

'Free trade' wrecked China's farm potential

by Michael O. Billington

An analysis of the "Obstacles Which Impede Development of Grain Production in China," published in the Beijing journal *Jingji Guanli* in January, provides a devastating indictment of the 10 years of "free trade reforms" implemented by the darling of the Anglo-Americans, Deng Xiaoping, during the 1980s. Investment into the agriculture sector suffered throughout the decade as the "reformers" emphasized free trade zones along the coast and labor-intensive enterprises throughout the country. This study, written by analyst Sun Minghao, goes beyond the current output statistics to show that the technology, the infrastructure, and the agricultural labor force itself have been so undermined that the potential for solving the massive problems barely exists.

Despite the fact that there are over 100 million unemployed peasants (called "surplus workers" by the People's Republic of China government), and the number is *officially* expected to rise to 200 million over the next decade, Sun Minghao reports that "there is a trend of a decrease in the caliber and size of the personnel contingent engaged in agriculture and grain development." Sun explains that in the early 1980s, the current policy of a "family contract system" began to replace the failed commune structure, allowing peasants to work their own plots under contract to sell so much grain to the government and sell the balance on the free market. However, the younger generation of peasants left the farms in droves, heading for the rapidly expanding enterprises in the cities, or working in the new rural enterprises. This left the work force in the country "old in age, feminine in gender, and weak in capability."

The legacy of the Cultural Revolution has also taken its toll. Well over one-third of the rural work force is illiterate. The trained agricultural technicians in the 35-45-year-old age level, who should have been the central force of the agricultural, scientific, and technical contingents, don't exist, since the universities were shut down for 10 years, costing the country "four to five million high-grade personnel."

Machinery and tools

Farm implements have faced a fate similar to the farmers themselves. When the move to private farming began, machinery and tools were either distributed to the peasants or contracted to households. Renovation and replacement rap-

idly collapsed, due to the "old and antiquated ideas" of the peasantry, the "difficulties of maintaining the machines, shortage and lack of energy, lack of crude oil, and shortage of electricity." Now, "the greatest portion of the tractors in the rural areas are being used for transportation. The farmers can only use animals and manual labor to do the farm work." The small size of the family farms also makes the use of machinery difficult. Sun estimates that the area of land subject to intensive cultivation by machines is now only one-third of the previous rate.

As to tractor production, 50% of the large- and medium-sized tractors now in use were built between 1975-1980, meaning they are now reaching the end of their lifespan. But investment in larger machines was cut back due to "market demand" because of the small size of the farms, meaning that the larger machines cannot be properly renovated nor replaced, and "the serious reality of an 'entire crop failure' has appeared."

In general, the rate of application of technological innovations has collapsed. Sun reports: "In recent years, the growth rate of our input into science and technology has been obviously lower than the growth rate of GNP and national finance. The ratio of the input in science and technology in the GNP was 1.9% in 1984, 1.3% in 1985, and 0.8% in 1988," with even lower rates in agriculture. Of 25,000 recorded developments in agricultural scientific research, "only one-third have been put into actual practice and the degree of their adoption has not been very great."

Land under cultivation decreased

The land under cultivation has been "diminishing daily. In the early period of liberation, the per capita area of cultivated land was .18 hectares. It is now less than .1 hectare, less than one-third of the world's per capita level." Over 33.3 million hectares of cultivated land has been *lost* over the last 40 years, nearly half of this during the Great Leap Forward. From 1978 to 1988, another 3.66 million hectares were lost—the equivalent of Shanxi Province. The coastal areas are the worst hit. According to Sun, there are at most 13.33 million hectares of undeveloped land, primarily in the north-west province of Xinjiang, that are still available to be opened up.

Sun reports on the severe water shortages, although he blames "waste" rather than the refusal of the Deng regime to undertake the massive water projects that were necessary to avert the current crisis. He also reports on the well-known crises of storage and transportation infrastructure, which cause a loss of 15% of the nation's grain, three times higher than the U.N. "standard" on grain loss. Interestingly, he adds that "as a result of grain prices tending to be low and the irrational taxation policy, production of wine is out of control. Each year the country 'drinks' away over 12 billion kg [kilograms] of grain, equivalent to a month's food grain for the people of the whole country."