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### The wasteland auction policy in Northwest China: solving environmental degradation and rural poverty?

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# **The Wasteland Auction Policy in Northwest China: Solving Environmental Degradation and Rural Poverty?**

PETER HO

According to the statistics, China had a total of 108 million ha of undeveloped land or wasteland in 1995. Of this figure, 35.4 million ha is suitable for agriculture and 63.0 million ha is suited for forestry purposes [Zhang and Li, 1997: 1413]. Wasteland includes a wide variety of land resources scattered over the whole nation. It varies from forested hills and mountains in the subtropical region of Yunnan province to the dry steppe and pockets of desert in the Inner Mongolia autonomous region. According to the definitions of the Chinese Ministry of Agriculture, this undeveloped land can be divided into wasteland, waste mountains, sandy waste and waste gullies (*huangdi*, *huangshan*, *huangtan* and *huanggou*). The term 'wasteland', however, is misleading as a great portion of this land is in use by peasants for animal grazing, small-scale forestry and the exploitation of forest by-products, such as Matsutake mushrooms, medicinal herbs and animals. The direct use of wasteland generally yields low economic returns, while its ecology is often fragile. For this reason, the Chinese state has for long sought means to develop wasteland either for purposes of rural poverty alleviation, soil and water conservation, and even defence.

In the 1980s, Lüliang prefecture in Shanxi province embarked on a new path to harness soil erosion on the barren mountains of the Loess Plateau by allocating use rights to individual farmers or joint households. Village regulations strictly prohibited reclamation of the erosion-prone, Loess soil for agricultural purposes, but the use rights to wasteland did allow for economic forestry (fruit and nut growing) and animal husbandry. By 1992, the Lüliang model had gained national fame and was proclaimed as the

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'Four Wastelands Auction Policy' (*Sihuang paimai zhengce*, hereafter the Wastelands Policy). It soon spread to other provinces and autonomous regions, including the Ningxia Hui Muslim autonomous region (hereafter Ningxia) in northwest China.

In Ningxia the policy was hailed as a breakthrough in land management that would open up undeveloped natural resources, improve the ecological environment and increase farmers' income. Two years after the first wasteland contracts were sold to the highest bidding party, the auctions were suddenly halted because of large-scale soil erosion induced by agricultural reclamation. Despite the fact that the Wastelands Policy is still executed elsewhere in China, it has come to a complete standstill in Ningxia, a phenomenon for which the regional authorities are reluctant to give an adequate explanation. Many questions have remained unanswered: What were the origins of the policy? How was the policy executed? What problems were encountered during execution and how were they dealt with by the responsible authorities? And why did the Wastelands Policy come to a halt?<sup>1</sup>

To answer these questions, I will analyse the formulation and implementation of the Wastelands Policy in Ningxia.<sup>2</sup> The article starts by exploring the historical background of the Wastelands Policy, followed by a description of the auction procedures, the policy content, and the institutions and administrative layers involved in the drafting and implementation process. The analysis of state organs at the county and township level is based on the 'institution building model' designed by Milton Esman and further adapted to rural development studies by Jan-Michiël Otto. I have made particular use of Esman's 'institution variables': leadership, doctrine (the inherent mission and duties of an institution), programme (the policy that has to be implemented), resources (financial and personnel), and internal structure (management divisions and their interrelations) [*Esman*, 1972; *Esman*, 1991; and *Otto*, 1987]. The implementation process will be illustrated with two village case studies from Ningxia: the village 'where it all began' – Changcheng village in Pengyang county – and a village to which the policy spread during a later stage – Guanting village in Guyuan county.

I will argue that the Wastelands Policy signals a dual break with the past. First, the formulation process of the Wastelands Policy is an example of the space opened up by the reforms, which allows the lower administrative levels (county and below) to initiate and shape policies generally considered sensitive or too innovative. Second, the policy entails great possible socioeconomic changes because it removes the so-called rural–urban divide. The Wastelands Policy permits 'open auctions' in which not only farmers, but also cadres, urban entrepreneurs, and legal entities such as mass

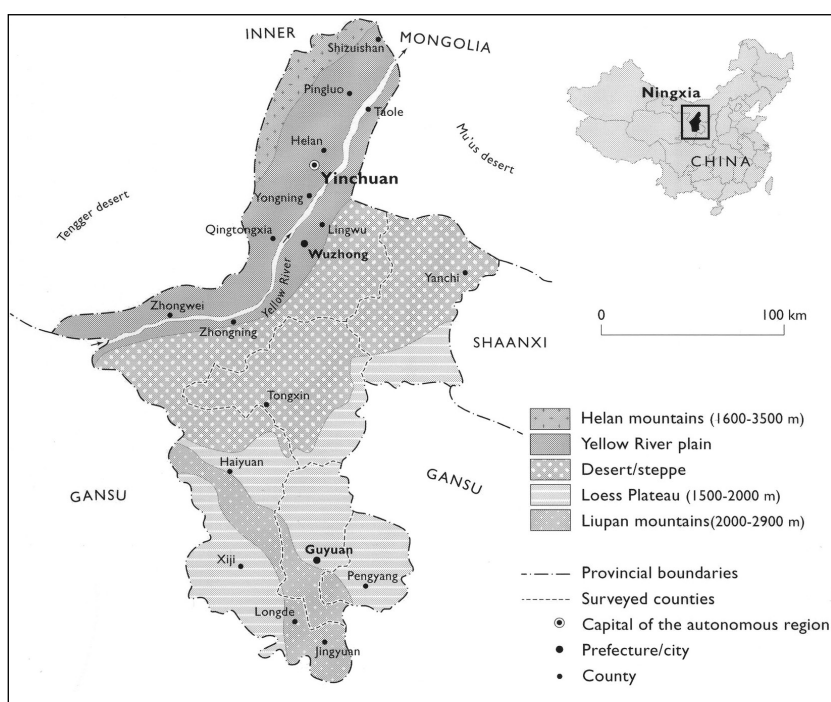
organizations and companies are allowed to participate and, more important, gain access to rural land.

The main political instrument that institutionalizes the rural–urban divide is the household registration system (*hukou*). Through this system rural–urban migration was strictly controlled. Those with a rural *hukou* were excluded from the urban job market, social welfare system and education, although over the years, government control on migration has relaxed [Cheng and Selden, 1994; Selden, 1998; Potter, 1983]. The rural–urban divide also ensures that the right to lease agricultural land is reserved for members of rural collectives. However, some policy-makers believe that wasteland can only be adequately developed through free market competition, which requires removing the divide in order to bring out the most capable and financially strong. On the other hand, I will also show that the Wastelands Policy bears traits of the way of policy-making and implementation that characterized the collective period (1956–78). Its manner of implementation could be described as ‘commandist’ or ‘Dazhai fashion’;<sup>3</sup> authoritarian, with great pressure exerted on state institutions to spread a policy model allegedly proved ‘good’. As the policy is turned into orthodoxy, regional variation and voices of dissent are disregarded because of its high momentum.<sup>4</sup>

#### GEOGRAPHY OF THE RESEARCH SITES

This article is based on fieldwork conducted in Ningxia during the spring and summer of 1997. In addition to interviews, a quantitative survey of 90 farm households was carried out. The survey was done in four natural villages in two counties – Guyuan and Pengyang – in the south of Ningxia. Ningxia shares borders with Shaanxi province in the east, Inner Mongolia in the north and west, and Gansu province in the south (see Figure 1). Instead of being administered as a province, it was carved out as an autonomous region for the Hui Muslim minority in 1958.

Ningxia is situated in the central Asian steppe and desert region with a continental, temperate climate increasing in aridity from the south (subhumid) to the north (arid). In the north, it is enclosed by the Tengger (northwest) and Mu’us deserts (northeast). The total land area is 51,800 km<sup>2</sup> and the total population in 1993 was 4.95 million people, of which 1.64 million (33 per cent) were Hui Muslim Chinese.<sup>5</sup> The Hui are far descendants from Persian and Arab merchants that came to China during the heydays of the trade over the Silk Road in the Tang dynasty (AD 618–907). The Hui are a religious and ethnic minority that socio-economically lag behind the majority of the Han Chinese. This becomes clear from a brief look at the statistics: 64 per cent of the Hui live in the seven poorest

FIGURE 1  
MAP

counties<sup>6</sup> in the autonomous region, in contrast to only 29 per cent of the Han Chinese. Furthermore, 60 per cent of the Hui, which includes 78 per cent of the women, are defined as illiterate, against 36 per cent of the Han, including 49 per cent female [Ningxia Tongjiju, 1994: 65; Gao, 1995: 57].

Guyuan and Pengyang counties are located in the highly erosion-prone Loess Plateau in the south of Ningxia, with mixed farming (agriculture and animal husbandry) as the main activity. The Loess Plateau covers seven provinces and autonomous regions: Shanxi, Inner Mongolia, Henan, Shaanxi, Ningxia, Gansu and Qinghai. The plateau is notorious for its soil erosion, as a popular adage goes: 'The Loess Plateau is the reason why the Yellow River is yellow: it's all soil'. The total area of the Loess Plateau is 626,800 km<sup>2</sup>, of which 530,000 km<sup>2</sup> has been reported affected by erosion (and 430,000 km<sup>2</sup> seriously affected) [Yang and Yu, 1992: 1]. Guyuan is the poorer of the two counties and has been designated as a poverty region by the Ministry of Agriculture. The county has inadequate access to drinking water and a poorly developed infrastructure [Guojia Tongjiju, 1994;

*Frances and Su*, 1990]. Pengyang county was administered by Guyuan before 1988. In contrast to Guyuan, Pengyang is relatively wealthy. Farmers earn a considerable income through tobacco cultivation, which can yield an annual gross income of Rmb 1,500–2,000 per *mu*. In 1996, the cultivated area of tobacco in Pengyang was 11,000 *mu*.<sup>7</sup>

#### GENERAL AUCTION PROCEDURES

The initiative to formulate and implement the Wastelands Policy was originally the responsibility of local people's congresses (which are the local version of the National People's Congress or the national parliament). In response to a rapid proliferation of local wasteland auctions, the central government issued a notice in 1996 stating the general principles and purposes of the Four Wastelands Auction Policy [*Secretariat of the State Council*, 1997]. To date, it is the first and only proclaimed guideline by the central state. Within the Ministry of Agriculture, the Bureau of Law and Policy System Reform is charged with the coordination, monitoring and evaluation of the Wastelands Policy.

In spite of some regional differences in the lease period or the terms of the contract, the basic format of the Wastelands Policy is similar throughout China. In principle, the auctions follow the model set by Lüliang prefecture. In this section the auction procedures in Lüliang will be described and deviations from practices in Ningxia indicated.

In policy documents and writings on the auctions, it is repeatedly stressed that what is being sold are the use rights and *not* the ownership rights. The use rights are surface rights and do not pertain to subsoil use rights (such as mining rights). The term 'wasteland' is not defined ecologically and includes different land types, such as forested land, steppe and mountain pastures. As a result, the responsibility for wasteland management falls under different ministries and bureaux.

The use rights are sold in three ways: (1) open auction, in which people from outside the village can participate; (2) closed auction, held when farmers in the village show sufficient interest in buying wasteland leases and there is no need to invite outsiders; and (3) negotiated sales, if wasteland is of inferior quality, or the plot has already been contracted for afforestation purposes and the tenant wants to extend the contract.

The preparatory work for the auction starts with the establishment of a 'Four Wastelands Leading Team' consisting of leaders from relevant county sections. The leading team is responsible for the formation and training of a 'Four Wastelands Work Team', which comprises township cadres and village representatives chosen by the farmers. The Four Wastelands Work Team carries out the actual auction and preparations, such as a wasteland

survey, a list of the plots to be auctioned, determination of land categories (soil fertility, relief, vegetation, and so forth) and the starting bidding price. The work team also decides on the method of payment.

Payment can be effected in the form of lump sum payments, instalments and even in the form of a mortgage with land use rights as collateral! (which is one of the few cases that rural land can actually be used as a collateral in China today). In reality, however, payment methods other than lump sum payments are rarely practised in China. In Ningxia, it is stipulated that the revenues of the auctions belong to the administrative village, but are administered by the Township Financial Office as a special afforestation fund. The administrative village can apply for afforestation and revegetation subsidies from the fund.<sup>8</sup> Approximately one month prior to the auction the work team provides information to the villagers about the auction and the wasteland plots.

To avoid a clash of interests, the 1997 Auction Law makes a distinction between the auctioning party, the commissioning party (selling party), and the buying party,<sup>9</sup> whereby the auctioning and commissioning parties are forbidden to buy under penalty of revocation of the right to auction, or confiscation of acquired goods and property.<sup>10</sup> The structure of the Four Wastelands Work Team, however, does not conform to the stipulations of the Auction Law. The commissioning party (the village committee) is simultaneously the auctioning party,<sup>11</sup> and worse, sometimes also the buying party. This can and, as we will see below, does give rise to monopolization and the abuse of power by village cadres.

The wasteland contract is signed between the tenant and the administrative village. The contract is issued in triplicate and notarized at the Township Rural Economic Station. Copies of the contract are held by the tenant, the administrative village, and the Rural Economic Station [*Hanstad and Li*, 1997: 558].

According to the prefectural stipulations, the contract should state:

1. Term of the lease (50 to 100 years);<sup>12</sup>
2. Rights of the tenant, including usufruct, transfer, mortgage, inheritance, and right to construction, such as fences, houses (forbidden in Ningxia), corrals, or other structures for wasteland development;
3. Duties of the tenant and lessor, in terms of afforestation and revegetation (in Lüliang 30 per cent of wasteland must be developed in three years). The lessor must supervise wasteland development and provide seeds, saplings, and technical support;
4. Restrictions on use: wasteland can only be used for forestry and animal husbandry, whereas agriculture is allowed only on slopes with a gradient below 25°;

5. Reward and penalty rules (in case of serious mismanagement, authorities can revoke the contract and re-auction the plot);
6. Description of the physical boundaries of the lease.

The fact that the Lüliang regulations – in line with article 14 of the Soil and Water Conservation Law – prohibit agricultural reclamation on slopes steeper than 25° does not imply that the cultivation of all land below this gradient is encouraged.<sup>13</sup>

More detailed regulations for wasteland use can be drafted by local authorities. To conserve the ecological benefits of certain lands, the following categories of wasteland cannot be auctioned in Ningxia: (1) arid wasteland with an annual precipitation lower than 200 mm; (2) forests or afforested areas; and (3) state and collective forests, livestock farms, and nature reserves [*Zhonggong Guyuan Diwei*, 1994b: 23].

In addition to the wasteland contract, the County Land Management Section is required to issue a land use permit. The daily supervision of duty fulfilment by the tenant, the handling of matters relating to the lease (transfer, inheritance, extension, revocation, etc.) and the mediation of land disputes arising from the auctions, rests with the village committee. Overall supervision and serious conflicts are dealt by the Township Rural Economic Station, the Township Forestry Management Station and the County Land Management Section.<sup>14</sup>

#### THE FOOLISH OLD MAN WHO REMOVED THE MOUNTAINS: ORIGINS OF THE POLICY

Already during the first years of the People's Republic, the Chinese government was concerned about soil degradation and rural poverty on the mountainous, erosion-prone Loess Plateau. Much effort has been made in constructing dykes and terraces to diminish the run-off of the soil. After the communist takeover, the new leaders viewed the 'development of the mountainous regions' with optimism and enthusiasm: China had ample labour resources and by deploying the masses, the barren and eroded mountains could be turned into lush, fertile fields and rural poverty overcome.

In the old revolutionary base areas (the Shaan-Gan-Ning border region and Jiangxi Soviet) the need to harness nature and build a new rural society was strongly felt, as development of these regions was also a tribute to the communist revolution. In line with Mao's speech at the Seventh National Congress of the Chinese Communist Party, the local authorities exhorted farmers to work in the spirit of Yugong, the foolish old man who, according to legend, attempted to remove the mountains [*Mao*, 1977]. In the struggle



against the vicissitudes of nature, willpower was more important than anything else. It was believed that with the help of science man could and should dominate nature. In Mao's words: 'If people living in nature want to be free, they will have to use natural sciences to understand nature, to overcome nature and to change nature; only then will they obtain freedom from nature' [Mao, 1966: 44].

Chen Yonggui, the leader of Dazhai Production Brigade in Shanxi province, took great pains to propagate the transformation of nature through labour-intensive mass movements. During the Cultural Revolution (1966–76), the achievements of soil and water conservation in Chen's brigade would evolve into a nationwide campaign and spiritual model for all collectives in China: 'Learn from Dazhai' (*xuexi Dazhai*). Not only were the land management measures widely copied, but also the remuneration system (the so-called work-point system) based on labouring ability and the intangible criterion of 'political attitude'. The reasons for the failure of the Dazhai model lie in the extreme moral and social pressure exerted on collectives to adopt it. In the perspective of a model deemed 'good', regional variations were overlooked [MacFarquhar and Fairbank, 1991: 140, 524, 652–3].

Although the Dazhai work-point system was a fiasco, and the model was in later years exposed for its false claims on land improvement, it is uncertain what the overall effect of mass movements has been on agriculture [MacFarquhar and Fairbank, 1991: 517]. At the end of the Cultural Revolution, a shift occurred in the government's perception of the value of mass movements for natural resource management. The Dazhai model with its emphasis on collective action and responsibility was replaced by the principles of the Household Contract Responsibility System (hereafter Household Contract System). The initial successes of the economic reforms since 1978 (increasing grain production and a bumper harvest of over 400 million tons in 1984) legitimized the trend in rural policies towards a privatization of agriculture through land leases.

The Household Contract System was also applied to the management of wasteland. Long before the Wastelands Policy became official policy in the early 1990s, the idea of individual management of wasteland had already firmly taken root. In line with national policy, the provincial governments stipulated that use rights of wasteland could be vested in the natural village, the joint household or the individual farmer. The term of the lease was initially 15 years – corresponding to the stipulations in the 1984 Rural Work Document No.1 of the Chinese Communist Party. In the early 1990s, the party determined that the period of land leases (including wasteland) could be extended by 30 years on top of the original contract. In contrast to the Rangeland Law (but not the Forest Law), the transfer of wasteland use

contracts was allowed. This fitted in with the trend of national land policies over the period 1984–87 that promoted the ‘mobility of land’ [*Cheng and Tsang*, 1996: 53–4; *Zizhiqu Dangwei*, 1985; *Wang*, 1994b: 4–5].

#### EVOLUTION OF THE WASTELANDS POLICY

As stated above, Lüliang prefecture in Shanxi province is the region where the first wasteland auctions were organized in the early 1980s. The initial results were not encouraging as the majority (a report mentioned 60–80 per cent) of the contracted wasteland was poorly managed or not managed at all. Problems arose from the lack of security in the contract period, the right of transfer and inheritance of contracts, as well as the legal basis for capital investments in wasteland development [*Wang*, 1994b: 5].

In addition, conservative forces in the prefectural party committee opposed the ‘open auction’ which allows the rural and non-rural populace to participate and thus gain access to rural land. The green light to the auctions in Lüliang was given after Deng Xiaoping’s ‘Southern Tour’ in 1992 prompted a renewed nationwide emphasis on the need for further reforms [*Wang*, 1994a: 21]. In the same year, the Four Wastelands Auction Policy was formalized and auctions were organized throughout the prefecture. The Wastelands Policy gained national fame after the auctions of Lüliang were promoted through the media as a breakthrough in land policy. The auctions gradually evolved into a new model for rural development and soil conservation. The Wastelands Policy is not restricted to Shanxi province alone. Similar policies for the management of wasteland are implemented in widely different ecological locations such as Chifeng (Inner Mongolia), Huaihua (Hunan), and Hechi (Guangxi) and Yao’an (Yunnan) [*Zhang*, 1997: 49–52; *Huang*, 1996: 23–6].<sup>15</sup>

Over time the national government attempted to standardize the amalgam of variations in wasteland auctions. In 1996 the Secretariat of the State Council promulgated a notice on the control and development of wasteland resources [*Secretariat of the State Council*, 1997: 425–6]. The Notice is important on several counts. First, it offers legitimacy to the use of auctions to develop wasteland resources. There is a legal problem of definition involved in the term ‘auction’. According to the 1997 Auction Law ‘an auction is the manner of buying and selling whereby the rights to specific goods or property are transferred to the bidder of the highest price by means of open competition’ (article 3). However, in most localities the use rights are not auctioned but bought by farmers through negotiated sales, while farmers have also been forced to buy land leases: practices not much different from the allocation of land leases in the Household Contract System. Li Sheng,<sup>16</sup> one of the most fervent advocates

of the Wastelands Policy and simultaneously also its strongest critic, commented:

The 'Four Wastelands' auction is actually not an auction, but a lease of the 'Four Wastelands' ... To call this lease an auction falls short of reality and causes confusion in the use of fundamental concepts, although it may appeal to the psychological needs of buyers [Li, 1995: 30].

Second, the Notice stresses that 'entrepreneurial work units, social and other organizations, or individuals may use various methods to manage and develop "Four Wastelands"' under the condition that 'villagers of the village itself enjoy priority'.<sup>17</sup> This stipulation is much contested. Its advocates assert that the best way to develop wasteland is to encourage competition among the most capable and financially strong. Others argue that competition will lead to further impoverishment of the rural poor.

Third, the Notice determines that wasteland can be used for 'agriculture if suited to agriculture, forestry if suited to forestry, fruit cultivation if suited to fruit cultivation ... and animal husbandry if suited to animal husbandry'. At the same time, it stipulates that agricultural reclamation is prohibited on slopes or hills steeper than 25°.

Fourth, guidelines are given for the wasteland contracts concerning: (a) the contract period (not longer than 50 years – in Lüliang 100 years); (b) the right to inherit, transfer and mortgage the contract; (c) the right to set up share-holding cooperatives supervised by the township government and with the permission of the county government. The contract procedures (number of copies, notarization, need for land use permit, and so forth) are less clearly spelled out.

Lastly, the legal definition of wasteland is addressed. At this point, there are two issues at stake: the difference between state and collective ownership of land and the ecological definition of wasteland, notably, the distinction between forest and rangeland. In Ningxia, wasteland comprises desert steppe and dry grassland, and it is seldom forested. But in provinces such as Guangxi and Yunnan, wasteland might also refer to (communal) forests. The Notice does not clarify what 'wasteland' denotes ecologically, but briefly stipulates that it is strictly forbidden to auction forest land as 'Four Wastelands'.

Concerning state and collective wasteland, both the 1984 Forest Law and the 1985 Rangeland Law define forest and rangeland to be state-owned, unless owned by the collective. Before decollectivization, collective landownership rights were laid down in party documents ('Sixty Articles'), but not in law. When the former collectives (commune, brigade and team) were dismantled and replaced by the township, administrative village and

natural village, collective ownership rights to rangeland and forest were formalized in the 1982 Constitution, yet without specifying the nature of the 'collective'. Over time, the commune, brigade and team came to regard the forest and rangeland in their vicinity as their own, which led to ambiguity and controversy over state and collective property between state institutions *vis-à-vis* the collectives, and between collectives themselves.<sup>18</sup>

In order to avoid problems over state and collective property rights, the Notice states that wasteland should not be leased if the limits between state and collective wasteland are unclear or disputed. It adds that 'it is strictly forbidden to alter state-owned land into collectively owned land' [*Secretariat of the State Council*, 1997: 425–6]. Yet, as property rights to rangeland and forest are unclear it is unavoidable that collectives in some cases will auction use rights to land not legally their own, which is a transgression against article 6 of the Auction Law:

The commissioning party must own or be able to take legal disciplinary action against the good or property for which a bid is made at the auction.<sup>19</sup>

The confusion about the legal definition of wasteland (forest versus rangeland, and collective versus state-owned land) translates into dual confusion about the duties over land tenure and management. On the one hand, the duties are confounded between the State Forestry Bureau (formerly Ministry of Forestry), the Ministry of Agriculture (and the subordinate Bureau of Animal Husbandry), and the Ministry for Land and Natural Resources (formerly State Land Administration). On the other hand, the issue of responsibilities remains unclear in regard to the aforementioned state institutions and the rural collectives (township, administrative village, natural village) that lay ownership claims to forest, rangeland or wasteland. We will see in the case studies the implications for the implementation of the Wastelands Policy.

#### CONVINCING THE LEADERS: CHANGCHENG VILLAGE

##### *Village Description*

Changcheng village ('Great Wall village') owes its name to some of the most ancient stretches of the Great Wall in its neighbourhood. These sections of the wall were constructed during the reign of Qin Shi Huangdi, China's first emperor (221–207 BC). Today not much more than some man-sized heaps of mud scattered in the fields remain,<sup>20</sup> but they do bestow the village with a halo of historical romanticism of which the farmers are proud.

The surrounding landscape of the village is typical of the Loess Plateau, high hills interspersed with gullies and chasms formed by erosion. The

landscape has changed little since the time Andrew Findlay described it in the 1930s:

Water erosion has carved out of a surface once level, strange gullies and ravines, weird pillars, great arches and tunnels, which make a journey into this area a memorable experience for the present-day traveller [Findlay, 1937: 57].

Changcheng administrative village<sup>21</sup> is located about 5 km away from its administrative centre, Chengyang township. Changcheng has 14 natural villages within its jurisdiction, with 611 households and a total population of 3,080 inhabitants. The population in the village is fully Han. The total area of agricultural land within the boundaries of the administrative village is 20,896 *mu*. The main agricultural crops are wheat, linseed, corn, millet and potato. A part of the fields is irrigated for the cultivation of tobacco. The major physical constraints are a lack of level land and harsh climate. Annual precipitation is 450–500 mm. Frequent droughts, hail, storms, frost, and occasional earthquakes ravage rural life [Zhongguo Ziran Ziyuan Congshu Bianyi Weiyuanhui, 1995].

Average net annual income per capita in 1995 was Rmb 786. Forestry has good development prospects in this region and has been stimulated by the local authorities. The most commonly planted tree species are Xinjiang poplar (*Populus alba* var. *pyramidalis*) and almond (*Prunus armeniaca*). The Xinjiang poplar is a fast-growing, drought-resistant tree, and its wood is suitable for paper pulp, building material and furniture. It has been planted with relative success in Pengyang since the early 1950s, although it is vulnerable to pests. The almond, too, is suited to semi-arid conditions and offers farmers a welcome extra source of income. The tree bears fruit after five years (which can be eaten fresh or dried) and the nuts can be processed into valuable almond oil or Chinese medicine. In 1996, the price for 1 kg apricots was Rmb 1–2, while the almonds went for Rmb 12.

Guided by the County Section of Forestry, the villagers have planted alfalfa (*Medicago sativa*), Siberian pea tree (*Caragana korshinskii*), and milk vetch (*Astragalus adsurgens*) as forage for livestock. Virtually every open space, shoulder or gully has been planted.<sup>22</sup> Despite the fact that sheep and goats are kept as a sideline activity and flocks are small (15–20 ruminants), the grazing of animals poses a serious threat to forestry. The farmers state that the customary practice of overlap grazing (*chuanmu*) makes tree planting a precarious undertaking, while fencing leads to land disputes.

The village is relatively well developed, with a good infrastructure and a daily bus service to the county seat. Marketing of agricultural produce is carried out in Pengyang, although the township market is also popular.

Changcheng has its own market every three days and it attracts farmers from far and wide. There are about ten shops, a small infirmary and a primary school. The village school is better equipped than other nearby schools where pupils are forced to write characters on the ground for lack of paper. An important centre for social gatherings is the temple that hosts festivals to which the village *qinqiang* opera group adds colour. That Changcheng is no ordinary village becomes obvious when looking at the many state awards and prizes, proudly hanging next to Mao's portrait in the village meeting hall. The most prominent and active figure in the village is the young party secretary, Li Yurong. Under his leadership, the village committee developed into a relatively efficient and effective institution, and recently moved to newly built offices.

#### *A Tale of Village Assertiveness*

The Wastelands Policy is confined to Guyuan Prefecture (in total six counties: Pengyang, Guyuan, Haiyuan, Xiji, Longde and Jingyuan).<sup>23</sup> The policy was initiated neither by the provincial nor by the prefectural authorities, but originated from Changcheng administrative village. In 1992, a small trial auction was held without the knowledge of the township. As the auction seemed successful, Li Yurong decided to put the entire wasteland area under the hammer and requested permission from the Chengyang township authorities. The township government feared getting its fingers burnt over an issue that directly pushed at the boundaries of the 'socialist market economy' and passed the plan to the County Forestry Section, which assisted Changcheng village with the organization and preparations for the auctions. The delicacy of the Wastelands Policy became obvious through a speech about it by the deputy prefect who stressed the need to eliminate 'leftist' thinking to develop the rural economy of Guyuan [*Zhonggong Guyuan Diwei Nonggongbu*, 1994: 196].

In the spring of 1993, the first full-fledged 'Four Wastelands Auction' of Changcheng village was held. The auction corresponded to those held in Lüliang. In a few months, the use rights to over 1 *mu* (1/15 ha) of wasteland had been sold. The County Section of Forestry planned to bring the auctions to the attention of Rui Cunzhang, the prefectural party secretary, through the *Guyuan Daily*, the newspaper most widely read in the prefecture.<sup>24</sup> At the time, a more liberalized atmosphere in China as a result of Deng's Southern Tour was already present. Moreover, the 'Four Wastelands Auction Policy' of Lüliang had by then gained full political justification. Rui ordered the powerful Agricultural Work Department of the Secretariat of the prefectural party committee to develop a policy framework for the auctions. This department is responsible for agricultural policy: it drafts local regulations, recommends and initiates changes in policy lines. It is also in charge of

policy monitoring and evaluation, and is accountable to the Policy Research Office of the autonomous region party committee.

At the end of the year, the Changcheng village committee had earned Rmb 6,885 by selling use rights to 4,950 *mu* of wasteland. A total of 473 households (77 per cent of all households in the administrative village) had participated in the auction. The smallest area leased per household was 5 *mu*, whereas one farmer broke the village record with 120 *mu*. The minimum bid price had been set at Rmb 1 per *mu*, although some farmers claimed to have paid only Rmb 0.5 per *mu*. There was no maximum price level. The highest price was Rmb 50 per *mu* [*Changcheng Cunmin Weiyuanhui*, 1994; *Pengyang Xian Linyeju*, 1994]. The auctions were deemed a success and a political victory for the village authorities.<sup>25</sup>

On 18 March 1994, Rui Cunzhang spoke at a demonstration wasteland auction in Changcheng,<sup>26</sup> which marked the beginning of the campaign 'Learn from the "Four Wastelands" Auctions of Pengyang County' (*Xuexi Pengyang Xian 'Sihuang' paimai*). In spite of reservations about the movement's name, the tone of his speech was pragmatic and in no way reminiscent of past communist rhetoric of a 'learn-from-Dazhai' or any other 'learn-from' campaign. Several rules that Rui emphasized were subsequently incorporated in regulations proclaimed a few days later. It should be noted that he underlined the necessity of trial auctions before the formal implementation of the Wastelands Policy.

Of importance were his 'four no's', some of which – through an ironic twist of fate – did take place and led to the failure of the auctions. The 'four no's' were: (1) *no* egalitarian sales (dividing the wasteland into equal plots and selling the use rights to farmers at uniform prices); (2) *no* monopolization by clan heads; (3) *no* abuse of power by the cadres; and (4) *no* grain cultivation on wasteland. In order to appease the fear of the rural populace that the auctions were just another excuse by the government to extract money from the farmers, Rui stated explicitly that 'the reason why we auction "the Four Wastelands" is to step up the afforestation of waste mountains and not to earn a few more pennies' [*Zhonggong Guyuan Diwei*, 1994b: 3]. Two days after Rui's speech, the 'Four Wastelands Auction Policy' was officially proclaimed in the prefecture [*Zhonggong Guyuan Diwei*, 1994a: 2 and 6].

#### *The Executing Agency: The County Section of Forestry*

As the Agricultural Work Department charged the County Section of Forestry with the coordination of the auctions in Pengyang county, the majority of the members in the Four Wastelands Leading Team were from the Section of Forestry. As stated earlier, such a team conducts the surveying and mapping of the wasteland, provides free nursery stock, and

supervises afforestation and planting activities. In practice, these tasks were carried out by subordinate units of the Section of Forestry.

The Section of Forestry seems an obvious choice for the wasteland auctions. First, in Guyuan the Section of Animal Husbandry assumes a great share of the duties in soil and water conservation. However, ecological differences have necessitated that the Section of Forestry is the responsible body in charge of soil and water conservation in Pengyang. The area of forested wasteland in Pengyang is larger because of higher precipitation (450–550 mm, compared with 350–450 mm in Guyuan).<sup>27</sup> For this reason, Pengyang is an important link in the ‘Green Great Wall’ – the shelterbelt covering China’s northern provinces. A considerable portion of the prefectural funds is channelled to the Section of Forestry for afforestation.

Another factor why preference was given to the Section of Forestry instead of the Section of Animal Husbandry is the former’s extensive network of township-based Forestry Management Stations. The staff of the Forestry Stations are backed up by a Forestry Police Force with equal rights as the regular police force (the rights to arrest and detain and to carry weapons). The stations are the instruments that allow the Section of Forestry to reach the dispersed rural settlements and maintain a close relationship with farmers. In contrast, the Section of Animal Husbandry operates from the county and only has an economic police force with insufficient powers.

The main activities of the Township Forestry Station are:

1. Afforestation, management and improvement of forests (including disease prevention and control, and pruning);
2. Support to farmers in fruit cultivation;
3. Supervision of grazing in forests and conflict resolution;
4. Stimulation of income-generating activities and organization of rural credits (for corn and tobacco cultivation).

The station is staffed by four people – all graduates of the forestry department of the middle agricultural school in Guyuan. The office is a shabby house at the township government compounds and is also the living quarters for one staff member and his young wife. The relatively low salary (Rmb 300 per month in 1996) is regarded as ‘just enough’, but the people at the Forestry Station seem well motivated.

When asked what the office still needs, one staff member replied, ‘We most certainly lack a motorcycle.’ Visits to the villages are done on foot. Every staff member visits about 20 to 30 households per day, covering a distance varying between 5 and 10 km. The members of the Forestry Station



pay frequent visits to Changcheng village in order to keep in touch with any calls for assistance, land disputes, or other relevant news.

### *Hearing the Farmers: Results of the Auctions*

The auctions in Changcheng were considered successful by the local authorities. But how were the auctions experienced by the farmers themselves? For a view from below, a small survey of 90 households (47 in Guyuan and 43 in Pengyang, including buyers and non-buyers) was carried out in 1996.<sup>28</sup> The survey, albeit not representative, was implemented to give a general idea of farmers' views of the Wastelands Policy. The experiences of farmers in Changcheng village are grouped around four categories: (1) the procedures and practice of the auctions; (2) the awareness of the policy aims and regulations; (3) the use of wasteland before and after the auctions; and (4) the appraisal of the policy.

*1. Auction procedures and practice.* The majority of respondents indicated that they had bought wasteland (81 per cent). About one-third of the farmers had bought less than 4 *mu* of land, while around 40 per cent had bought plots between 5 *mu* and 10 *mu*. Only one farmer had felt confident about buying a tract of wasteland larger than 20 *mu*. The chief limitation to wasteland development is the lack of labour capacity. Of the sample, 63 per cent indicated they wanted to buy more land, but lacked labour to work it. Approximately 12 per cent stated that their financial situation did not allow them to buy more land, and another 12 per cent mentioned that the village committee had imposed a limit on the land bought per household. The wasteland plots sold in Pengyang were not small and dispersed, but consisted of larger, consolidated plots in order to facilitate land management. In some cases, land consolidation occurred by reselling wasteland that had been auctioned before.

In Pengyang there is a rather even distribution among the various methods of price determination. Around 30 per cent of the farmers obtained wasteland in open sales with fixed prices posted prior to the selling. Another 30 per cent had negotiated with the village committee and bought land outside the auctions. The remaining 40 per cent acquired land through real auctions at which land was sold to the highest bidder (and two respondents said they did not know). There was no variation in the payment method. Despite the prefectural regulations, only lump sum payments were accepted by the village committee.

*2. Awareness of the policy.* The farmers in the region around Changcheng were well informed about the auctions. The Township Forestry Station and the village committee had made every effort to inform the farmers. Village

meetings had been held, information about the wasteland plots had been posted, and forestry personnel had paid regular visits to prepare the auctions. The majority of farmers (93 per cent) heard about the auctions through the village committee. In addition, a body of county regulations had been proclaimed, and these provided the local interpretation of prefectural rules [*Pengyang Xian Renmin Zhengfu*, 1994a; *Pengyang Xian Renmin Zhengfu*, 1994b]. The proclamation of the 'Changcheng Village Forest Management Regulations' – similar to the county notices – was hung at a conspicuous place to serve as a reminder to the farmers.

The aims of the Wastelands Policy are soil and water conservation and poverty alleviation, while the authorities explicitly reassured farmers that auctions were *not* meant to generate revenues for the government. The farmers in Changcheng were aware of the first policy aim (70 per cent of the total sample), but the second aim was less known (44 per cent). When farmers were asked what rights they enjoyed, most knew that the contract does not grant ownership but use rights. It should be pointed out that farmers were unaware of the rights to transfer, inherit, usufruct and mortgage of wasteland (see Table 1). The rights to transfer and inheritance including those pertaining to wasteland are laid down in the 1993 Agriculture Law.<sup>29</sup> The only exception is the mortgage of land. However, according to the 1996 Notice on the Wastelands Policy 'those who buy use rights, have the right to inherit, transfer, mortgage and shareholding management' (article 6) [*Secretariat of the State Council*, 1997: 425–6].<sup>30</sup>

Farmers knew the restrictions imposed on the use of wasteland (prohibition of reclamation, road and house construction). But again, the rights they enjoy – land development and improvement by fencing, constructing corrals and rainwater reservoirs – are less known (see Table 2). If we look at the contract (standardized in the township) some things

TABLE 1  
WHAT RIGHTS ARE INCLUDED IN THE WASTELAND CONTRACT?  
(Pengyang sample; n = 43)

Type of right	Yes (%)	No (%)	Total (%)
Use right	88.4	11.6	100
Transfer of use right within village	14.0	86.0	100
Transfer of use right outside village	4.7	95.3	100
Inheritance right	30.2	69.8	100
Ownership right within village	11.6	88.4	100
Ownership right outside village	0.0	100.0	100
Usufruct	55.8	44.2	100
Mortgage right	2.3	97.7	100

Source: 1997 Survey by the author.

TABLE 2  
WHAT ARE THE PROHIBITIONS TO THE USE OF WASTELAND?  
(Pengyang sample, n = 43)

Type of prohibition	Yes (%)	No (%)	Total (%)
Agricultural reclamation	81.4	18.6	100
Cultivation of sorghum	69.8	30.2	100
Cultivation of millet	65.1	34.9	100
Cultivation of alfalfa	7.0	93.0	100
Afforestation	4.7	95.3	100
Fencing	37.2	62.8	100
Construction of corral	51.2	48.8	100
Construction of house	67.4	32.6	100
Construction of road	55.8	44.2	100
Construction of rainwater reservoir	25.6	74.4	100

Source: 1997 Survey by the author.

become clear. The contract does not mention the rights of transfer and inheritance, or the extension of the contract when expired. Reflecting the spirit of county rules, the contract specifies the duties and penalty rules related to the tenant rather than the tenant's rights (see Appendix A).

3. *Wasteland use.* Prior to the auctions, wasteland was mainly used as pasture, as indicated by 70 per cent of the respondents. After the auctions, wasteland was used for economic forestry purposes by 81 per cent of the farmers (90 per cent of whom planted almond) and sometimes for forage cultivation; 16 farm households managed one common almond orchard and each paid Rmb 2 to hire someone to guard an area of 40 *mu* against encroachment by sheep and goats.

4. *Policy appraisal.* The villagers of Changcheng were positive about the auctions. Of the sample, 67 per cent regarded the Wastelands Policy as 'quite successful' and 23 per cent as 'very successful'. The most frequently cited reason was the increase in income (70 per cent). However, it is unclear how the planting of almond, which takes five years to bear fruit, could yield returns within the three years that the auctions had taken place. There were also some disgruntled voices about the benefits of afforestation. One farmer said, 'The Wastelands Policy has succeeded, but we have seen no economic benefits yet. The trees grow slowly and there is the risk that exposure to the cold may cause them to freeze to death.' Another remarked, 'There really has not been much guidance on how we had to plant trees. Well, once a year someone from the Forestry Station comes by to check on us.' The issue of income generation arising from the Wastelands Policy remains a topic of future research.

There have been complaints about the party secretary. A farmer described the secretary's behaviour with the adage by the Song dynasty scholar Yu Wenbao, 'I really resent the fact that Li Yurong secured the best land for himself. Well, that is clearly a case of 'the tower closest to the water gets the moon' (*jin shui loutai xian de yue*).'<sup>31</sup> Regardless of whether the party secretary did get hold of the best tracts, he violated the law when – as a member of the village authorities – he participated in the auction. Article 22 of the Auction Law states that 'the auctioning party and its employees are not allowed to participate in the capacity of a competing party in auctioning activities organized by itself, nor to entrust others to compete on its behalf'.<sup>32</sup> The 1996 Notice on the Wastelands Policy does not exclude state officials from the auctions. But a senior official within the Ministry of Agriculture warned against the participation of cadres:

It may seem rational that state and Party organs participate in the management of the 'Four Wastelands', but it can easily foster unhealthy tendencies ... We should prohibit the lease of the 'Four Wastelands' by cadres of state organs [*Li*, 1995: 30].

According to the Pengyang Section of Forestry, agricultural reclamation of wasteland did take place, notably in the poorer regions. Despite this, the prefectural authorities were satisfied with the results. The auctions were extended to other counties in the prefecture. However, in spring 1996 the Wastelands Policy was suddenly halted, less than two years after its promulgation. According to the Agricultural Work Department, over 50 per cent of wasteland in the prefecture was reclaimed for agriculture resulting in large-scale soil erosion. In the following sections, the background to the policy failure is provided through a case study of Guyuan county.

#### IMPOSING IMPLEMENTATION: GUANTING VILLAGE

##### *Village Description*

Nested in mountains that look like huge birthday cakes because of the terraced fields, Guanting village is conveniently located on the main road to Guyuan. It is an hour's bumpy ride from Guanting to the county seat (20 km northeast from Guyuan). Guanting administrative village<sup>33</sup> is concurrently the seat of the Guanting township government. One may wonder, but the name Guanting has nothing to do with a Qing dynasty (1644–1911) subprefecture. At the time when Mao's First Front Army marched into Guyuan in October 1935, Guanting had already developed into a walled market town, housing the public office of the township (whence its name 'Public Office').

Guanting administers 11 natural villages, a total of 398 farm households and 2,046 people. The population is predominantly Hui, with very few Han

Chinese (of 5,442 Hui in Guanting, four are Han Chinese). There is no significant ethnic tension, but the Han – condescendingly designated by the Hui as ‘the old Han’ (*lao hanren*) – are aware of their minority position. The agricultural crops grown are the same as in Chengyang. The main difference is the lack of irrigation, and thus, the impossibility of tobacco cultivation. The total cultivated area in Guanting village is 11,105 *mu*. Annual precipitation, which is lower than in Chengyang (around 450 mm per year), seems to make a critical difference for forestry. Afforestation has been attempted through repeated planting campaigns since the founding of the People’s Republic, but the farmers state that the saplings face a sure death owing to the frequent droughts. Trees only grow in the vicinity of fields or close to cave dwellings, where small-scale irrigation is possible. The barren hills of Guyuan are in stark contrast with the green, forested mountains of Pengyang.

In 1995 the net average annual income was Rmb 312. Sheep and goat raising is more important in Guanting than in Changcheng. There are 1,115 sheep and 290 cashmere goats (1996), but farmers state that animal husbandry has been declining over the last ten years. The main reason cited is the increased reclamation of village pastures as a result of population pressure. Hills once in use as pastures have been turned into terraced – or worse, non-terraced – fields.

As Guanting is also the township seat, many state institutions are located in the village. The village hosts the granary, the supply and marketing cooperative, a credit cooperative, a veterinary station, and a forestry management station. In addition, there is a market, a primary school, an infirmary, a few groceries, and an antique shop that purchases jade seals, bronze buckles, Han-dynasty mirrors, and other art objects robbed from graves in the neighbourhood. Also important is the mosque, which serves a congregation (or *fang*) of believers from the 11 natural villages.

Guanting has frequently been the site of poverty alleviation projects. Poverty is aggravated by a poor infrastructure – although Guanting itself is relatively easy to reach, the other natural villages are remote and dispersed. In some cases, 10 to 15 isolated cave dwellings, scattered over a distance of several kilometres, may constitute one ‘natural village’. This fragmented structure of villages in Guyuan inhibits contact with the farmers, a complaint often heard by the township cadres. Moreover, landslides cause major damage to the rural infrastructure.

Compared with the atmosphere of dynamism in Changcheng, Guanting exudes an air of apathy and indifference. The officials at the township are difficult to reach, cadres have been temporarily laid off and encouraged to become independent entrepreneurs.<sup>34</sup> Even the township head left the township for three years to set up a business. At the Forestry Station, the staff – unpaid for months – frequently while away the time by playing

chess and poker. Cynical laughter was the response to the question of what their main tasks were. 'It does not matter what we do,' said an official, 'the trees we plant are eaten by the sheep and we have no money to carry out our tasks anyway.'

*The Executing Agency: Who Is Responsible?*

The prefectural Agricultural Work Department is responsible for the Wastelands Policy. In each county a section is charged with policy implementation. For Pengyang this is the Section of Forestry. And in Guyuan ... I'm not sure which section would be responsible [official at Guyuan Section of Animal Husbandry].

On paper the Section of Animal Husbandry is charged with the auctions. But talks with officials in this institution and at the grassroots reveal there is no consensus about which state organ is responsible. Before turning to the details of the implementation or non-implementation of the Wastelands Policy, I will discuss this government body in terms of tasks and mission, resources and internal structure.

The prime responsibility of the Section of Animal Husbandry is the management and development of rangeland. In contrast to Pengyang where most wasteland is forest, wasteland in Guyuan is generally rangeland. Therefore, the Section of Animal Husbandry is the obvious institution for the Wastelands Policy. The institutional structure of the Section of Animal Husbandry is less extensive than that of the Section of Forestry. In the 1980s there were veterinary stations at the township level for livestock disease prevention and veterinary care. But over the past years, township personnel was laid off and stations contracted out to 'individual entrepreneurs' (in fact former state personnel). For effective rangeland management the Section of Animal Husbandry has to reach the grassroots level. At present, however, this agency operates from the county level.

There are 32 people at the county level – including 16 grassland (economic) police officers – responsible for 26 townships (compare this to the Section of Forestry that employs 36 people at the county level, not to mention the staff at the township). Despite provincial salary norms for state organs, the monthly income of personnel at the Section of Animal Husbandry is far lower (Rmb 210–220 in 1996) than that of their colleagues in the Section of Forestry (Rmb 300). The difference in salary is just one of many differences that separate these two institutions, promoting envy and competition among staff.

The regular duties of the Section of Animal Husbandry comprise:

1. The development and management of wasteland (revegetation and construction of forage bases);

2. Rangeland protection and increase of rangeland production (rodents and pest control, fire management, weeding of inedible plants and aerial sowing – halted owing to budgetary reasons);
3. Technical/veterinary extension and services;
4. The development and introduction of new forage varieties;
5. Law enforcement and conflict mediation (patrolling, control of illegal reclamation and grazing).

The period where it is least likely to encounter people in the county office is from April to July, when the staff has 'gone down to the countryside' (*xia xiang*) to patrol and investigate legal cases. These activities are impeded by the poor financial situation. The grassland police officers go to the township by bus or when there is money for gas, by car. The office has a 13-year-old, rusty Beijing Jeep. To reach farmers, grassland police often walk from the township to the villages.

The Section of Animal Husbandry had to carry out a comprehensive survey of wasteland resources in the county. For unknown reasons county funds were not committed to the Wastelands Policy, as a result of which no survey was done, nor was any support given to villages in setting up the auctions. It appears that the poorly equipped townships were fully saddled with the survey of wasteland and the organization of the auctions. Moreover, the implementation was hampered by a disagreement over the division of duties between the Section of Animal Husbandry and the Section of Forestry. These two institutions have clashed many times before over policies both deemed to be their responsibility. As noted earlier, the legal status of wasteland is unclear, and that leads to confusion over the tasks.

According to article 13 of the 1991 Executive Regulations of the Land Management Law, the development of state-owned wasteland must be approved by the (former) State Land Administration if the area is between 10,000 *mu* and 20,000 *mu*, and by the State Council if it exceeds 20,000 *mu*.<sup>35</sup> It was on this basis that a bureaucrat within the Ningxia State Land Administration asserted that the Wastelands Policy was illegal. He stated that:

The State Land Administration alone has the authority to issue land use permits. The Pengyang Section of Forestry should not have approved of the auctions without our prior consent. The sections of forestry and animal husbandry believed they had authority, which created chaos.<sup>36</sup>

Why did the Section of Animal Husbandry and the Section of Forestry fight over responsibilities? One reason, of course, is the perception of their own mission. As remarked earlier, the greater part of wasteland in Guyuan is

rangeland, not forested pasture. Therefore, the Section of Animal Husbandry felt it should be the agency to execute the Wastelands Policy. But this does not explain why the Section of Animal Husbandry was willing to implement a policy for which no funds had been committed. There are in fact several other relevant factors.

First, the auctions relieved the duties of the Section of Animal Husbandry. Each year the prefecture imposes revegetation quotas for the construction of artificial rangeland and forage bases. The Wastelands Policy shifted the duty for wasteland development from the local state to individual farm households. In 1996, the Section of Animal Husbandry revegetated 2,000 *mu* of wasteland. An additional 20,000 *mu* was planned for the future. However, one-third of this area had already been auctioned to farmers. In contrast to the policy guidelines, the Section of Animal Husbandry did not provide the farmers with free grass seeds. This institution, therefore, effectively allocated a substantial portion of its tasks to farmers without having to pay a penny.

Another reason for the involvement of the Section of Animal Husbandry in the Wastelands Policy was the high political priority attached to the latter. Disagreeing with the pragmatism of the party secretary, who called for trial auctions, control on reclamation, and the abuse of cadres, the deputy prefect declared in a speech:

We demand that every county move quickly, and with great strides. One cannot deliberate first, try, and then execute ... Of course, one will meet with problems during implementation, but we firmly believe that under the correct leadership of the prefecture and counties ... a new breakthrough of the 'Four Wastelands' auctions can be realized.<sup>37</sup>

#### *Failure of the Auctions*

Reactions to the Wastelands Policy differed widely in Guanting. Similar to the Section of Animal Husbandry, the township authorities wanted to distinguish themselves with the auctions. In addition, it was financially attractive because revenues from the auctions would go to the township. Particularly for the poor townships, the lure of money provided a strong incentive.

Opposition, however, arose from the village leaders, who contested the auctions on two grounds: (a) privatization of wasteland would deprive herders from grazing grounds because most of it was used as common pasture; (b) the area of wasteland was insufficient to auction to the farmers. Either some would get large plots or everyone would obtain land too small for efficient management, a problem against which the prefectural party secretary had already warned. There was no fear of unfair competition from



cadres and legal persons from outside the village. The prefecture had allowed open auctions, but the county restricted the auctions to the population of each village to avoid social unrest [*Zhonggong Guyuan Diwei*, 1994a: 3].

Despite the opposition, the county and township authorities exerted pressure to force the policy through. The policy rapidly gained momentum and in a year, over 40,000 *mu* of wasteland (one-third of the area planned for auction) had been sold. To evaluate the policy results, I will adopt the same categories as in the previous section on Pengyang: (1) auction procedures and practice; (2) awareness of the policy; (3) use of wasteland prior and after the auctions; and (4) appraisal of the policy.

*1. Auction procedures and practice.* A majority (87 per cent) of the households in the sample ( $n = 47$ ) stated they had bought wasteland. Many farmers (70 per cent) wanted to buy more, but decided not to because of insufficient funds (39 per cent), a lack of labour capacity (27 per cent), intervention by the village committee (21 per cent), and a lack of suitable wasteland (13 per cent). For Guanting, the word 'auction' is misleading as the price was fixed by the township prior to the sale. In a few cases, the price was determined by negotiation. The average price was Rmb 4 per *mu*, with a maximum price of Rmb 6. A land ceiling of 5 *mu* of land was imposed on each household. As a result, wasteland was distributed evenly but plots were fragmented. An attempt was made to set up a communal wasteland management, but village leaders said that 'the undertaking failed as there was not enough non-disputed wasteland to sell'. Of the total sample, almost 50 per cent did not secure a consolidated tract, but got small and dispersed pieces of land.

*2. Awareness of the policy.* Like in Changcheng village, the overall majority (96 per cent) of respondents heard about the auctions through the village committee. The policy objectives were not well understood. Of the sample, one-quarter did not respond. Of the remaining three-quarters who did respond, 34 per cent said the auctions were meant for environmental protection, and 27 per cent for the increase in farmers' income. On the other hand, 15 per cent said the auctions helped the government to gain revenues, and 12 per cent ironically thought wasteland was sold to increase the acreage of agricultural land. Respondents were less aware of the rights and prohibitions than the Changcheng farmers; there was a remarkably high percentage of people who answered 'don't know' (21 per cent) (see Tables 3 and 4).

*3. Wasteland use.* Before the auctions, wasteland in Guyuan was virtually

TABLE 3  
WHAT RIGHTS ARE INCLUDED IN THE WASTELAND CONTRACT?  
(Guyuan sample; n = 47)

Type of right	Yes (%)	No (%)	Don't know (%)	Total (%)
Use right	66.0	12.7	21.3	100
Transfer of use right within village	17.0	61.7	21.3	100
Transfer of use right outside village	6.4	72.3	21.3	100
Inheritance right	23.4	55.3	21.3	100
Ownership right within village	4.2	74.5	21.3	100
Ownership right outside village	2.1	76.6	21.3	100
Usufruct	29.8	48.9	21.3	100
Mortgage right	2.1	76.6	21.3	100

Source: 1997 Survey by the author.

TABLE 4  
WHAT ARE THE PROHIBITIONS TO THE USE OF WASTELAND?  
(Guyuan sample, n = 47)

Type of prohibition	Yes (%)	No (%)	Don't know (%)	Total (%)
Agricultural reclamation	74.5	21.2	4.3	100
Cultivation of sorghum	55.3	40.4	4.3	100
Cultivation of millet	53.1	42.6	4.3	100
Cultivation of alfalfa	0.0	95.7	4.3	100
Afforestation	4.2	91.5	4.3	100
Fencing	8.5	87.2	4.3	100
Construction of corral	34.0	61.7	4.3	100
Construction of house	57.4	38.3	4.3	100
Construction of road	46.8	48.9	4.3	100
Construction of rainwater reservoir	19.1	76.6	4.3	100

Source: 1997 Survey by the author.

without exception used for herding, more than in Pengyang where forestry is another option. After the auctions, the wasteland was used for several purposes such as afforestation, pasture, the cultivation of forage and grass, and, unfortunately, grain cultivation. Large tracts of wasteland were reclaimed, despite the fact that the majority (74.5 per cent) of the farmers was aware that agricultural reclamation was forbidden (see Table 4). How can this contradiction be explained?

The Wastelands Policy stipulates that wasteland can be used for planting trees or grass (*zhong shu, zhong cao*). The government used the word 'grass' to refer to 'forage': alfalfa, milk vetch and pea tree. Of the respondents in Guanting, 46 per cent stated they used wasteland for planting grass (compared to 25 per cent in Changcheng). A crucial issue is *what* was

planted. Of the respondents in Guyuan who planted 'grass', most of them (81 per cent) had in fact planted sorghum and millet. In comparison, of those who planted 'grass' in Changcheng, the majority (82 per cent) indicated they planted alfalfa. The contrast between the conception of 'grass' by Guanting and Changcheng villagers seems ludicrous. The following dialog with a Guanting farmer might illustrate this ironic misunderstanding of terms:

'Are farmers allowed to plant grain on wasteland?'

'No,' the farmer said.

'What do you plant at present?'

'Sorghum, millet and corn.'

'But isn't that grain?'

No, it's grass, because we use the stalks as forage for our sheep and oxen.'

Other farmers answered in a similar fashion and claimed the government never clarified the meaning of 'planting grass'. As demonstrated above, the farmers of Guanting were badly informed about the auctions.

The contract, which ideally should have stipulated the rights and duties of the contractant and the administrative village, is nothing more than a farce. In contradiction with the 1996 Notice, no farmer signed or saw a contract. Moreover, the prefectural regulations stipulate that the contracts must be notarized and issued in triplicate (for the tenant, the lessor – the administrative village – and the Township Rural Economic Station). In practice, the contracts were held by the village leaders and the township. Despite the fact that *individual* farmers bought use rights, there were *common* copies for every five to ten households, labelled 'joint households' without their knowledge. In one case, a village of 25 households had only four contracts for all the farmers. The contract – a one-page, handwritten sheet of paper full of grammatical mistakes and unreadable characters – states nothing more than the price, the farmers' names of the 'joint household', the lease term, and the wasteland boundaries. The duties, explained in such detail in the Changcheng contracts, are merely described as 'planting trees and grass', not to mention the rights of the tenant (see Appendix B).

In addition to the factors above, there is another reason that caused the failure of the policy. Half of the respondents *were* aware that the cultivation of millet and sorghum was prohibited (see Table 4). Why did farmers decide to reclaim wasteland, while they knew it was prohibited? The probable answer is provided by the deputy director of the Agricultural Work Department:

The timing of the auctions in Guyuan County was most unfortunate. It coincided with a prolonged drought. Of course farmers illegally reclaimed the land they had gained. If we would not have auctioned the land, they might not have had enough to eat.

4. *Policy appraisal.* In Guyuan, the effects of illegal reclamation were not limited to soil erosion. Herding families complained that reclamation had destroyed the watering tracks for animals. Herders also witnessed a rapid decline in grazing grounds, which forced them to move to more remote pastures. Over the past years, land disputes between pastoralists and farmers intensified. Moreover, according to the township, the number of ruminants in Guanting decreased by more than 50 per cent compared with the period before the auctions. The destruction of the watering tracks has also led to greater isolation of villages and individual farm households. As villages often comprise not more than a few isolated cave dwellings, watering tracks are a crucial part of the rural infrastructure.

The overall experience of the wasteland auctions is negative. Of the total sample, only six per cent believed their income had increased, while 15 per cent felt that forage availability had improved. Many stated they faced increasing difficulties with the availability of suitable pasture (49 per cent). When asked what they thought of the auctions, 55 per cent said it had 'mostly failed', while 40 per cent felt it had 'completely failed'.

In spring 1996, the prefectural authorities reacted to the news of large-scale, illegal reclamation with an immediate halt to the auctions. The townships in Guyuan, where the situation had got most out of hand, were called upon to check illegal reclamation with heavy penalties. Special teams were established of township and village cadres. Each team was required to survey the wasteland, report the reclaimed area, and impose fines on those who had mismanaged wasteland. The fines varied from Rmb 50 to Rmb 200 per *mu* of reclaimed land [*Guanting Xiang Renmin Zhengfu*, 1996]. The revenues from the fines were supposed to go to an afforestation fund (the same fund for the profits from auctions) administered by the township. However, the fund was never established giving rise to the suspicion of rent-seeking.

The aggressive response by the government stirred up ill feelings among the rural populace. Farmers felt the authorities had once more forced their will upon them. One farmer commented, 'The Wastelands Policy was a failure for us because we are fined, time and again. But it was a success for the government because they get our money time and again. And I don't even know why we are fined.' Another stated, 'The government tells us to plant grass, but if we plant millet and sorghum we are fined! Can you understand that? From now on I won't plant anything, no grain, no trees, no grass.'

## CONCLUDING REMARKS: THE COLLECTIVIST ROOTS OF CHINESE POLICY IMPLEMENTATION

In the introduction I put forward three theses on the Four Wastelands Auction Policy in Ningxia: (1) it is a symbol for the new space in China opened up by the reforms which allows the lower administrative levels (county and below) to initiate and shape policies generally considered sensitive or too innovative; (2) the policy entails great possible socio-economic changes because it removes the so-called rural–urban divide; (3) the manner of policy implementation bears the traits of the collectivist past when labour-intensive mass campaigns with scant regard for regional variations were considered the appropriate model for rural development.

In Ningxia the Wastelands Policy was initially not implemented in a top-down manner. As with the start of the Household Contract Responsibility System in Fengyang county (Anhui province) or the first wasteland auctions in Lüliang prefecture (Shanxi province), the policy originated from the grassroots level. The Wastelands Policy began in Changcheng village (Guyuan prefecture) in response to problems encountered in the management of hilly land. The village and township authorities displayed considerable countervailing power in initiating and shaping the Wastelands Policy. In China during the early 1990s, the use of auctions to transfer wasteland use and management rights to individual farmers still belonged to the danger zone of ‘leftist thinking’. At the time, the pioneer in wasteland auctions – Lüliang prefecture – also met with considerable opposition from the Shanxi provincial authorities. Therefore, the policy was marked by deliberate scheming and lobbying by local authorities to push it through various administrative levels from the village to the level where decisions are taken: the prefectural party committee. In fact, the Guyuan party committee had been given a Hobson’s choice as the auctions were completed in Changcheng village when a reporter brought the news into the open. The relative success of the early wasteland auctions granted them sufficient legitimacy for trials on a larger scale. In the end, what started as a local solution to soil erosion was turned into official policy.

The so-called open auction of the Wastelands Policy implies another break with the past. Under the current Household Contract Responsibility System the lease right to agricultural land is mostly restricted to rural residents (although this is stipulated neither in the 1993 Agriculture Law nor in the 1998 Land Management Law).<sup>38</sup> In contrast, the open auction implies the dismantling of the rural–urban divide, as it allows urban cadres, entrepreneurs and legal entities to participate in the auctions, and thus gain access to rural land.

The idea of open auction incited fierce debate among policy-makers and scholars. Its proponents believe that in a Darwinian process of live or perish,

open competition will force the less educated and 'culturally backward' to innovate or leave the agricultural realm. The Deputy Head of the Ningxia Provincial Bureau of Animal Husbandry thinks the auctions are an excellent opportunity to stimulate the most active and capable of the rural and urban population to develop marginal lands. Yet, many others – not in the least some high officials within the Ministry of Agriculture – oppose this rationale. While they acknowledge the opportunities of the Wastelands Policy for soil and water conservation improvement, poverty alleviation and long-term economic development, they simultaneously stress the need to protect the rural poor. Although the State Council and the Guyuan prefectural party committee permitted open auction, it proved too sensitive in Ningxia and was subsequently banned by the county authorities.

In the course of economic development, an erosion of the rural–urban divide might be expected. In suburban areas or more developed coastal regions, such as the provinces of Zhejiang and Fujian, the rural–urban divide is less pronounced. In these regions, there are ample employment opportunities outside the agricultural realm, as a result of which farmers are less dependent on land. Under such conditions, the rural collectives are more eager to grant leases to hilly land to companies or urban entrepreneurs as they command greater financial and material resources and can operate on a larger scale. In Fujian province there was an instance in which a Taiwanese businessman obtained use rights to wasteland [Yang, 1999: 89–90].<sup>39</sup> However, for poverty-stricken areas such as Ningxia, with almost no rural industrialization and few alternative income sources, open auctions will surely prove socially disruptive. The choice by the counties for closed auctions and negotiated sales can therefore only be welcomed.

Eduard Vermeer once remarked that 'politics in China is still conducted in an overall campaign-style manner, rather than being geared to the specific needs of each separate economic sector, and that further decentralization and functional specialization of political and administrative powers are called for' [Vermeer, 1998: 165].<sup>40</sup> It is this commandist mode of implementation that ties the Four Wastelands Auction Policy to China's collectivist past.

The party secretary of Guyuan prefecture had not intended to launch another Dazhai mass movement when he urged 'Learn from the "Four Wastelands" Auctions in Pengyang'. Despite his attempts to identify the imminent dangers of rigid implementation whereby there is little room for local variation and to stress the necessity of trial auctions, the policy became another model turned orthodoxy. Once the policy was proclaimed, every state institution, county and township strove to implement the policy first, even when responsibilities were unclear and no funds had been committed to carry out basic duties such as wasteland surveys and guidance for the

auctions. Furthermore, in order to be swift, authorities ignored farmers' opposition about the fragmentation of wasteland and loss of valuable common pasture through privatization.

Apart from the manner of implementation, the Four Wastelands Auction Policy can be improved in many ways. The most essential aspects concern the method of payment, the form of wasteland management, dissemination of information among the rural populace, the problem of monopolization by cadres and the village elite, and effective legal protection of the lessee. Particularly in poor regions, lump sum payments constitute a problem for farmers. The possibility of payment in instalments, mortgage and rural credit are essential instruments to enable the rural poor to compete on a more equal footing with the financially strong. Diversity in the form of management – individual households, joint households, share-holding cooperatives, or voluntary peasant associations – is necessary as the economic value of most wasteland is low and wasteland management would benefit from collective action. Through cooperation, farming families can pool together the financial and labour resources, while the greater economies of scale will allow for more efficient investments.<sup>41</sup> From the case studies it is clear that the dissemination of information among the rural populace is wanting. Many interviewed farmers were not aware of the policy goals or their specific rights and duties. The large-scale illegal agricultural reclamation after the auctions is partly a result of this.

The danger of monopolization by the village elite and cadres can be averted through better supervision of the auction practices – virtually absent in Guyuan prefecture as no budget had been committed to the policy, and responsibilities for the implementation were unclear. In fact, if the wastelands auctions were executed as auctions in the strictest sense, they should also conform to the 1997 Auction Law, which prohibits an overlap between the buying, commissioning and auctioning parties. The village authorities are then automatically excluded from executing as well as participating in the auction. In addition, the use of land ceilings per bidder can prove an effective means against the concentration of land in the hands of a few.

The success of the Four Wastelands Auction Policy in the future also hinges on effective legal protection of the lessee's economic interests. In Ningxia, the practice of issuing common contracts to five or ten households labelled 'joint households' without their knowledge, the lack of standardized contracts with clearly spelled-out rights and duties for lessor and lessee, and the absence of notarization are examples of cadres' weak grasp of legal issues. If the economic interests of lessees are not adequately safeguarded, they will be unwilling to bear the burden of long-term investments necessary for the development of marginal land. Related to this issue is land expropriation by the state.

The 1986 Land Management Law did not provide for an adequate valuation of wasteland to cover the investments for development. Wasteland development needs larger, long-term investments as returns are slower compared with agricultural land [*Hanstad and Li*, 1997: 571–2]. This problem has partly been overcome in the revised Land Management Law, which came into effect on 1 January 1999. It stipulates higher standards for monetary compensation of expropriated agricultural land. However, the rule that ‘expropriated land will be compensated according to the original use of the expropriated land’ (article 47) is problematic. If this implies ‘that what is originally waste mountain and wasteland without economic profit will in principle not receive compensation’ – as the legal interpretation by the Deputy Minister of Land Resources reads – the increase of the compensation standards would have been in vain.<sup>42</sup> As the revised Land Management Law has been proclaimed very recently it is still too early to assess its effects on the expropriation of wasteland.

A last problem, which touches on the interests of the lessee, is the unclear property rights structure of agricultural land and wasteland in particular (see also the section on the evolution of the Wastelands Policy). The issue is too extensive to be dealt with in detail here. At this point, it suffices to state that unless the ownership of wasteland is clarified and protected by law, many land disputes can be expected in the future when wasteland leases are transferred, mortgaged and sold. A senior official within the Ministry of Agriculture aptly identified the crux of the problem:

In many cases land leases are issued by the administrative village, while the land belonged to the natural village in the past. It is like the ownership rights to land have been silently stolen from the natural village and vested in a level higher ... Yet, to date there are not many conflicts because farmers are not properly acquainted with the idea of ‘property’. But problems are sure to arise in the future ...<sup>43</sup>

Some of the policy recommendations mentioned above might not have been necessary if the Wastelands Policy had allowed for trial auctions and feedback from below. The real tragedy of the Wastelands Policy is that its initial strength – a local solution to locally perceived problems – was subsequently turned into orthodoxy and uniformly spread to dissimilar regions. This is what ultimately caused its failure.



## APPENDIX A

CHANGCHENG ADMINISTRATIVE VILLAGE, CHENGYANG TOWNSHIP,  
PENGYANG COUNTY AFFORESTATION CONTRACT FOR 'FOUR WASTELANDS'  
SUITABLE FOR FOREST

In order to provide more incentives to farmers in the use and development of afforestation on the 'Four Wastelands' suitable for forest, this 'Afforestation Contract For "Four Wastelands" Suitable For Forest' has been specifically concluded according to the spirit of the Rural Meetings of the entire region and the consultations between Changcheng Village, Chengyang Township (hereafter Party A) and Villager [name], from [name] Team, Changcheng Village, Chengyang Township (hereafter Party B), to facilitate mutual compliance.

## (I) Content, Area and Location of the Auction

Party A has auctioned the use rights to the 'Four Wastelands' suitable for forest for [area in *mu*] of land, to Party B for the use of afforestation (for the category of land, and boundaries refer to the table attached).

(II) Term of Use, and Term of Re-vegetation<sup>44</sup> and Rangeland Construction

The term of use is 50 years (with effect from the day the contract is signed), inheritance, transfer and rent are permitted, the term of re-vegetation and rangeland construction is one year (the end of 1994).

## (III) Management of the 'Four Wastelands' Suitable for Forest

1. Party B has the right to use, management and usufruct of the 'Four Wastelands' suitable for forest.
2. The afforestation of the 'Four Wastelands' suitable for forest should adhere to the principle of 'suited to the soil, suited to trees', and should be implemented by engineering management, namely planning according to the engineering project; construction design according to the planning; supervision and approval according to the construction scheme.

## (IV) Rights and Duties of Parties A and B

1. The 'Four Wastelands' use right bought by Party B is protected by law, no person has the right to change or infringe it.
2. Party A will provide Party B with saplings necessary for afforestation once.
3. At regular intervals, Party A will inspect and approve the entire plot, management and protection, and planting by Party B. If requirements have not been met, corresponding penalties will be imposed.
4. Party B has to use the 'Four Wastelands' suitable for forest for afforestation and it is not permitted to use it for other purposes.
5. Party B must fulfil its afforestation duties in time, and the survival rate<sup>45</sup> [of the saplings] has to be above 70 per cent.
6. Party B will carefully check the nursery stock provided by Party A. Nursery stock that is not up to the standard will be rejected, in which case Party A will be required to provide new nursery stock that meets the standards.
7. Party B has to plant and level the land according to the planning design and demands (standards are attached).

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8. One can only proceed to fell the trees that have grown to full size after reporting to the Forestry Bureau.

## (V) Rewards and Penalties

1. Rewards and awards will be given if the re-vegetation duties have been fulfilled in time and all quality requirements have been met.
2. Failure to fulfil the re-vegetation and afforestation duties on time will result in a levy of Rmb 10 per *mu* to compensate for the losses incurred as a result of the delay in planting duties. The portion that has not been afforested will be repossessed and auctioned again to households that are engaged in afforestation. The original auction fee will not be returned.
3. If the levelling of land does not meet the specified standards, a fine of Rmb 1 to Rmb 5 per *mu* will be imposed.
4. If the planting does not meet the standards a fine of Rmb 5 to Rmb 10 will be imposed.
5. If the survival rate of saplings does not meet the standards (except in the event of natural disasters), a fine of Rmb 10 to Rmb 20 per *mu* will be imposed. In addition, replanting is compulsory. A fine of Rmb 20 to Rmb 40 per *mu* will be imposed on those who do not replant.
6. Apart from levying a fee for the losses incurred by the delay in planting duties on those who reclaim and plant other agricultural crops on the 'Four Wastelands' suitable for forest, penalties will also be imposed on those who indiscriminately build houses, and those who cause soil erosion, as stipulated by the 'Soil and Water Conservation Measures'.
7. If Party A has not provided the nursery stock in time, thereby affecting the timely completion of the planting, then Party A must compensate the losses of Party B.

(VI) This contract is in duplicate, and both Parties A and B hold one copy each. [The contract] takes effect from the date of signing.

Party A: The Village Committee of Changcheng Village

Stamp [Village Committee of Changcheng Village, Chengyang Township, Pengyang County]

Party B: Farmer [name] of Team [name] of Changcheng Village

Stamp

Date

## [APPENDIX]

Standards for land levelling and planting:

*Stripping fields and counter-erosion on hills:* These must be 1.2 to 2 m wide, with a distance of 4 m between the strips. Counter-erosion ditches with an angle of 15° must be constructed on the fields which have to be ploughed 30 cm deep. Both sides of the field must be level in order to prevent runoff. A small earth dyke has to be constructed at intervals of 5 m.

*Fish ponds:* These must be 80 x 80 cm, 50 cm deep, in the form of a winnowing fan, the layout in the form of the character *pin* [product], with 3 m in between the ponds, and 3 m in between the rows.

*Planting:* the roots must be shaken out and tightly packed [in the soil], the branches must be straight, the upper [part] must be open<sup>46</sup> and the lower [part] must be solid, the rows between the trees must be regular and well ordered, and the saplings must be planted in 10 cm of soil.

[TABLE]

Designation of the plot	Land category	Area	Boundaries
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## APPENDIX B

GUANTING ADMINISTRATIVE VILLAGE, GUANTING TOWNSHIP, GUYUAN  
COUNTY CONTRACT OF THE FOUR WASTELANDS AUCTION OF  
GUANTING TOWNSHIP<sup>47</sup>

In order to develop and use the Four Wastelands resources, to deal properly with the control of gullies, to improve the ecological environment, and [?] 'to step up rangeland' construction, the Four Wastelands Auction is executed – according to Party Document No.13/1994 issued by the County Party Committee, and [?] 'the Guyuan Prefectural Party Committee'.

Party A: In the spirit of [?], [name] village has sold [amount of land] *mu* of wasteland, with a land price of [amount in Rmb] per *mu* (in total [amount in Rmb]) to [name], for the development and use of the land for planting trees and grass. During the period of use, both parties are not allowed to end the contract without legitimate reasons.

Party B: [name] has come to an agreement with the village to buy from Party A [amount] *mu* – in the east bounded by [place], in the south bounded by [place], in the west bounded by [place], and in the north bounded by [place] – to plant trees and grass. This takes effect from the date on which the contract is signed. The period of use is [number of] years. During the period of land use, the user of the land is not allowed to change its utilization. Its use is protected by law, and no work unit or individual may infringe the said law.

Signature of the Representative of Party A  
Stamp [Guanting Village Committee, Guanting Township, Guyuan County]

Signature of Party B  
Stamp [Farmer]

Supervising Authority  
Stamp [Guanting Township Government, Guyuan County]

Date

## NOTES

1. Over the past few years, the field of policy studies on China in general and environmental policy in particular has increasingly become the focus of academic exploration. However, the rationale for policy formulation and the details of the implementation process frequently elude scientific analysis. See also Ross [1988]; Sinkule and Ortolano [1995]; Lotspeich and Chen [1997] and Edmonds [1998].
2. There is an inherent tension in the attempt to separate 'formulation' from 'implementation' during the analysis. I regard both as parts of an evolutionary process in which they alternate in response to perceived problems, similar to the description provided by Pressman and Wildavsky. The issue raised by David Lampton about the difficulty of assessing policy failure or success is less problematic in the case of the Wastelands Policy because there is no hidden agenda involved. See also Grindle [1980: 7–8]; Lampton [1987: 5–7]; Pressman and Wildavsky [1979: 177–94].
3. The main difference between the Dazhai model and the Four Wastelands Auction Policy is

- the manner in which soil erosion is fought against, the former through the use of the masses and the latter by means of privatization.
4. For a similar case in the sphere of forestry, see Ross [1987].
  5. The official statistics give a total surface of 66,400 km<sup>2</sup>. But recent surveys have shown that the actual surface is much smaller. The Hui are the predominant ethnic minority in Ningxia; other minorities like the Mongols and Uyghur only account for 0.45 per cent of the population.
  6. Tongxin, Guyuan, Haiyuan, Xiji, Longde, Jingyuan and Pengyang. The rural net annual income per capita has been taken as the indicator for poverty in the counties.
  7. Figures provided by the Pengyang county Section of Forestry.
  8. Article 19 of the prefectural regulations [*Zhonggong Guyuan Diwei*, 1994b].
  9. The buying party is in fact further differentiated into the competing party and the buying party or the (legal) entity that buys the good against the highest bidding price.
  10. See 1997 Auction Law [*Zhongguo Falü Nianjian Bianji Weiyuanhui*, 1997: 285–8].
  11. It should also be noted that the Four Wastelands Work Team seldom meets the requirements of the auctioneer or auctioneering firm stipulated in articles 10 to 17 of the 1997 Auction Law. According to this law, the auctioneer must have had special training and two years of relevant experience. In addition, the auctioneer needs to be registered with a national or local auction association. See Auction Law [*Zhongguo Falü Nianjian Bianji Weiyuanhui*, 1997: 285–6].
  12. Fieldwork findings in Lüliang prefecture indicate that the actual period of the leases varies between 30 and 60 years [*Hanstad and Li*, 1997: 557].
  13. The 25° gradient is defined as a guideline. The Soil and Water Conservation Law stipulates that the norms, for the gradient of land on which agricultural reclamation is prohibited, should be determined by the County People's Congresses. In Ningxia reclamation on all wasteland is forbidden [*Guojia Jihua Weiyuanhui Guotudiqusi*, 1996: 156].
  14. For a discussion of the auction procedures in Lüliang prefecture, see Hanstad and Li [1997: 548–54]; Ai [1995: 42–7]; Li *et al.* [1994: 27–9].
  15. The procedures of the auctions in Yao'an county, Yunnan are described in Zheng [1999].
  16. Li Sheng is a senior official within the Bureau of Law and Policy System Reform of the Ministry of Agriculture, which is responsible for the national coordination of the Wastelands Policy.
  17. In practice this means that outside buyers can only acquire use rights to wasteland if there are no interested parties within the village.
  18. For a discussion of this problem, see also Ho [2000a: 227–50, and 2001].
  19. See Auction Law [*Zhongguo Falü Nianjian Bianji Weiyuanhui*, 1997: 285].
  20. In addition to the Qin Great Wall, parts from other dynasties can also be found, including the Tang, Song and Ming.
  21. All the data for Changcheng village and Chengyang township apply to 1996, unless indicated otherwise.
  22. In Chengyang there is 12,000 *mu* of forage base area.
  23. In 1996, a few experimental auctions were also launched in Yinnan prefecture, but there has been no follow-up to these auctions as far as I know.
  24. For the central policy level, Murray Scott Tanner notes the same 'adept use of publications and other mass media' in order to push a new policy proposal through the bureaucracy [*Tanner*, 1996: 50].
  25. This is the story as narrated by the village Party Secretary and the village leader of Zhaoling. It has been confirmed by officials of the Township Forestry Management Station and the County Section of Forestry.
  26. Before the speech in March, Rui had already approved of the auctions at the Rural Work Meeting in January 1994. In his words: '[We] have to step up the integral management of the gullies ... and boldly auction wasteland, waste mountains, waste gullies and waste riverbeds' [*Zhonggong Guyuan Diqu Weiyuanhui Bangongshi*, 1994: 6].
  27. See also Ningxia Nongye KanCha Shejiyuan [1988].
  28. Both samples contain approximately the same percentage of cadres: 11–12 per cent. The Pengyang sample comprises higher educated farmers (only 9 per cent with no education, against 19 per cent in Guyuan; and 32 per cent with a senior middle school certificate –

- gaozhong* – against 12 per cent in Guyuan).
29. See Agriculture Law, articles 12–15 [*Nongye Zhengce Tigai Faguishi*, 1994: 6–12].
  30. In the ‘Suggestions Concerning the “Reform of the South” and the Speeding up of Economic Development’ issued by the prefectural Party Committee in August 1994, the right to mortgage land was explicitly put forward as a privilege for the poor regions. See Zhonggong Guyuan Diwei Nonggongbu [1994: 13].
  31. On the other hand, some villagers defended the criticism by saying that the ones in office are always easy to blame. ‘Isn’t it true that the birds that stretch out their neck are the first ones to be shot?’ remarked an elderly farmer (*qiang da chu tou niao*).
  32. See Auction Law [*Zhongguo Falü Nianjian Bianji Weiyuanhui*, 1997: 286].
  33. All the data for Guanting (village and township) apply to 1996, unless indicated otherwise.
  34. Under the *fenliu* system, cadres may apply to be discharged from office to engage in entrepreneurial activities. By paying the equivalent of two months’ salary per year, the cadres’ original positions as well as the terms of employment will remain unchanged for a period of two years in order to allow them to set up their own enterprise. This is different from the *xiagang* system under which cadres are released from office permanently. See Zhonggong Guyuan Diwei Nonggongbu [1994: 19].
  35. Executive Regulations of the Land Management Law (*tudi guanlifa shishi tiaoli*), in Guojia Jihua Weiyuanhui Guotudiqusi [1996: 93–4].
  36. In Yao’an county (Yunnan province), where experimental wasteland auctions have been held, strife over the eventual division of responsibilities between state organs also led to the obstruction of the Wastelands Policy [Jim Harkness, oral communication, 1998].
  37. In Yunnan the Wastelands Policy was executed overnight, uniformly and with scant regard for local variations after the provincial governor had called upon authorities to organize auctions. He commented afterwards that his call had been meant as a suggestion and not an order because experiments still had to be carried out [Jim Harkness, oral communication, 1998].
  38. The revised 1998 Land Management Law is the first law that distinguishes between land lease by work units and people *within* and *outside* the collective economic organization (article 15). However, there are no specifications regarding the household registration of the lessee. See Li [1998: 79].
  39. Note that in the English translation of page 90 of this article the term ‘use right’ has been wrongly translated as ‘ownership right’. Through recent fieldwork in Zhejiang and Inner Mongolia, I encountered several cases in which private companies or individuals with an urban registration obtained leases to wasteland.
  40. Murray Scott Tanner also notes the use of orthodox models in policy implementation in present-day China. See Tanner [1996: 56].
  41. For a discussion of the common property aspects of rangeland management in Ningxia, see Ho [2000b: 385–412].
  42. The revised Land Management Law stipulates that the expropriated tenant receives compensation based on six to ten times (formerly, three to six) the average production value of the land calculated over the last three years (article 47). See Fang [1998: 216–17].
  43. Li Sheng, oral communication, 1999.
  44. The term *zaolin* is translated as ‘afforestation’, while *lühua* has been translated as ‘vegetate’. The term *zaizhi* has been rendered as ‘planting’.
  45. The term here is *shenghuolü* which is less demanding than *baocunlü*.
  46. I have rendered *xu* (void, empty) as ‘open’, referring to the necessity of open space for the tree top to develop freely.
  47. Handwritten copy; conjectures concerning unreadable sections indicated with ‘?’.

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