

Reforming China's Anti-Poverty Policy from Below – Experiences from Western Hunan

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Summary

The relationship between poor peasants and the state is derived from the unsuccessful introduction of competitive market exchange. The state intervenes unilaterally and in a top-down manner. This relationship creates mistrust and leaves poor peasants in a permanent state of poverty. The official anti-poverty (*fu-pin*) campaign is a source of income for the poor peasants, not a step toward modernization. To portray their seemingly dependent mentality as "cultural backwardness" misses the point, however, because the poor peasants' aim of squeezing as much as possible out of the state without being absorbed into the process of modernization is not specifically directed against modernization, but is a result of it. Peasants feel secure only when they can work as members of a collectivity in which everyone shares the burden and the profits equally. Expecting peasants to compete on the market as individuals can therefore only result in sporadic success. As for those who prefer to stay where they are in terms of income, neither the *fu-pin* teams nor the state willingly recognize their attitude as a legitimate option.

I. The Overall Policy Rhetoric

Economic development has been China's top priority since the 1980s. Imbalanced growth leading to the distorted distribution of wealth attracts the attention of leading state officials. Poverty in agricultural areas is believed to be hindering the country in its efforts to modernize itself. Following the Sixteenth Party Congress in 2002, the newly inaugurated General Secretary, Hu Jintao, stated at the first session of the Politburo that dealing with poverty should be given top priority.² The *fu-pin* campaign (literally meaning "helping the poor")³ began in the mid-1980s and has faced serious bottlenecks for some time.

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² See the news report by Wang Lichuan, "The Standing Committee of the Politburo on How to Benefit Disadvantaged People" (Zhengzhi juchanghui taolun zhaogu ruoshi zuqun), *United Daily* (2002.12.13): 13.

³ In the *fu-pin* project work teams from relatively affluent areas are sent to poor villages in order to help promote economic development. Typically, teams raise development funds, build roads, purify water, install electricity plants, and start up business projects.

Poverty is not going to vanish simply by reallocating resources to poor areas. Likewise, central authorities cannot possibly formulate specific *fu-pin* projects for specific villages. Despite common sense stressing that one should teach people how to fish instead of giving them fish, it is up to the *fu-pin* team to decide if joining the market is a viable option for its client. For central authorities, the belief is that as long as villagers are properly motivated, they will eventually learn to survive in the market. Once they taste the fruit of rewards, they will stay in the market of their own volition. The key to eliminating poverty is, consequently, cultural reformation, which is a top-down rather than a bottom-up process.

However, in western Hunan, where I conducted field research seven times between 1996 and 2004, the *fu-pin* teams concentrate on meeting basic needs rather than on profit-making projects. The priority issue in this area is to improve living conditions. In most cases, this means paving village roads and reducing administrative costs. The Western Hunan authorities stress the importance of resolving infrastructure problems, i.e., those concerning water, electricity, roads, and telecommunications (including radio coverage). Their hope is that these improvements will ultimately facilitate the transportation of goods and the flow of information to and from the region. The government branches at provincial, prefecture and county levels organize and staff the *fu-pin* teams and also train village cadres as *fu-pin* agents.

The *fu-pin* staff members selected by each government branch are sent out to specific villages.⁴ Each member stays for a year, then the shift rotates and other members arrive. Each team is responsible for a particular settlement for three years, after which it moves to a different site. Since individual villages are unique in all respects, each government branch has its own specialty. Their *fu-pin* capacity differs enormously. It is almost certain that each *fu-pin* project is a specific story in itself. In this regional effort, there are few people who have not participated in the *fu-pin* campaign in one way or another. Government officials are able to establish contact with the bottom level of society during their year of service on a *fu-pin* team. While the team members have the mission of teaching villagers how to make a profit, the learning experience is what is really significant for many urban cadres; they frequently report how they have re-evaluated their careers after living in poverty for a year.

These team members act as agents of the government and the villages simultaneously. This means a variety of perspectives exist among them in the sense that they initially have the top-down perspective of the government and develop a bottom-up perspective while working in the villages. They are both sympathetic to and familiar with

⁴ In the villages, the finance-related government bodies, the tax bureau or the local branch of the People's Liberation Army are welcomed by the local inhabitants. They have resources to give to the villagers. Education-related units as well as those dealing with ethnic and Taiwan affairs, and the United Front office, however, are worse off and are not received as positively. Typically, government branches pick those who are young and have just left school to serve on *fu-pin* teams.

difficulties at the local level. It is therefore quite likely that they back the idea of reformulating the discourse on poverty.

In the following section, only those reflections that are considered to be "creative" have been reported. Others that reproduce the mainstream view of cultural reformation will not be repeated, except for the sake of contrast.

II. The Institutional Incapacity to Empathize with the Poor

The *fu-pin* campaign is unable to cope with those areas where there are absolutely no resources or public motivation. Although a great deal of investment is made, the prospect of growth is a slim one. There are several reasons for this. In some of the more remote sites, the installation of electrical cables is impossible. No water is available; rain is the only source of fresh water. Building roads in such areas makes little economic sense. In the past, lumbering was the only source of income for these places, but this industry is no longer legal today.⁵ In other areas, people used to earn a living by hunting, but this has been outlawed, too. The only viable alternative is to relocate these villages. Relocation involves a tremendous effort to persuade local residents to move away. Even after relocation, the villagers tend to return "home" on their own after a while. Learning agriculture is a long-term project, after all, since the immigrants cannot read, memorize cultivating techniques and procedures, or learn new know-how.⁶ The psychological condition of peasants who see the *fu-pin* teams as miracle-workers is equally insurmountable. Poor villagers tend to expect quick results, but *fu-pin* teams rarely produce any cash except for handicapped persons.

This paper focuses on Yongshun, a western Hunan county under the autonomous government of ethnic Tujia and Miao leaders. In Yongshun, the *fu-pin* teams are unable to complete their construction projects since the local government – which shares half of the funding – often makes last-minute modifications to the budget, reallocating the funds to other urgent cases.⁷ The county government is unhappy about the fact that *fu-pin* teams from elsewhere still demand adequate funding from the county's own budget, although they know perfectly well that Yongshun is a poor county relative to the rest of the country.⁸ Another serious problem is the mentality of dependence on the part of the villagers, who think that the *fu-pin* teams are there to resolve whatever problems they happen to have for them.

Local villagers welcome the provincial-level teams, since their financial support is far superior to what is provided by prefecture or county teams. Unfortunately, however, the provincial *fu-pin* teams are responsible for creating the impression that they are

⁵ Interview with a Helping-the-Poor cadre sent to Zhuyuan Village in the Yongding area of Zhangjiajie City, Hunan.

⁶ Interview with a former official of the Commission of National Ethnic Affairs in Beijing.

⁷ Interview with the party secretary of the Office of Helping the Poor in Yongshun County, Western Hunan Autonomous Prefecture.

⁸ Interview with a Yongshun County official sent to a township to help the poor.

miracle-workers. They do this by exaggerating the achievements of their campaign, using terms like "turning Heaven and Earth upside down" to describe it.⁹ The western Hunanese style of taking over village leadership complicates the situation. This approach usually increases the villagers' dependence, although the *fu-pin* leadership always tries to train a prospective group of leaders.

Villagers typically lack confidence when their own people have to step in at the end of the three-year anti-poverty campaign. In fact, old factional confrontation usually returns to village politics when the team leaves.¹⁰ The villagers rely heavily on the teams, who, in turn, enjoy a reputation of omnipotence. Neighboring villages come to seek help, but as outside teams plan to depart in three years' time, they rarely shift their attention to other villages in the neighborhood. At most, water from the water tower – a favorite project of any *fu-pin* team – can be channeled to supply neighboring settlements as well.¹¹ The county *fu-pin* teams are more familiar with agricultural reform, the results of which can be easily shared by the neighboring counties.

In general, this kind of *fu-pin* campaign cannot bring about any significant change in the mentality of the local villagers. In Yongshun, what the villagers need most of all is housing. Once they earn enough money to build a house, however, that can be the end of the story. This conservative attitude toward growth or material profit makes the teams disappointed and pessimistic. Villagers engaged in business facilitated by the team report being fearful upon seeing the *fu-pin* teams leave at the end of the third year. The provincial government has the impression that the poor western Hunanese villagers are trapped by the psychology of "waiting, asking, and depending."¹² Some of them actually call on the government branches, which send in their team to provide further help after the termination of the campaign.¹³

Some team members believe this is fundamentally a cultural problem. The evidence for this lies in the fact that many poor villagers do nothing during the day but play mahjong. The seeds given to the villagers are sold for money to buy alcohol. The rabbits handed to them for rearing become food by mealtime. Many continue to stand in the local river to hunt fish for food. In one case, the team built houses for the villagers, leaving the doors to be installed by the inhabitants. When the team returned five years later, it found that the doors had still not been fitted. The worst story, however, was of the case when villagers became suspicious of the team, who were thought to be affiliated with a specific faction. This ultimately led to serious brawls.¹⁴

⁹ Almost all the village cadres used the expression "turning Heaven and Earth upside down" in their interviews to describe the change the helping-the-poor teams have brought to the villages.

¹⁰ Interview with the party secretary of Yongshun County's Office of Helping the Poor.

¹¹ Interview with cadres from Yulong Village in Changping Township, Yongshun.

¹² Interview with an official from the Taiwan Office of Hunan Provincial Government, sent to a western Hunan village to help the poor.

¹³ Interview with cadres of Fangjiagou Village of Qianche Township in Yongshun.

¹⁴ The more serious cases may even involve killings. For example, a killing was reported in Diaojiaoling Village in Yongshun County. Interview with a villager in Diaojing Township, Yongshun County.

A provincial *fu-pin* team leader claimed that the so-called "cultural backwardness" of villagers has historical roots. In his view, mountain dwellers are heirs to those who were defeated in the past and fled to the mountains. This is why they are "of low caliber" in the first place. This analysis is obviously difficult to substantiate, but nonetheless reflects the impression of the team about poor villagers. Another explanation is institutional. Although the cadres of the poor villages have not received any formal education, they assume leadership roles for decades. In one extreme case, the three village council members had a cumulative age of over 220 years.¹⁵ There is no chance of poor villagers finding any employment beyond their mountains. Neither is there any motivation to work for businesses investing in the village. In one case in Yongshun, the brick factory invited by the government to invest in the village is obliged to hire its workers from the city because no one in the village is interested in working in such a difficult environment. A team member likewise criticized mountain villagers for always wanting to be "free-riders."¹⁶

The local villagers' reaction to claims about their cultural backwardness was not investigated further in my field research. However, it is not difficult to notice the prejudices some team members have about poor villagers. The villagers' view of their environment and poverty is not listened to sympathetically. Once outsiders have grown accustomed to the general talk of poverty, the villagers are left with very few alternatives other than relying on the *fu-pin* teams. A kind of artificial dependence is created because the villagers are unable to form their own discourse. In an ironical sense, silence or dependence is perhaps the best thing one can do in a poor village in order to be recognized as a legitimate participant in the *fu-pin* campaign and enjoy the quick short-term benefits. The villagers have no way of circumventing this anyway.

III. Unsustainable Campaigning, Impermeable Poverty

Many villages failed to operate the facilities introduced by the *fu-pin* teams correctly after the teams left. The worst thing that could ever happen to the *fu-pin* teams actually did – the campaign seemed to have succeeded at first, but in fact it failed in the long term. The teams discover this when they return to check out the situation. A provincial-level *fu-pin* official admitted that at least ten percent of the "successful" villages had returned to poverty the following year. While some of them failed to maintain the road leading to the outside world, others were either unable to master the consequences of natural disasters or market competition, or – as was the most likely case – were not interested in change at all.¹⁷ In one of the "successful" villages, a senior villager described the situation once the *fu-pin* campaign had been completed

¹⁵ The same phenomenon of an aging leadership also applies to the more developed areas where age can be an edge in promoting reform since the elder villagers enjoy both the reputation of leadership and the social respect needed to coordinate reform.

¹⁶ Interview with village cadres in Zanzhu Village, Lingxi Township, Yongshun County.

¹⁷ Interview with the Office of Helping the Poor of Hunan's provincial government.

as follows: "Food is still food; mountains are still mountains; and our lives have also remained the same." In a typical case, the *fu-pin* teams purchased special machines to dig sand. During a return check the following year, they found that the inhabitants of one village were still unable to operate the machinery. Another village had lent their machinery to outsiders, while in a third village, the machines had been stolen. Another village had sold its equipment. Similar developments took place in another area where the *fu-pin* team had installed a machine with which to manufacture bathroom walls; the villagers used it to build a schoolhouse, but this collapsed. Sadly, stories of mismanagement are abundant.¹⁸

Maintenance of the new infrastructure is another serious problem which the villagers are either incapable of doing or lack the money to do properly. In Xiaoxi Township in Yongshun, the road constructed with the help of the *fu-pin* fund was destroyed in two months. This left the village as isolated as in the past; a four-hour raft trip is still the only way to reach it. Neighboring Sichuan Province faced the same problem. The road built to connect Meigu County to Xichang was completely ruined three years after it was completed. What used to be a three-hour trip takes nine hours today. In western Hunan, flooding is a frequent phenomenon. The maintenance of pavements on roads demands constant attention, which is beyond the limits of what the technically and financially fragile county can finance. In 1998, for example, 31 counties in southern and western Hunan lost road pavement worth RMB2.6 billion.¹⁹ Since all of these mountain villages in western Hunan are vulnerable to seasonal floods, any rise in income in a particular year can be negated the following year by environmental damage.

Yongshun requests *fu-pin* officials to work down to the household level. In poor households, the sick, the old, the mentally and physically handicapped, and the victims of natural disasters are in particular need, as they have no connection to the outside world. One villager who came from a location that suffers frequent natural disasters told the interviewer that when he carried a baby ox to the mountain, he had known the species had no chance of leaving the mountains during its lifetime. Most *fu-pin* teams would rather avoid poor villages of this kind; they choose settlements close to provincial highways to reduce the hardship team members are likely to encounter, and to show their achievements more easily. To connect to the outside world, the teams only need to build village roads.²⁰

The poor villages are then left to the care of the prefecture and county *fu-pin* teams, whose members have no means with which to handle the situation. By the end of 2000, 5,374 villages in Western Hunan Prefecture had a per capita income of less than RMB800. By the end of 2002, a total of 2,500 villages still had no road to the outside

¹⁸ Interview with a group of helping-the-poor campaigners sent to the countryside by the provincial government of Hunan.

¹⁹ Interview with the Office of Helping the Poor of Hunan's provincial government.

²⁰ Interview with a Helping-the-Poor cadre sent to the township level by Yongshun county authorities.

world. 300 of them had no electricity. 3,500 had no phone lines, and 1,500 had no radio. Two million people had no drinking water. 2,000 villages owned less than three acres of cultivable land per person. A provincial official sarcastically described the situation in western Hunan as "seriously backward, but it's described as a beauty of Heaven simply because of the clean air and wonderful views." In fact, this world of heavenly beauty and nature is completely out of touch with civilization.

The official just mentioned went on to summarize four serious problems, the first of which is egalitarianism. For example, when a special fund is set up to help specific households, the villagers usually disagree about who is entitled to it. In the end, every household gets a share – a meager RMB200 in this case. The second problem is lack of financing. The few people who receive household loans never intend to pay them back because they don't know what a "loan" actually is. The third problem has to do with the weakness of crop economies. In western Hunan, buyers' markets are predominant. Crops are always overproduced. The coordination among the peasants is so weak that the purchasing company can easily transfer the cost of the market fluctuation to the households. The fourth problem is that village businesses are having an increasingly hard time getting loans. This has been especially true since China joined the World Trade Organization, which prohibits low-interest subsidies to domestic producers. Few households can come up with enough collateral to persuade the local bank to lend them money. Consequently, the more loans a village needs, the less likely it is to get them. In most villages, the *fu-pin* teams are able to resolve the problems of deficient infrastructure by providing water, electricity, and roads, but they cannot cope with the problem of finance. The situation is deteriorating, as national enterprises – which used to support village factories – have lost significant market shares in the reform process.²¹

To make things worse, the poor villages' administration is fragile and not capable of conducting any active search for funding. Social relations are sometimes useful alternatives, as one village leader told me how he relied on his cousin's connections with the county-operated road-paving company to pave the cement road made by the *fu-pin* teams. In contrast, another village, located in the middle of the mountains, could not do anything to change its misfortune, as it was left out of a reforestation project. The project was given to the poor mountaintop villages as well as to low mountain villages where the scenery along the provincial road is important to the government. This particular village, however, is situated halfway up the mountain and was simply missed out.

The villagers complained that they didn't know anybody in the government and were too poor to bribe the officials anyway. They reported that two 'brokers' had called on the village, promising government funding for village projects in exchange for a commission amounting to as much as 10 percent of the funding received. Another

²¹ Interview at the Office of Helping the Poor at Hunan's provincial government.

'broker' demanded a kickback from the anticipated gains to the village – either all the money given for tree planting at a rate of RMB15 per tree, or the full reimbursement made to the villagers for the loss of cultivable land conceded to tree planting. Responding to the question of why they had not sought any help from the local People's Congress, the political consultative conference or other United Front offices, they simply replied that they had never thought of these agencies as being relevant. The villagers have a low school enrolment rate, a high birth rate, and regard themselves as being "barbarians that nobody cares about."²²

In the government's view, however, the more villages there are above the poverty line, the better. At the macro level, the central authorities do not care which poor villages are upgraded first. If villagers choose to make use of their social relations to bring about decisions in their favor, that is felt to be perfectly legitimate. After all, these villages are all poor even though those who receive the most help are not the poorest. In fact, the "less" poor villages are regarded as having a lower fallback rate; if poor villages are likely to return to their original standards in the long run, it makes no sense to help those who are even more likely to revert to their old habits first of all. The crux of the *fu-pin* campaign is that the poor villages that are still left on the agenda are the ones that are extremely hard to upgrade.

IV. Helping-the-Poor Teams between State and Society

The *fu-pin* cadres are positioned between the state and society: their concerns are not the same as those of the central authorities or those at the bottom of society. Officials involved in choosing the site for the *fu-pin* campaign tend to put their own home town near the top of the list. Other villages or counties criticize the fact that favored sites are the first to receive *fu-pin* funding or benefit from broader, more thickly paved roads. Prefecture or county officials do not have to demand any preferred treatment for their own home towns, because lower-level officials wishing to flatter them have already taken such steps on their behalf. There is allegedly a policy rationale for officials to begin from their own home towns. This is because they know their home towns' conditions well. When starting off a new campaign with inherent difficulties, it is only reasonable that they need a familiar environment in which to test the policies, the logic goes. Lower-level cadres explain that the preference for their superior's home town as the starting point of an anti-poverty campaign actually saves time, since no detailed preliminary investigation is needed in places where the officials are already familiar with the environment.²³ That said, the home town bias is obvious.

Each *fu-pin* team is dependent on the support its affiliated organization can supply. Villages supported by organizations that receive steady revenue from service charges or levies are definitely better off than others. The specialty of such organizations

²² Interview with a villager in Diaojing Township, Yongshun County.

²³ Interview with a Yongshun County cadre sent to the villages to help the poor.

makes a difference, too. For example, in its capacity as a *fu-pin* unit, the Bureau of Foods is able to provide seed or agricultural technology. Banks as *fu-pin* units can arrange low-interest loans. Power companies can install or repair electric cables. The anti-poverty strategies of the Foreign Affairs offices or Overseas Chinese Affairs Offices can provide access to charity funds. Yet this does not necessarily mean that the villages' income level will increase, as in western Hunan, for instance, the *fu-pin* campaigns do not focus on income generation but on the general amelioration of living conditions (see below). In addition, assigning money inevitably leads to the problem of distribution in the village. For example, investment in education leads to intense competition among villages on the issue of where to build a school. Even building a water tower may cause a dispute. In western Hunan, where various nationalities live in the same neighborhood, a dispute between different ethnic communities over limited resources can become politically sensitive. In one case, parents in a certain ethnic community refused to let their children attend the school built in the neighborhood of a different ethnic group. In another case where the team built a water reservoir for a village, villagers further upstream objected to paying the water fee since they benefited the least from the measure.

All these experiences suggest that the *fu-pin* campaign is more than simply a technical transfer of resources; it also involves the management of social relations. The state stirs up trouble by intervening in village life with its top-down goal of eliminating poverty (which is defined as 'low income,' incidentally). However, whenever there are problems, the teams and the county officials are held responsible. A provincial official blamed the *fu-pin* team members for "lacking patience or a serious attitude with a problematic working style."²⁴ Although Yongshun is officially designated as a county of poverty itself, roughly 180 cadres are sent to the village to work on the *fu-pin* campaigns each year. Over 80 percent of the county employees have served on the *fu-pin* teams already. A good number of them appear to be reluctant to do so. Since the term of service is for one year, these reluctant aid workers avoid any serious involvement. There are villagers who complain about this attitude. The county government cannot do very much about the attitude problem, lest any sanctions should further knock the morale of the *fu-pin* teams. There is no doubt that most team members feel sympathetic toward their clients after witnessing their hardship. However, they cannot effectively respond to the villagers' expectations of them. From the team members' viewpoint, they are in the villages to perform a "moral virtue," not to work miracles. One provincial team member observed:

From the perspective of the *fu-pin* team members, they face enormous challenges in terms of working habits, living conditions, and even the use of language once they arrive in the village. Many adapt very badly. Sometimes even mealtimes cause a problem. Villagers only eat two meals a day, for example. The *fu-pin* colleagues really have a hard time adjusting. Some people suffer diarrhea for quite some time. Others have to

²⁴ Interview with the party secretary of the Office of Helping the Poor of Western Hunan Prefecture.

live in the peasant house for months with only pickles and rice for food. No air conditioning or fan is available in summer. In terms of working habits, these team members are used to bureaucratic procedures and paperwork. Giving verbal orders as usual, many are incompetent communicators in the real world. There is no doubt that many have an attitude problem.²⁵

Team members complain that their work does not win enough recognition from their superiors. For example, it is a strict rule in western Hunan that the *fu-pin* teams should not impose any additional expenses on the village whatsoever. The team members' affiliated organizations must pay for everything they use in the village. For those who have provided really good service, villagers naturally want to show their appreciation, but this is not allowed. In one case, a well-respected team member accepted an invitation to dinner on the day he left. He was severely punished and publicly shamed by his superiors for accepting the invitation and then forced to pay for the dinner. It seems that the superiors' staged 'drama' of helping the poor undermines some fundamental characteristics of a society where reciprocity is perfectly natural.

V. The Rise of Ecological *fu-pin*

The final objective of the *fu-pin* campaign is to eliminate poverty in villages and to consolidate those who have just started the process of overcoming poverty. This is an extremely difficult mission. The manpower that has been invested in the *fu-pin* campaigns is so great that it involves over half of the lower- and mid-level officials. Praise of achievements is typical, while complaints are indirect (and personal). The central authorities increase the *fu-pin* rhetoric toward the final stages of the campaign, creating pressure on the provincial (as well as lower-level) officials to expedite the campaign. The prospect of total success is doubtful, however. In western Hunan, concentrating on living conditions instead of raising income levels has a good rationale, yet this approach goes against the trend of using income as an indicator. For the central authorities, the use of a 'universal' indicator is a convenient sign of national unity and equality. On the other hand, in light of the vast differences existing among poor areas in the country, there should probably not be one at all.

From the experience gained during the first four years of his term (which began in 1992), Hunan's provincial party secretary, Wang Maolin, concluded that agricultural development, in addition to business, should be the priority of the *fu-pin* campaign. His *fu-pin* strategy was to enable peasants to make a living from their natural environment. He was possibly the first *fu-pin* practitioner who conceptually linked ecology to the *fu-pin* campaign. His remarks prepared the way for the ecological *fu-pin* movement that started a few years later and which has become the cornerstone of western Hunan's *fu-pin* policies since then.

²⁵ Interview with a bureau-level official of the provincial government of Hunan helping the poor in the villages.

The central government had an important role to play at the beginning of this process. It was in the early and mid-1990's when the whole country suffered from serious flooding. Both western Hunan and Yongshun recorded high death tolls and widespread damage. The central authorities responded with a national ban on logging in order to preserve fragile soil from further erosion. In Hunan, Dongtin Lake (the largest in China) was selected as a target area. Peasants living around the lake were ordered to "return" the rice fields they had acquired through paving and expanding the bank of the lake during the Great Leap Forward back to the lake. There have also been nationwide projects involving the replanting of trees. Western Hunan, now seriously ruined by paved roads, barren fields, and bare mountaintops, used to be well-known for its green surroundings and serene beauty, as stated earlier. The problems of soil erosion and frequent flooding have also hurt tourism. Reforestation has become one of the most pressing ecological projects in Yongshun.

Another nationwide project that western Hunan actively conducts is aimed at generating marsh gas as a substitute for firewood in an effort to preserve its trees. Some 5,000 households installed gas devices in 2002, and more households followed later. Each house must breed swine or oxen in order to accumulate excrement. Animal excrement serves two functions: it produces methane gas, and serves as fertilizer for fruit-bearing plants. The dung is better than chemical materials, in fact, because organically cultivated vegetables and fruit have an attraction for tourists. Marsh gas also serves dual functions – as a source of household energy, and for keeping fruit fresh in the storage room so it can be sold during the off-season. Marsh gas is currently at the heart of the ecological *fu-pin* campaign in Yongshun. The subject fits in perfectly with the emphasis on the county's current economic investment in orange-tree planting. It is hoped that marsh gas, fruit, energy, woodlands, storage, household animals, and tourism will constitute an ecological circle. The installation of the gas devices was the responsibility of the county government, which also provided the cement subsidy needed to build the local gashouse. Subsequent stages involved the building of ecological villages for urban dwellers to pick organic vegetables and fruit, and to encourage them to come to ecologically friendly lodging houses for their vacation. The policy is to avoid building hotels. Instead, family lodging amidst an ethnic environment featuring the Tujia style of above-ground housing is encouraged. Furthermore, Mongdong River rafting in the neighborhood is supposed to neatly add to the tourist attractions.

In addition to the gas-fruit-tourism circle, another nascent ecological *fu-pin* project is the national reserve in Xiaoxi County, which was approved in order to protect the unique ecological woodlands in the locality. The European Union's environmental experts call on the reserve every year. A fund of RMB40 million has been set up by the EU to protect the woods, which its experts have nicknamed the Museum of Genes. The county has been planning a relocation schedule to move all the villagers out of the reserve, turning them into employees of a tourist company and setting up hot-spring sites. The Xiaoxi example bears a message contrary to the *fu-pin* campaign as defined

by raising the income level of individual villagers – the money invested is not for exploiting natural resources to support profit-oriented business, but to keep natural resources from being exploited. In previous eras, poverty was attributed to the incapacity to utilize natural resources. Today, such 'incapacity' is considered a blessing.

VI. The Need for Bottom-up Discourse on Poverty

For a modernizing state like China, the nascent institution of the market cherished by the liberal political economy leads to an income-oriented indicator of poverty. Yet applying this indicator to real villages doesn't necessarily result in a liberal (and *just*) economy. The official *fu-pin* campaign aims at creating autonomous "interest pursuers" people who are able to generate and control resources to enhance their competitive participation in the market. However, the *fu-pin* team members in western Hunan do not always share the same attitude – and neither do their clients. Despite *fu-pin* team members making occasional references to backward culture when talking about the villages' suitability for market participation, few entertain the notion of cultural reformation beyond the rhetoric level. The profit incentive is not a popular subject in the Yongshun *fu-pin* campaign. In general, most *fu-pin* teams in western Hunan concentrate on ameliorating living conditions.

Immediately after Western Hunan Prefecture designated itself as an "ecological prefecture," Yongshun also named itself an "ecological county." In the central government's view, the introduction of ecological *fu-pin* is still related to rising income levels in the villages. It believes that ecological consciousness is attractive to well-to-do city residents, who may be willing to spend money on an ecologically sensitive environment. Organic fruit and vegetables may be good profit-making commodities, for example. Nonetheless, the ecological focus in western Hunan deviates from the state-defined understanding of *fu-pin* and its conventional obsession with rising incomes.

Ecological *fu-pin* as practiced in western Hunan is qualitatively different from economic *fu-pin*: the former considers human agents as being subordinate to the environment, while the latter believes that natural resources are here to be exploited by human beings. According to ecological *fu-pin*, the villagers should not think of their own needs first in determining how much they can exploit the environment. Instead, they should judge the environment first and adapt their strategy to the needs of environmental preservation. Following this rationale, it should not be the state's priority to intervene on behalf of the poor villagers to enhance their income levels. Furthermore, even though villagers may not all appreciate the emancipative potential of a liberal economy, they may, under ecological *fu-pin*, consider themselves as part of nature if forced to relocate or banned from logging. In short, ecological *fu-pin* is capable of providing villages with a new discursive supremacy vis-à-vis the state.

VII. Legitimate Poverty?

The relationship between poor peasants and the state is derived from the unsuccessful introduction of competitive market exchange. The state intervenes unilaterally and in a top-down manner. This relationship produces distrust and leaves peasants who are already poor in a permanent state of poverty. Interestingly, the income they earn in the coastal cities is not always correctly reported or even counted. Unsold and unreported crops are not always calculated either. Sometimes, other similar income sources cannot be reported, for they are not technically included in the state's crop categories. All these inevitable incidents affecting the over- or underevaluation of poverty suggest that the state is no more than an outsider with respect to the situation of its citizens in the countryside. For the poor peasants, the *fu-pin* campaign is a source of income, not a step in the direction of modernization. To portray their seemingly dependent mentality as "cultural backwardness" misses the point because the poor peasants' aim of getting as much as possible out of the state without being absorbed into the modernization process is not as much counter to modernization as a result of it.

Interestingly, the *fu-pin* teams' desire to establish village businesses runs against the market mechanism, which recognizes individualized property rights, though not village property rights whereby the share of each peasant in the village is equalized. From the perspective of modernization, the notion of collective property is outdated. Under Yongshun's past and present economic conditions, however, where many villages own rights to the local road, the water reservoir, the ditch and other aspects of public infrastructure, collective property is a natural aspect of contemporary life. Peasants feel secure only when they can invest as members of a collectivity. In this notion, everyone shares the burden as well as the profits equally. Consequently, expecting individual peasants to come out and compete on the market can only result in sporadic success. As for those who prefer to stay where they are in terms of income, however, neither the *fu-pin* teams nor the state is willing to recognize their attitude as a legitimate option.

Because it's an outsider, not even those peasants who seem to be successful on the market at the moment would necessarily appreciate the state's intervention. When striving for market returns, since making money is a response to the state's anti-poverty rationale rather than an expression of compliance, poor peasants most likely resort to measures incompatible to the rules of market competition. In other words, as an institution the market is simply inadequate for the establishment of a legitimate *fu-pin* system. In fact, the designation of cultural backwardness assigned to local residents prevents them from developing the self-respect which is necessary to be able to face the market positively and productively. Poor peasants adapt, nonetheless, but rarely in the same way as the state wants them to. Putting local conditions above the state's anti-poverty logic should be the minimum premise for any approach to gaining political legitimacy and the sympathy of the people in western Hunan.