuts. In contrast, those who chose the small-scale peasant economy cannot conduct scientific planning in their fields to gain these high benefits.

After observation and analysis, it is clear that the large-scale cultivation of Zhoujiazhuang showed the following advantages.

#### *large-scale farmland for unified cultivation.*

It is very different from the small farmland that is divided based on the household. Farmland of the cooperative has neither the dividing line of each farmland nor the open channels for irrigation formed by dividing the farmland into households, which is easy to implement mechanize farming.

#### *significantly improved irrigation outcome.*

The farmland in Zhoujiazhuang does not use open channels for irrigation. Instead, they chose the buried telescopic irrigation. This approach holds four advantages: the first is to reduce water evaporation, the second is to control the amount of irrigation water and timing effectively, the third is to save irrigation labor costs, and the last is solving the problem of infrastructure investment. This approach has dramatically improved irrigation benefits. However, this high cost of infrastructure is not affordable for the average individual farmer.

#### *prevention and control of pests.*

While visiting the fields, the author noticed that farmers were spraying the crops in collective farmland. By reducing the number of pesticides and pollution, this collective farmland approach proved to be more efficient in pest control compared to private farmland. In the small farmland of one household, it is impossible for each household to have unified pesticide spraying or even universal standard for the necessary amount of pesticide.

When pests and diseases occur in individual farmlands, it is impossible to manage both epidemics promptly. The lack of control will grant the pests and diseases a chance to spread in a large area, significantly reducing the effect and power of pesticides. This fact alone is one of the critical reasons for the severe pollution of crops in China.

Additionally, the cooperative also operates a milk factory, and the feed is produced by another factory in the cooperative using the remaining straw after harvest (divided into silage and yellow storage). The milk factory has become a vital milk source for local dairy companies with its high quality and healthy milk source. The pears and

grapes grown by the cooperative have applied for registered trademarks. Because of their pollution-free feature and sound quality, they have been sold nationwide or even globally. They have become landmark-level products, and half of the grapes and red are exported to the United States, Canada, Australia and Southeast Asian countries.

Also, the cooperative has several enterprises and factories, such as a carton factory, a printing factory, a valve factory, etc. However, due to the intense competitiveness of private enterprises along with coupled with the loss of talents of cooperatives, the company's benefits have generally declined in recent years, and the valve factory has even closed down, all leading to the unsatisfying industrial development of the cooperative.

Practice tells us that the key to the survival and development of a rural economic model lies in whether the peasant masses can support the model. What farmers need most is to get more benefits. It is reported that the cooperative provides various welfare guarantees for members, from free water and subsidized electricity to subsidies for the elderly over 60 years old (from 80 yuan per month, for every five years of age increase by 20 yuan per month), and then to additional medical care. The subsidies for housing, living, and schooling for children have composed an extremely comprehensive social welfare system to ensure that every member can live a worry-free life. Although the model is not perfect, the farmers in Zhoujiazhuang do enjoy the benefits that many farmers in the surrounding towns and villages do not receive.

#### *A Survey of "Zhoujiazhuang People's Satisfaction with the Current Management Model"*

In regards to the survey, more than 3/4 of the total over 100 respondents were locals. Among all respondents, nearly half of the workers were over the age of 55, less than a quarter received an education of college level or higher and less than half works in the agricultural industry. The overall frequency of Internet access was not optimistic, for many people never go online, nearly a quarter of those who do never paid attention to agriculture-related content. Respondents generally expressed that they were satisfied with the current system. Dissatisfied respondents only accounted for less than 10%. Similarly, less than 10% were considered to be unsatisfied with the classification of work and the standard of work quotas, but 3/4 or so have or have had the intention of leaving the cooperative to other enterprise or industries. What is more, about 30% stated that they are unwilling to let their children stay in the cooperative.

According to the analysis, the overall situation of Zhoujiazhuang Township is relatively stable, and the people are comfortable with the status quo. Among those who are very satisfied with the current system, older people over 55 years old account for nearly 70%, while among those who are dissatisfied, youngsters under 24 years of age account for 3/5. Moreover, the degree of education had a negative correlation with the current system satisfaction. Only about 10% of those who received a college education or above expressed satisfaction with the current system, and this proportion accounts for 1/2 of those receiving primary and lower groups. Similarly, Internet frequency and institutional satisfaction have also shown a negative correlation. More than 40% of the people who were satisfied with the current system said they never go online.

That is to say, most of the older villagers or villagers with low education levels are satisfied with this production system, because seeds, fertilizers, pesticides, etc. are all purchased by the cooperative. Furthermore, their income is above average, and this system gives them a sense of security. Some villagers with higher education level believe that the collective economic development is optimistic, farmers' welfare is guaranteed, and the three rural issues (agricultural problems, rural problems, farmers' problems) are absent. In general, they are happier than the villagers of other villages that are troubled by the three rural issues. However, some villagers believe that this kind of relief costs them their freedom. Some young villagers believe that under this collective system, their development prospects are buried, resulting in the choice of going out to work or engage in self-employment.

#### *Thoughts on the Development of Zhoujiazhuang*

With the acceleration of urbanization in China's towns and villages, the large-scale management of agriculture is an inevitable trend. It is certain that the household contract responsibility system will decline. The question is, how to replace this contract responsibility system? Fundamentally speaking, whether it is the agricultural production or collective enterprise, the Zhoujiazhuang cooperative has adopted a collectivized production and organizational model with families no longer being the primary production unit.

All in all, the individual labor force only participates in the production as a member of the division of labor. The successful experience of the Zhoujiazhuang cooperative is considered instructive and inspiring for the three rural issues, for the urbanization and modernization of rural areas, and for maintaining a sustained and steady growth of China's rural economy.

Although the future development of Zhoujiazhuang has its remarkable sustainability and apparent advantages under current circumstances, the author also found that the model still has certain limitations.

The first limitation is the unsustainable labor force. The shortage of labor is one of the most urgent problems facing the current cooperatives. According to the author's analysis of the results of the visit, the age of the current labor force is generally too high, and young people usually are reluctant to work in the cooperative. After graduation, few subsidized young people return to work in the cooperative, as a result of the competitiveness of the individual factory and the psychological unwillingness to farm. Nowadays, the cooperative is faced with a severe brain drain, which restricts the current and future development of the cooperative.

Secondly, the contemporary cultural literacy of members, in general, is relatively low, and there is little or no contact with the Internet. It is difficult for them to play a proper role in the increasingly modernized agricultural production in the future. Therefore, the production level of the cooperative is limited from further improvement. The lack of service personnel such as tour guides caused by low cultural literacy is also one of the bottlenecks restricting the development of the tourism and picking industry.

What's more, the benefits and potential of conventional agriculture have reached the upper limit, and the second and third industries account for a relatively low proportion. A significant challenge going forward for the Zhoujiazhuang township will be finding breakthrough and transformation points, which will determine whether this collective management system can continue to survive and develop.

Given the current unprecedented food safety crisis in the country, green agriculture should be one of the outlets of Zhoujiazhuang. The farmland of the cooperative is much better than the surrounding areas, which are typically bothered with severe pollution. Furthermore, Zhoujiazhuang has a farm with 1,000 cows in the cooperative, securing a certain amount of organic fertilizers. The author believes that if the cooperative exploits the advantages of collective production and vigorously develops the breeding industry for pigs, cattle, and sheep, it is possible to retreat from a new path of the circular economy and rebuild the glory of the collective economy in the current economic downturn. Also, the features of the picking garden of the ninth production team are not unique enough. It can make more fuss about the deep processing of agricultural products such as fruits and green tourism picking. To increase publicity and develop sales channels along with providing a platform for the next generation's employment and development, Zhoujiazhuang should take advantage of the internet.

Giving full play to the advantages of Zhoujiazhuang's "two-level ownership, unified accounting" management and large-scale farmland cultivation, Zhoujiazhuang may truly become a new socialist township with Chinese characteristics. This possibility is a question that both Zhoujiazhuang people and the government should be actively considering. As the current party secretary of the cooperative, Lei Zongkui cited, "We are still looking for ways to strengthen the collective economy." In his view, the collective economy still has its vitality. "The key is to do everything possible to improve the enthusiasm of the members." We sincerely hope that the Zhoujiazhuang cooperative will strive to explore and make breakthroughs in improving the enthusiasm of its members.

How to further mobilize the enthusiasm of the majority of members? How to make the cooperative more attractive to young people in the future? How to make the township enterprises in Zhoujiazhuang develop better? These are

the questions we are looking forward to a better answer.

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