

Living Conditions in China's Villages

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For the past 43 years I have focused my interests on China. I have lived in China (mainland, Taiwan, Hong Kong) for a total of 10 years. I served as an Agricultural Attache in Hong Kong, and worked on a TDY basis in the US Embassy in Beijing, and in the US Consulate Generals in Shenyang and Chengdu. I retired from USDA with 30 years of service and in 2000 organized The China Group that provides information to clients about China's rural economy and agricultural trade. In the past three years I made 14 separate trips to visit China's rural areas.

Since most US visitors to China typically travel to Beijing, Xian, and Shanghai but given my background and experience I thought I could be most useful to the Commission by providing some views about rural China—the China that most visitors seldom see.

My presentation addresses three topics.

1. The wide gap between urban and rural living standards.
2. The growing tensions in China's basic level institutions
Party appointed cadres in the Village Party Branch
Democratically elected Village Committees.
3. The Shadow of famine in rural villages—two strikes and you are out.

Urban Wealthy (Modern China) And Rural Poor (Relatively Backward China).

My view is that one of China's most serious problems is that over the past 50 years China's leaders have constructed two China's: a modern wealthy China and a backward rural poor China. This "house divided" is a major weakness in contemporary China and to unite this house into a major Asian power will take enormous effort and resources and may require decades to accomplish.

Many researchers in China and in the United States have focused effort on analyzing the effects China's entrance into WTO may have on China's rural economy. But when I have asked some of my colleagues in China to highlight major problems looming for China in this decade their answer typically is. "WTO is not the primary problem." The main problem is the 'Dual Structure.'"

Shanghai skyline, 2001.



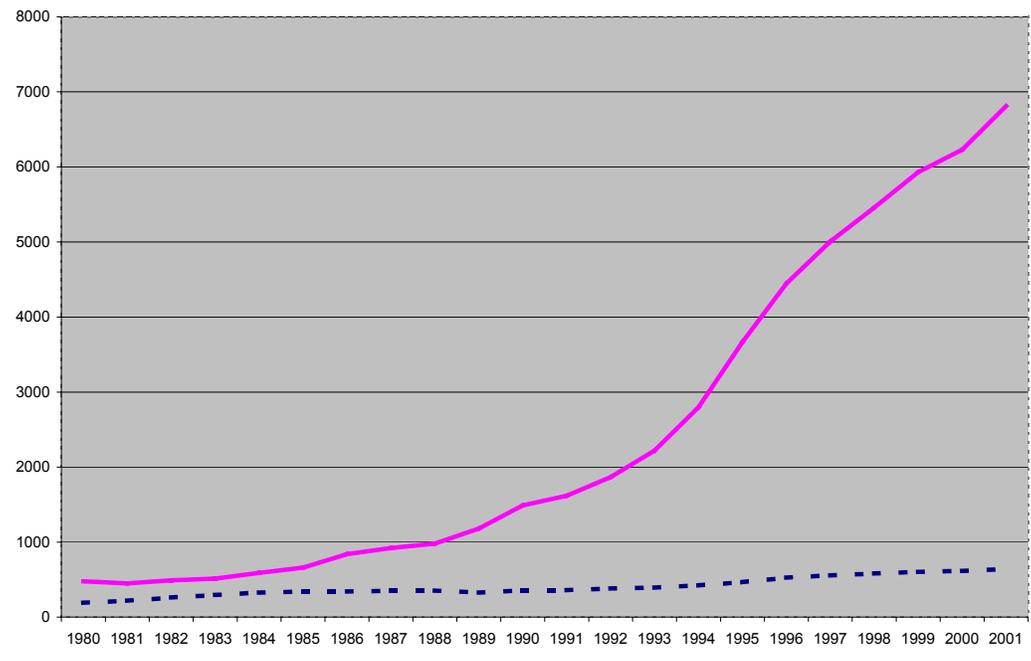
Cars
 Subways
 Good roads
 Big stores
 Stadiums
 AC
 Good schools
 Colleges
 KFC
 Internet bars
 5 star hotels

Farm house with attached saw mill, Heilongjiang, 1988.



Bicycles
 Small buses
 Poor roads
 Small stores
 Few AC in houses
 Poor schools
 Few restaurants
 2 star hotels
 Gov't guest houses
 Limited internet
 Access.

Real urban and rural per capita income, 1980 to 2001.



Shoppers in Shanghai.

Shoppers in Shanghai, August 2001.



Consumer durable goods per 100 households, urban/rural comparison

Commodity	Urban 2001	Rural 2001
Bicycles	165	121
Sewing machines	51	na
Washing machines	92	30
Electric fans	171	129
Refrigerators	81	14
Motorcycles	19	25
Tape recorders	49	na
Cameras	40	3
TV sets—color	121	51
---Black and white	na	54
Telephone sets	93	34
Computer	13	na
Cell phone	34	na
AC	36	na

Source: NBS, China Statistical Yearbook, 2002. Table 10-12 and Table 10-28.

Per capita consumption, in kilograms, 2001.

Grain	80	238
Fresh vegetables	116	98
Edible vegetable oil	8	4.4
Pork	16	16
Beef	1.9	0.4
Poultry	5	2
Eggs	10	2.3
Aquatic products	10	3.4
Sugar	1.7	1.3
Fruits	51	13

Source: NBS, China Statistical Yearbook, 2002. Table 10-11 and Table 10-27.

Village Level Political Issues

2 Current Village Institutions

Village Committee

Village Assembly or Village
Representative Assembly

The Party Branch

Economic
Cooperative

Cun min xiao zu
Production Team

Enterprises
Farm households

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Village election in Yunnan province, December 2002.

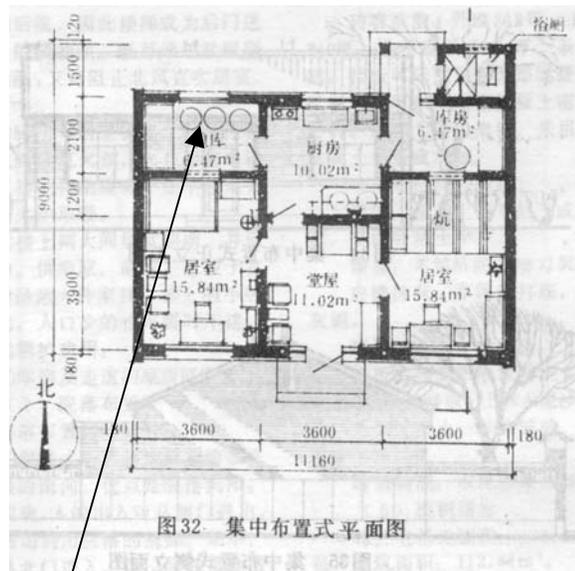


Food Grain Security, “Two Strikes and You Are Out!”

Household grain bin, Liaoning.



Suggested layout for a farm house.



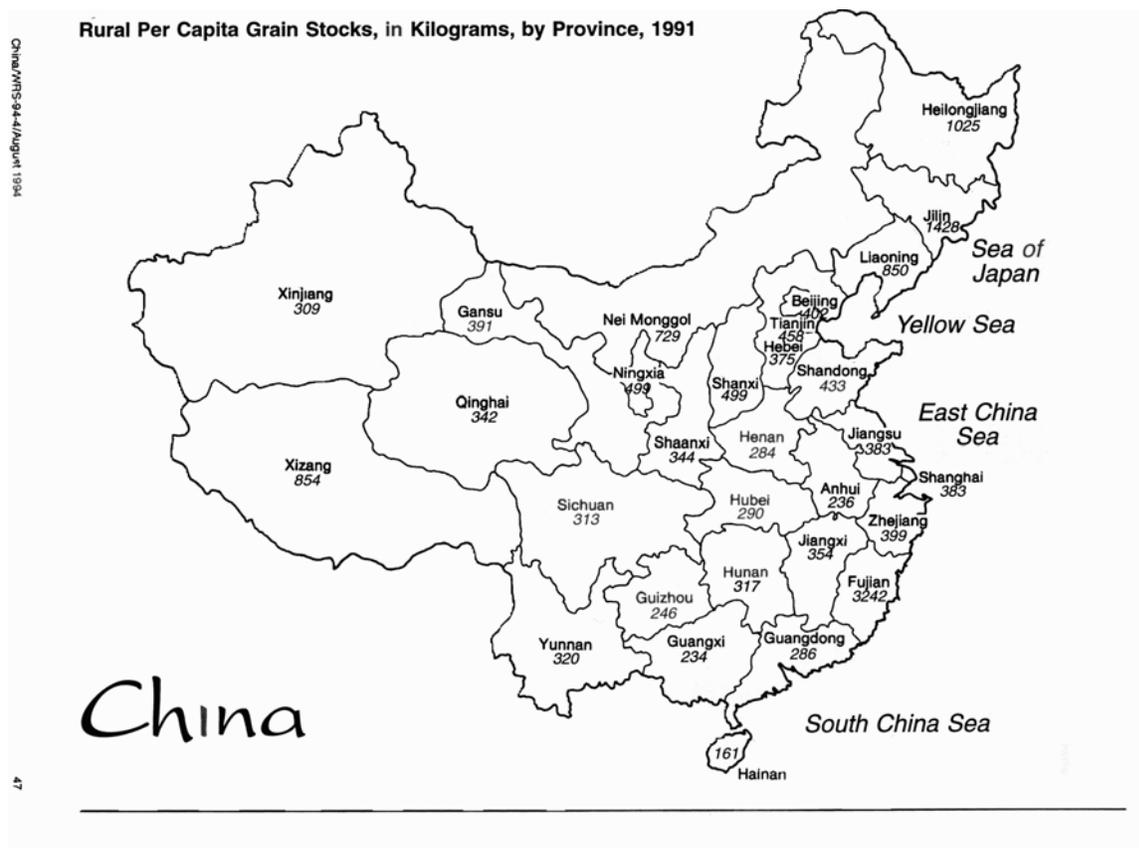
Placement of grain bins in farm house.

Selling sheet metal grain bins, 2002.



Household grain bin, 2001, Hebei.





Many farm households in 2003 had a family member or a relative that starved to death during the great famine in 1958-1961. The primary cause for this famine was irrational government policies. My view is that since 1961 the Party has lost a great deal of its legitimacy in rural areas. Before 1961 farmers were forbidden to store grain in their farmstead and houses. But since 1961 farmers began to store grain as a major part of their family's survival strategy—the grain serves as a hedge against extreme price fluctuations, injury and sickness insurance, and insurance against crop failures.