The governments of almost all developing countries are facing the long-term twin problems of capital shortages and high fiscal debts, resulting from their attempts to modernize the state forms and economic and financial relations left by colonialism or copied from western political culture. Whether they claimed to be of the left or the right ideologically, they almost invariably undertook policies to attract foreign investment and encourage domestic private investors to join the global industrialization competition during the twentieth century.

When one looks across many countries, there is a general pattern that seems clear—the greater the reliance on agriculture as the main source of employment, the poorer they are. But such a causal relationship gives a false impression. Up to the present the heavy institutional costs of industrialization with a modernized political superstructure, occurring together with a backward economic infrastructure, have not been recognized. Most developing countries have traveled down this one-way path, and sooner or later they have fallen into the trap of “modernizing” while leaving the institutional cost to the people and the environment.

Continental China, the biggest developing country, with the largest population (but also with significant natural resource constraints) has close to 20 percent of the world’s population, but only 9 percent of its arable land and a mere 6 percent of its fresh water. Over the centuries,
China had its share of drought- or flood-induced famines. But if not for a 6,000-year history of irrigated agriculture, with its related “village rationality” based on traditional indigenous knowledge—which internalizes risks by its multifunctional rural cultures of sustainable self-reliance—China would have been a land of perpetual hunger.

China has in large part accomplished the historical process of transition from primitive capital accumulation for the formation of high-risk urban industry—although at an extremely heavy internal cost to rural society. It is unique in being the only emerging industrialized nation among the “underdeveloped” countries that has been able to pass through an industrial revolution while retaining an “indigenous” population larger than 100 million. (Here we use the term “indigenous” to refer to the retention of indigenous knowledge and culture among a considerable part of Chinese society, the 99%, as differentiated from Hong Kong or Shanghai which were transformed by western colonial culture.) But China has continued to suffer after entering the period of industrial expansion. Its problems were not just caused by the severe crisis of the mid-1990s, when government debt to GDP was 140 percent, and 30 million urban workers were made jobless, hence stirring up a big noise about “China collapse” from the Western media. These problems were also related to the impact of the East Asian financial turmoil in the late 1990s, at the same time as China was in the process of joining the World Trade Organization, and thus becoming increasingly integrated into the world competition of financial capital.

The political and ideological efforts of global capitalism have caused a century of conflicts. They are manifested in chronic overaccumulation (excess capital and excess capacity), reflecting a shortage of profitable investment outlets relative to investment-seeking surplus. Such contradictions are evident at the global level and in China itself. China entered the World Trade Organization with a significant industrial capital surplus and, this, according to orthodox economic views (particularly in the West), worsened the global industrial capital competition in the mid-2000s. It also changed the international view of China from one of encouragement and applause for its new direction, to the one concerned with the so-called “China Threat” to the capitalist world-economy.

However, the real question with regard to the future of China, we would argue, is more ecological than economic. Under the pressure to accumulate sufficient capital to begin a major self-propelling forward push (what Marx called the primitive accumulation of capital), and to participate in global competition, national capital commodified the
natural and human resources on which people’s livelihood depended, taking land, labor, and money out of villages while leaving aged men, and women with children, at home. This historical process not only destroys nature and family, but also homogenizes diversified rural indigenous traditional knowledge.

**Eurocentric Knowledge Systems Exclude Local Knowledge and Seek to Standardize Human Beings**

The substance of modern Eurocentric education, duplicated by developing countries in the twentieth century and continuing today, mainly serves capital’s drive to turn human beings into a factor of production in order to obtain surplus labor value. Modern education is also a part of superstructure that strengthens governments’ power based on urban culture to implement pro-capital policies, whatever “ism” is claimed by the country. It requires that knowledge be standardized and homogenized for convenient dissemination.

Such education benefits mainstream scholars and turns so-called intellectual circles into interest groups allied with capital. Institutional education controlled by mainstream scholars has also commercialized itself as worldwide business. The globalization of such institutional education shares the enormous profits from human resources and, in the process, naturally and necessarily excludes the local and diversified indigenous knowledge contained in rural cultures—because it is this knowledge which inherently blocks the commodification of human beings and their subsequent transformation into factors of production.

In China there have been a number of alternative experiences very different from the mainstream approach. From the 1970s to the ’90s, the country’s fast growth was driven by the domestic demands of rural industrialization, mainly dependent on “village rationality.” Following the 1949 revolution, all arable land in villages was distributed in the form of use rights to all households according to the number of people in the family. Since there was no private ownership of land and water in rural China, no one could be laid off in the course of the village’s economic development, and no one wanted to leave the village because, without private land rights, they would also be leaving their economic security behind. Periodic redistribution of land use rights by village collectives guaranteed the rights for those who had not transferred their residence away from the village. Such a kind of multi-functional right naturally created a rationality that could absorb the cost of external risks through mechanisms within the villages.
Village rationality was originally derived from traditional rural culture that stressed resource sharing, income parity, cooperative solidarity, social justice, and the morality of village elites. Although it is true that village elites and large landholders were not always moral and human relations in villages were frequently far from ideal, these indigenous cultural features were originally created in response to extreme constraints of limited natural resources during the thousands of years of rural China’s history of irrigated agriculture.

However the rural institutions based on the historical cultural elements mentioned above, in addition to the equity of village members’ use rights to the land, created by the land revolution in the Maoist period, assisted in village resiliency and helped overcome natural disasters. More than eight thousand villages in rural China underwent successful primitive capital accumulation for rural industrialization in the name of a socialist collective system, during the period of the rapid growth of Township and Village Enterprises (TVEs). They benefited from village rationality based on traditional culture, with much lower institutional cost than urban industry.

After the global capital-oriented radical reforms following the urban economic crisis of the mid–1990s, external economic influences increasingly affected villages and presented insuperable transaction costs, and the TVEs were weakened. Commodification of rural resources could occur only by destroying village rationality in the name of both “public rights” and “market oriented reform.” Such radical changes have incurred immense institutional costs and shifted the sacrifice to society. This induced huge numbers of mass conflicts as people struggled against the commodification of their land and labor.

The expansion of industrial capital during the mid–1990s has impacted the radical reform of marketization in education and culture. As capital expanded its influence and government investments were withdrawn, only a few applied agriculture technical schools and rural cultural centers avoided bankruptcy.

Environmental Protection is Naturally Maintained by Local Indigenous Cultures

In 2007 the Chinese central government issued a national strategic document to transform the industrial capital-oriented economic mode, with its heavy pollution burden, into a new historical period of “Ecological Civilization.” The government’s long-term agricultural
policy in 2008 also followed suit; the new sustainable target became “resource conservation and environmentally friendly agriculture.”

The developed countries with agriculture based on small farms (European Union) or households (Japan and Korea) have given up on capital-intensive agriculture based on big farms (United States). They have gradually reformed their policies and now promote both multifunctional agriculture and comprehensive agrarian regional development. There is some emphasis on organic production (for both food quality and safety), as well as rural ecological environmental protections combined with traditional rural cultural regeneration.

Increasingly people understand that traditional agriculture and indigenous knowledge, developed before the domination of modern chemical-intensive agriculture, were derived from experiences in different climatic zones and environments, and were maintained by the rural households. Although most of these traditional systems have minimal economic returns, they frequently have optimal positive effects in protecting the environment and providing for sustainable livelihoods.

Over thousands of years traditional multifunctional agriculture, originally maintained by village and small household farming, was able to develop and apply what are essentially systems of eco-environmental sustainability. This has been gradually recognized as important, not because of modern education or mainstream institutions, but because of the challenges of global warming in adversely affecting yields and incidents of low food safety and quality.

China is now the number one emitter of carbon dioxide in the world (although still far behind the United States in per capita carbon emissions). Internally, 47 percent of its area-sourced (also called non-point sources) pollutants come from agriculture. There is no universal model for rural development and agricultural modernization that can deal with these issues. However, rural China, similar to other Asian developing countries, is rich with indigenous knowledge in its rural communities that encompass 240 million small household farmers. It cannot duplicate large-scale farming of Anglo-Saxon patterns. Only a very small number of countries can follow the U.S. industrial agricultural model with its anti-human and anti-environment crimes, including those imposed on poor countries through neo-colonialism. Such a system relies on importing natural resources such as oil and phosphate fertilizers to enable standardized agricultural production with highly capitalized large-scale farms. It also means displacing vast numbers of people from the land. Most developing countries and
regions in Asia, like rural China, have regional agriculture that can be congruent with the characteristics of nature of heterogeneity and diversity that will be essential for an ecological civilization.

The Three Principles of Rural Reconstruction Movements in China

During the policy debates inside China in the 1990s some researchers created the concept of san nong wen ti (three-dimensional agrarian issues) to replace the concept of “agricultural issue,” which was an import from western culture. The central authorities finally accepted this new approach in 2001. The New Rural Reconstruction (RR) program of the twenty-first century has mobilized thousands of rural people to join movements of local education carried out by rural reconstruction institutes and community colleges. The program has assisted applied projects in many villages—utilizing grassroots human resources for building self-organization, self-empowerment, and self-governance for rural regeneration. Five years later the central government announced that the top priority program “New Socialist Countryside Construction” would be part of the 11th Five-Year Plan. It included an investment of trillions of yuan into rural education, medical services, and infrastructure construction.

The purpose of the RR movement is to promote innovation and evolution for rebuilding a positive social and economic structure for rural sustainability. It is now becoming the most popular active cultural regeneration movement with peasants and citizens in China, despite many difficulties from conservatives and mainstream interest-group intellectuals. The volunteers working for the Rural Reconstruction Center at Renmin University of China are committed to the Three Ps (the three Peoples’ Principles): people’s livelihood, people’s solidarity, and people’s cultural diversity. They emphasize peasants’ organizational and institutional renewal—the implementation of local comprehensive experiments with the application of grassroots knowledge.

In the ten years of its practice, the RR movement has helped advance ecological civilization as a people’s endeavor to promote village cooperatives, organic farming, and eco-architecture. The effort also encourages migrant laborers’ organizational renewal by strengthening their basic rights in the coastal regions. In addition, it promotes fair trade and consumer participation in urban areas, drawing on the integrated efforts of rural villagers and urban citizens, including women and the aged, as well as input from intellectuals and urban youth.
This echoes a social movement of progressive intellectuals of the 1920s and ‘30s that worked with peasants in the countryside to deal with the same problem of natural and human resources being converted into commodities by the government’s pro-capital policy, which was aimed at accelerating industrialization and its related urbanization. Like today, it also occurred during a time of suffering caused by the impacts of an overseas crisis.

Although the problems of transforming natural and human resources into commodities in rural China of the 1920s and again in the ‘90s were essentially the same—as were the imported economic and political ideologies—different interest groups have made the changes. Aware of the values of rural China’s historical culture, many teachers from hundreds of universities, both at the central and local levels, have now joined the rural reconstruction movements and taken fresh experiences into their classes and textbooks. The emerging new alternative education system may become a meaningful counterforce to the globalization of capital, and its corresponding institutional education.

Today’s problems require different ways of thinking, and the abandonment of rigid modernization schemes for forms of thought that respect local, indigenous culture. The economic and social problems that China faces today were created, and in a sense recreated, first by the rush to participate in the system of global capital, and then by the use of procedures developed for capital and resource intensive agriculture. But as Albert Einstein is reported to have said, “We can't solve problems by using the same kind of thinking we used when we created them.”

Notes

1. Official Chinese data in 2005 indicated that the China’s share of the world’s arable land was as little as 7 percent, even lower than the 9 percent indicated in the text here.—The Editors. See “Arable Land Decreases to 102.4 Million Hectares,” People’s Daily Online, October 24, 2005, http://english.peopledaily.com.cn.