History 170E
The Rural Economy in Modern China
Agricultural Regions in China

- In northern wheat/millet/sorghum farming regions, family farms predominated.
- Roughly 50% of arable land in southern rice regions leased to tenants (most tenants also owned some land).
North China Rural Landscape

Long, narrow strip fields and nucleated villages have persisted since ancient times.
Yangzi Delta Village (1928)

Numbers on plots of land indicate the owner among the village’s fifteen households.
Rural Landscape, Jiangxi Province
Land Reclamation in the Pearl River Delta

Most of Guangzhou Bay was filled in and converted to farmland between the Song and Qing periods.
Multi-Tiered Landownership

- Separation of tenurial rights into “topsoil” rights (actual cultivators) and “subsoil” rights (rights to rental income from the land)
- Topsoil rights in essence created permanent rights of tenure for cultivators
- Topsoil rights could be sub-leased to a third party, creating three tiers of tenurial rights
Proto-Industry in China

Cotton-spinning done by women at home used simple technology that changed little from the Ming dynasty (illustration from agricultural handbook, left) to the early twentieth century (below)
Occupational Structure and GDP in Yangzi Delta and Netherlands, 1820
(figures are percentages)

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Involution

- “Involution” describes a theory of peasant behavior that presumes the priority of survival over profit maximization.
- Peasant family thinks in terms of total household income, not that of individual members.
- Women and children work at cottage handicrafts to generate marginal income to ensure family survival, even if the added income is inadequate to support the individual.
- Household can sell its handicraft products at prices below those of artisanal workshop using wage labor (must pay living wage).
- Thus “involuted” rural handicrafts will drive out capital-intensive, wage-labor industrial production.
Cotton Market in China, 1880-1930

From 1916, domestic production of machine-made cotton goods exceeded imports (which disappear in 1920s)
Profitability of Chinese and Japanese Cotton Mills in China, 1927-1935
Rural Prices Paid and Received in Wujin 武進 County, 1910-1935

- Prices received by farmers for cocoons & rice
- Prices paid in rural villages for commodities
Index of Export Prices for Silk
1928-1935

Graph showing the index of export prices in U.S. dollars and Chinese yuan from 1928 to 1935. The data indicates a downward trend in prices during this period.
1935 Currency Reform

- Global abandonment of gold standard inflated value of silver, causing drain of silver from China (only country still on silver standard)
- In November 1935, the Nationalist government demonetized silver and adopted new paper currency (fabì 法幣)