

Land grabbing, conflict and agrarian-environmental transformations: perspectives from East and Southeast Asia

An international academic conference
5-6 June 2015, Chiang Mai University

Conference Paper No. 25

“Get Organized!” : Contradictions between Capital and Labor in a Nascent Shrimp Farmers’ Cooperative in South China

HUANG Yu

May 2015



BICAS

www.plaas.org.za/bicas

www.iss.nl/bicas



FOCUS ON THE GLOBAL SOUTH

In collaboration with:

Demeter (Droits et Egalite pour une Meilleure Economie de la Terre), Geneva Graduate Institute
University of Amsterdam WOTRO/AISSR Project on Land Investments (Indonesia/Philippines)
Université de Montréal – REINVENTERRA (Asia) Project
Mekong Research Group, University of Sydney (AMRC)
University of Wisconsin-Madison

With funding support from:



“Get Organized!” : Contradictions between Capital and Labor in a Nascent Shrimp Farmers’ Cooperative in South China
by HUANG Yu

Published by:

BRICS Initiatives for Critical Agrarian Studies (BICAS)

Email: bricsagrarianstudies@gmail.com

Websites: www.plaas.org.za/bicas | www.iss.nl/bicas

MOSAIC Research Project

Website: www.iss.nl/mosaic

Land Deal Politics Initiative (LDPI)

Email: landpolitics@gmail.com

Website: www.iss.nl/ldpi

RCSO Chiang Mai University

Faculty of Social Sciences, Chiang Mai University Chiang Mai 50200 THAILAND

Tel. 66-53-943595/6 | Fax. 66-53-893279

Email : rco@cmu.ac.th | Website : <http://rco.soc.cmu.ac.th>

Transnational Institute

PO Box 14656, 1001 LD Amsterdam, The Netherlands

Tel: +31 20 662 66 08 | Fax: +31 20 675 71 76

E-mail: tni@tni.org | Website: www.tni.org

May 2015

Published with financial support from Ford Foundation, Transnational Institute, NWO and DFID.

Abstract

China is now the world's top aquaculture producer, accounting for 61% of world food fish aquaculture production in 2010 (FAO 2012). Shrimp remained the top indigenously produced export category to reach a value of US\$1.04 billion in 2012 (Li 2013). Right now the Leizhou Peninsula of Guangdong Province is the biggest shrimp aquaculture production base in China with an annual production of 68,000 tons, taking up over 30% of the national production (Bureau of Foreign Trade and Economic Cooperation of Zhanjiang 2011). In the last few years, the high intensity of shrimp farming has led to frequent disease outbreaks, rendering many family farms bankrupt. The withdrawal of small farmers soon led to land being concentrated and leased to some large industrialized farms that established production bases by adopting cutting-edge technology.

Seeing the plight of the shrimp farmers, in summer 2012, I embarked on a project of “engaged anthropology” to mobilize some farmers in Leizhou to establish an aquaculture cooperative so as to resist the process of proletarianization. When the semi-proletarian farmers failed to make profits during the regular shrimp farming seasons of spring and summer, they formed a construction team to build greenhouses for agribusinesses during the winter season. How much bargaining power did the cooperative have against the agribusiness? How did the cooperative resolve the conflict between the external goal of efficiency and competitiveness and the internal mandate of equality and democracy? What kinds of dilemmas did the anthropologist encounter when she negotiated her role between a value-free observer and a committed activist?

The shrimp farmers' cooperative in Leizhou remains part of the broader movement of re-cooperatization that spread over the Chinese countryside since last decade. The registered cooperatives stood at around 100,000 in 2008, grew to 689,000 by the end of 2012, and was projected to reach 900,000 by 2015 (Zong 2013). Against the squeeze of agribusinesses, smallholder farmers band together to increase their bargaining power and competitiveness in market competition. This research explores the re-cooperatization movement in post-socialist China and analyze its significance both in terms of domestic social justice as well as global campaign of poverty reduction through alternative rural development.

Acknowledgements

The research was supported by the Wenner-Gren Foundation “Engaged Anthropology Grant” and the Chinese University of Hong Kong “Direct Grant.” I thank the Hsu Wenlu, the co-I of the “Direct Grant” for helping me with cooperative organization and introducing to me the dialectic way of analysis.

Introduction

In summer 2013, I returned to Shayuan village in the Leizhou Peninsula in south China where I had conducted dissertation research on the science extension of shrimp aquaculture since 2006. The villagers seemed both excited and perplexed, “Why did you come back? Haven’t you graduated already?” “I am here to help you set up a cooperative,” I replied. The young villagers were very curious, “A coop? What does it do? How does it work?” The elderly soon interrupted them, “I know what a coop is. Farmers got organized in the Maoist era.” The different responses between the two generations indicate that cooperative is something both new and anew.

As the largest shrimp production base in China, the Leizhou Peninsula epitomizes the Janus-faced images of the economic reform initiated soon after the death of Mao. As a rural development project, shrimp aquaculture began in the area in mid-1980s after de-collectivization to promote market-oriented production (Huang 2010). Before the reform, people mainly grew rice, peanuts and sweet potatoes for subsistence. To increase foreign exchange earnings through agricultural exports, fishery agencies worked with local government to promote the commercial production of shrimp. Reputed as the “Shrimp Capital of China, the region boasts the largest shrimp aquaculture economy in China, ranking first in the country in seven aspects in terms of farming area, yield of shrimp juveniles, processing scale, export volume, shrimp feed output, and shrimp trade market. In 2010, Zhanjiang, the municipal city administering the peninsula, witnessed an annual export volume of 68,000 tons, contributing to 30% of China’s shrimp export (Zhanjiang Bureau of Foreign Trade and Economic Cooperation 2011). It is said that one out of four pieces of shrimp served on an American dining table comes from Zhanjiang. Yet, the robust statistics of the industry contrasts eerily with the plight of shrimp farmers, as the peninsula is well known as one of the poorest regions in Guangdong province. A few years ago, a news story exposed a local village running a primary school that offered no toilet for the 300 students enrolled, making the name Leizhou notorious all over the country (Xu 2010). The report opened with remarks by Wang Yang, then the Party Secretary of Guangdong Province: “Guangdong Province has the richest town and the poorest town of the country. At this stage of development, Guangdong still has the poorest area (of the country). This is the shame of Guangdong, the shame of a region that gets rich first.”

The booming of the industry and poverty of producers prompts me to think where the value of shrimp flows and how I can empower the petty farmers in market competition. After I graduated from my doctoral degree in 2012, I received the “Engaged Anthropology Grant” from the Wenner-Gren Foundation, a grant that was set up when the discipline of anthropology was getting more activist-driven in the neoliberal era. With the grant, I was supposed to disseminate my findings back to the community where I conducted research. I know that farmers fell prey to the vicious cycle of overproduction. The independent family farms created under the Household Responsibility System (HRS) in late 1970s turned farmers into competitors who desired to stock more shrimp juveniles than their neighbors. The “treadmill of overproduction” (Postone 1993) eventually led to both ecological and economic crises that worked against the farmers’ interests. High intensity farming incubated more risks for disease outbreaks, while market saturation lowered the price of shrimp. If farmers rarely benefit from the high-yield production, who gains? The plight of farmers formed stark contrast with the dramatic growth of agribusinesses that monopolized the upstream sector of credits and inputs and the downstream sector of processing, marketing, and sales. Through a monopoly of agri-food circulation, these companies squeeze farmers’ values in an indirect way that can be termed the “formal subsumption” of capital (Huang 2015).

However, the problem with the small farmers is not so much that they are unaware of their dilemma, but as independent producers, they cannot get off the treadmill of overproduction by themselves or increase their bargaining power with agri-capital. Rather than organizing a workshop

that simply informed farmers my “findings,” I decided to take some action. The idea of organizing a cooperative came to mind.

In this paper, I trace the mobilization and operation of a shrimp farmers’ cooperative in Leizhou, Guangdong Province, focusing on its external contradiction of market-oriented operation and internal dilemma of egalitarian distribution and democratic management. By exploring the problems that the coop encountered in farmer mobilization, agri-business resistance, and internal distribution and management, I refute the conventional hypothesis that labels the cooperative movements as the “third way” that is neither capitalism nor socialism. In contrast, I propose to understand cooperative as the “liminal way” that is positioned in a transitional stage between capitalism and socialism and thus has the potential of becoming either more capitalist or more socialist. This dialectical conceptualization helps us refrain from a static understanding of class, but view class formation as a dynamic process.

The Re-Cooperatization Movement in China

“Thirty Years on the East of the River, Thirty Years on the West of the River” (*sanshi nian hedong, sanshi nian hexi*). The Chinese saying originally describes how the Yellow River, known as the most sediment-laden river in the world, shifts its waterway from time to time, challenging the notion of a fixed and linear model of development. If we look at the history of post-1949 rural China, we can identify a similar pattern. In the first thirty years, from 1950s to the 1970s, farmers lived under different forms of collective organizations and produced for a socialist planned economy. Then from 1980s to 2000s, villagers reinstated small households as the unit of production and were encouraged to cultivate crops demanded by the market. However, in the third tri-decade of the PRC, the small holders re-cooperatized to cushion the palpable individual risks in market competition.

When the economic reform started in the countryside in the late 1970s, the Dengist regime introduced the Household Responsibility System (HRS) which claimed to release labor productivity that was trapped under the state-led commune production (Luo 2006, Zhang 2012). The years immediately following de-collectivization witnessed a miracle growth rate of 10.6 percent per year between 1981 and 1984, compared to only 2.9 percent between 1963 and 1981 (Bramall 2009). However, if we look closely at the agricultural statistics during the Maoist era, we will easily notice an approximately doubling of grain yields between 1955 and 1981 (Bramall 2009, 230). The surge of grain productivity in the early 1980s might be attributed more to the green revolution package available then, especially the massive inputs of chemical fertilizer (Bramall 2009, Department of Rural & Social Economic Survey 2006).

The perks of decollectivization did not last long as the trend rate of growth between 1984 and 2006 fell back to about 3.9 percent per year (Bramall 2009, 339). With the decline of state investment, the smallholder production experienced various new problems, including the overuse of chemical fertilizer (Smil 2004), deterioration of irrigation system (Vermeer 1997, Hinton 2006), fragmentation of farm land (Nguyen, Cheng, and Findlay 1996), and fluctuation of market prices (Huang 2012b).

At the turn of the century, the plight of the smallholders attracted more national attention as part of the complex of interrelated problems termed “three rural” (*san nong*) problems, referring to a series of crises affecting farmers (*nongmin*), rural communities (*nongcun*), and agriculture (*nongye*). In response to the pressing need to increase income, some farmers started to collaborate with each to shield themselves from the full costs of market relations (Deng et al. 2010, Zheng, Wang, and Song 2011). Interestingly, grassroots innovation did not arouse political concern this time, but received governmental endorsement instead. After China’s entry into WTO in 2001, the state viewed “small-scale production” (*xiao shengchan*) as unfit for competition in the “big market” (*da shichang*). To better integrate themselves into the global agro-commodity chain, the isolated small farmers need to form alliance so as to capture a higher portion of the added value of the products (Xia 2001, Research

Team of Management Department 2013).

The central government started to gear up the legislation of rural cooperatives in 2003 to finally implement the Law on Specialized Farmer Cooperatives in July 2007.¹ Soon, lots of farmers' cooperatives claimed their intuitional status by registering with the Industrial and Commerce Bureau. The registered cooperatives stood at around 100,000 in 2008, grew to 689,000 by the end of 2012, and was projected to reach 900,000 by 2015 (Zong 2013).

By now, a lot of farmers' cooperatives are predicated upon the cultivation of rational farmers, as small-scale producers need to evolve from traditional actors who are "survival-driven" to modern individuals who dare to take immediate action for profit-maximization (Zhang and Feng 2008, Zhao and Jing 2005). Rural villages also need to be transformed from a clan-based subsistent society into a contract-based civil society (Zhao and Jing 2005). The Cooperative Law endowed legal status to farmers' cooperatives, allowing them to sign contract with agri-food corporations. To help farmers better integrate with the market, cooperatives mainly offer services of dissemination of technology and information as well as the purchase of agricultural inputs (Deng et al. 2010). After the eruption of several food safety scandals especially the tainted milk powder incident in 2008 (Pei et al. 2011, Yang 2013), some scholars even saw the potential of agricultural cooperatives to use contracts and develop brands for food safety compliance (Jin and Zhou 2011, Jia and Huang 2011).

The reoperatization movement that flourished in late 2000s' China represents part of the larger global movement of alternative economy that promotes development in a "third sector" alongside private and public economies. The attempt to seek cooperative experimentation in alter-globalization circles boomed in the 1980s in parts of Europe and Latin America, responding to the pernicious effects neoliberal economic structuring brought about (McMurtry 2004, Petras 1997, Bowman and Stone 2006). To eschew both the "first way" of capitalist consolidation and the "second way" of radical revolution, the "third way" cooperative movement recognized producers' rights to appropriate surplus labor through socialized ownership (Gibson-Graham 2006). Scholars applaud the initiative in post-socialist China, "(A)n alternative perspective is that agriculture remains mainly based on the peasant family and not on capitalist farming, and its ideal direction of development should be toward neither capitalism nor socialism, but something different, along the lines of marketized cooperatives" (Huang, Gao, and Peng 2012:140).

The "third way" objective endows as much blessing as curse to the cooperatives in China. How to resolve the conflict between the external goal of efficiency and competitiveness and the internal mandate of equality and democracy is no easy task. Although there are apparent advantages that cooperatives offer in terms of increasing income and reducing risks, a lot of farmers express that they fail to enjoy the expected shares of benefit. One important reason is the lack of democratic management. China's Cooperative Law follows the "Rochdale principles" established by the Rochdale Pioneers in 1844, of one member one vote and distribution of surpluses through a patronage refund (income generated in excess of coop expenses that is to refund to members) (Zheng, Wang, and Song 2011), but in practice, the principles are often violated. Among the 272,000 cooperatives registered by 2010 in China, it is estimated by many observers that 80%-95% of them are "fake" (Liu 2010). Most cooperatives are controlled by "big households" (*dahu*, rich farmers) that rarely engage small producers into decision-making.

Yan and Chen compare the rural cooperatization movement in the 1930s led by Confusion scholar Liang Shuming with the contemporary one and find that the issue of "fake cooperatives" confound leaders in the same way both in the past and at present (2013). Intellectuals who spearheaded both movements identified "capitalist" force as exogenesis but ignore class differentiation within the countryside. Liang Shuming solicited financial support for the movement from commercial

¹ For an English translation of the law, see <http://bk.mylegist.com/bilingual/4394.html>

banks or government-owned financial institutions, allowing local elites to trap the poor peasants in unfavorable terms of productions and sales of commodity crop catering to imperial enterprises. Contemporary co-ops suffer similar conundrums that incubate conditions for “elite capture” when local elites construct “fake” coops that “play the role of middle-man between capital and small producers,” barring coop members the right of democratic management (Yan and Chen 2013:972). Tong and Wen characterize this kind of cooperatives as “big farmers exploiting small farmers” (*danong chi xiaonong*) by showing how big farmers play the old game of “buying cheap and selling dear” (2009). Small holders have not elevated their marginalized status in the market, nor are they able to streamline into the vertical integration of food processing and marketing.

Yan and Chen poignantly exemplify how the “fake” cooperatives operate as a platform on which “external” agri-capital colludes with “internal” rural elites to exacerbate the plight of small farmers (2013). They criticize some “*san nong*” scholars in China for failing to adopt a “class analysis of agrarian change” and therefore miss the main contradictions confronting the rural community (Yan and Chen 2013:976). However, their paper leaves a few questions unanswered. Although “fake” coops account for the majorities, there are still a small portion of “genuine” ones that promote equal ownership rights and democratic management. How do they escape the fate of “elite capture”? For coops constructed with a somewhat egalitarian structure, would class difference emerge and intensify later when they need to juggle the external mission of profit maximization and the internal mandate of egalitarian participation? Do they have the potential to out dominate the “fake” ones in the future? And, finally, how should we conceptualize a cooperative movement that is informed by class analysis?

Therefore, instead of following the “fake” coops, my research chooses to examine a cooperative that did not feature the domination of rich farmers at the time of establishment. Based on over three months of ethnographic fieldwork with a shrimp farmer’s cooperative that I helped establish in south China during 2013-14, I examine the external and internal contradictions it encountered in initial formation, service change, and subsequent expansion, trying to understand the moments when class differentiation emerges or gets challenged.

Despite of the emerging interests in farmers’ cooperatives in the academia, most of the researches are quantitatively conducted by economists to understand the pattern of growth, service offered, and motivation of participation, there have been very few ethnographic researches conducted to understand the contradictions and problems cooperatives encounter and the strategies adopted (Tong and Wen 2009). Quantitative research is important as it frames the macro pattern of development and change, but the impersonal research method might compromise the spirit of the cooperative movement of recovering actors’ creativity and subjectivity, “understood as affects, emotions and thoughts raised by or created by the will to think and to act by oneself, to develop and express one’s own creativity, to construct one’s own existence” (Hale 2013, Lammer 2012). Making use of participant observations and interviews in the field, I examine the individual and communal responses toward the organization, management, and profit distribution of cooperatives, focusing on how members assert their subjectivity and creativity to deal with both internal and external contradictions. This dialectic understanding of social contradictions and social movements allows us to see class as emergent rather than pre-existent, a trend rather than a thing (Bernstein 2009).

Getting Small Farmers Organized

In summer 2013, I spent two weeks organizing focus groups and household visits to encourage farmers to form cooperatives. Although I was eager to introduce to them the advantages and objectives of farmers’ cooperatives, I did not want to turn a coop into a top-down institution planned and managed by myself. It is important to let them identify the benefit of coops in relation to their own experience. Therefore, I asked each farmer to talk casually about how long they had raised shrimp,

whether they made profits or lost money, and, what they thought as the main problems affecting shrimp farming.

Among the approximately 20 shrimp farmers that I discussed with, over half expressed that they broke even, with a few indicating earning and a few losses. Their complaints concentrated on three issues. First, they emphasized the frequent need to do pond maintenance and upgrade. After 2000s, most shrimp farmers in Leizhou shifted from polyculture production of shrimp, fish, crab, and/or duck in low-lying earthen ponds to monoculture of shrimp in high-lying plastic-covered ponds, tripling or even quadrupling their juvenile stocking intensity from only 30,000-50,000 pieces/mu (2,000-3,333 pieces/ha) to 100,000-200,000 pieces/mu (6,6667-13,333 pieces/ha). The transition was facilitated by a series adoption of aeration machine, water pumps, shrimp pharmaceuticals, and even a new species of shrimp (Pacific White Shrimp, *Litopenaeus vannamei*) that was better adapted to the high-intensity, stressful environment (Huang 2012a).

Second, farmers complained about the problem of “collective action dilemmas” (Hall 2004) or “self-pollution” (Belton and Little 2008), such as when one farm’s disease-ridden effluent becomes another farm’s intake water. In the recent decade, due to the expansion of shrimp ponds, environmental design severely lagged behind. In some areas, water inlet and outlet were not separated. If one farmer discharged water with diseased shrimp, his or her neighbor might pump in the polluted water and get infected.

Third, apart from their need to continually investing on their means of production, another major obstacle confronting small farmers was the domination of agri-businesses. As farmers were pressured to upgrade their equipment and inputs, they fattened the agribusinesses that controlled various nodes in the commodity chain in both upstream sectors of shrimp juvenile supplies, shrimp pharmaceuticals, pellet feed, and aeration machines, to the downstream freezing plants, processors, and different marketing corporations. Not only are farmers spending on “inputs,” but the materials’ quality has been deteriorating. One farmer attributed the frequent disease outbreaks to the shoddy shrimp juveniles. “The quality of shrimp juveniles is the key. If the shrimp juveniles carry bacteria, you can’t do much (to save them).”² Another farmer who did farming for two decades noticed that ten years ago, the hatcheries fed shrimp broodstocks (parents) with brine shrimp, but now to save costs, hatchery owners tended to use pellet feed. An elderly farmer criticizes the worsening quality of probiotics. “The instructions say that one bottle of probiotics can cultivate microalgae for an area of 5-6 mu³ (0.3-0.4 ha), but very often one bottle doesn’t even work for an area of 1 mu (0.07 ha).

Later we discussed how organizing together might help alleviate the vulnerable condition of small farmers. Qi noticed that the high-intensity farming created the double crisis of depreciated price as well as water pollution. He brought up the issue that in the Maoist time, agricultural production was centrally planned. In contrast, in the reform era, farming became an individual business that was getting out of control. He that suggested by organizing small farmers together, some form of collective management and planning could be carried out to reduce the stocking intensity. Ming was very enthusiastic of the idea of coop as a means of pool funds together, “(With capital), we can work as a team to acquire family farms in a large scale.”

While some farmers applauded the potential of coop in solving the problems associated with atomized production of shrimp, others hesitated to support “collective management.” Ming

² Right now marine biologists tend to refute the linear causal relations between bacteria and disease. Although an organism carries bacteria, it does not mean that it will develop disease. More and more scientists begin to see pathogen as “emergent” rather than pre-existent. Under stress environment, some unharmed pathogens might turn pathogenic. Therefore, the shrimp juveniles that carry specific pathogens might be an issue both of the hatcheries’ deliberate attempt to cut costs in pathogen screening as well as an unintended consequence of the marine water contamination due to high-intensity farming.

³ 1 hectare=15 mu

immediately corrected them by saying that collective ownership did not mean collective management. Unlike farmland that could be consolidated into a consecutive, large-scaled field, shrimp ponds were scattered in many places. The condition of each pond varied a lot. Individual management might be more efficient than collective labor. Moreover, he also brought up the conventional charge of socialist communes that incubated grounds for free-rider problems. Therefore, the option of “collective labor” was dropped as a mandate of the coop.

After days of discussion, farmers agreed on the potential benefits of coops:

- 1) The coop can reduce individual farmers’ risks in the market. The local saying goes as, “Many people can scoop water out of a boat.” Uniting together, farmers can regain the pricing power by directly negotiating with hatcheries, feed manufacturers and processing factories. When the cooperatives grow bigger, farmers can even set up their own hatchery to supply quality shrimp juveniles to its members. In the downstream, farmers can develop CSA (Community Supported Agriculture) to exchange with consumers directly without the extortion of the middlemen and processors. The coop will set up a common fund for production expansion and for alleviating farmers’ losses.
- 2) The cooperative makes decisions democratically. The mode of operation, profit distribution, and administrations are based on democratic consensus of all cooperative members. “Two heads are better than one” – yet the key is to maintain the cooperative as an organization for all, not serving only a couple of big households.
- 3) Cooperative members are encouraged to share farming technologies and consult others for advice in disease control. The co-op also encourages experiments on ecological aquaculture and polyculture that minimize inputs. If there are 100 ponds in the cooperative, ten can be used for fish-shrimp or shrimp-crab polyculture trials.

Soon the Shayuan cooperative was established with about eight household members aged 30-50 from the same village. They decided to start their business in spring 2014 to buy wholesale shrimp feed. We did a quick calculation. In summer 2013, farmers usually ordered shrimp feed from an agent who asked for 150 yuan for a bag of 20kg (1 US\$=6 RMB). The cooperative could order from the feed mill directly to save RMB20 per bag (or RMB1 per kg). Given that the average size of a pond is 5 mu (1 mu about 667 m³) and yield per mu is 750kg, a pond can produce 3,750kg of shrimps (and save RMB3,750) per crop. If RMB3,750 is saved from each harvest, RMB7,500 can be saved for a year of two crops. RMB7,500 will be split evenly between the household and the cooperative. This means that the cooperative can establish a common fund both for expanding production and cushioning farmers’ loss from shrimp disease attack.

To help farmers better understand the operation of a cooperative, I took some members from the cooperative to Yongji, Shanxi to join a training workshop organized by an NGO that works on rural development. “Puhan Rural Community” was originally formed in 1998 as a cooperative that provided technology extension service to less than ten households. Now the Community has grown to incorporate 6,520 household members in 35 villagers, covering an area of 260 km². There are 40 specialized cooperatives that united together to offer a whole range of services for the production and marketing of wheat, cotton, peanuts, sweet potatoes, fruit trees, and farmed animals.

In Puhan’s training, a central question that keeps asking is whether the coop should be profit-oriented or not. Current scholarly debate focuses on whether coops have turned small farmers more rational or not. The assumption behind this is that coop should not pursue profit. However, the Puhan examples shows that coops should not be ashamed of making money, but the key issue should be where money comes from? Director Zheng Bing told us a story. The year before, the mayor of Yongji city asked Puhan community to open a factory to increase their profit margin. Zheng Bing did some calculation to show the mayor that agriculture could be produce more profitable than industrial

production. Their united coops purchased wholesale agricultural inputs and supplies to save 100 yuan per mu for farmers. Wholesale marketing of agricultural produce can help earn 200-300 yuan per mu. Altogether, the united coops can make a profit of 9 million yuan just through cooperatizing farmers alone. Their recent plan is to promote organic agriculture among the farmers both to ensure food safety as well as to help farmers get rid of the control of agri-businesses as farmers can use their own seeds as well as plant and animal manure to save costs of “inputs.”

The Puhan training helped the Shayuan coop understand strategies on competing against agri-businesses. While the external goal seemed easily settled, the internal mandate of democratic management looked a more difficult task. As mentioned previously, the external force of industrial and commercial capital often need to collude with internal rural capital to squeeze values from farmers. Therefore, how to contain the power of local elites who act as the representatives of agri-businesses has become a key issue deciding whether the coops really serve poor farmers or not. Actually, inside the coop, two members might function as the “big households” reminiscent in so many “fake” coops. Fu is a “rich farmer” who already established a “fake” farming coop (*zhongzhi hezuoshe*). Last year, he leased (*liuzhuan*) about 100 mu land from the village to grow radish for a processing company and hired villagers as wage labor. I knew this because one hired villager complained to me that she felt faint and had to stay in bed the whole day after spraying pesticide for the radish field the day before. In my mobilization meetings, Fu already proposed plans for the new coop to lease shrimp ponds from farmers or to invest in hatchery building. If the co-op accepted him in, would he become the “big household” that monopolizes decision-making power and profit distribution? Another potential threat is Ming, who used to be a shrimp feed agent. If the coop’s main business was to purchase feed in large quantity, he might become the feed mill’s agent to squeeze farmers. However, the members were not as worried some as me as they maintained that if each member contributed the same amount of money and enjoyed equal shares, even the rich farmers could not have more say. We will need to wait and see how the coop juggles between the external and internal objectives.

Challenging or Serving Agri-businesses?

While the coop’s original plan was to conduct wholesale purchase of shrimp feed in spring 2014, I got a phone call one day in October, 2013 from Ming, who asked me to go to a plastic film factory in the adjacent city of Shenzhen to check a sample. He then told me that their coop was preparing to launch into a new business to construct greenhouse covers for various shrimp production bases set up by feed mills, processors as well as individual shrimp farmers. While I wondered why the coop would enter into employment relations with agri-business rather than acting as a counter-force to them, Ming was not bothered by the issue. On the phone, he rambled on how the coop already recruited about 100 workers from the township to do the construction work soon. He assured me that their move from a marketing coop to a labor coop was a smart strategy, as winter shrimp farming had become a visible trend. His remarks help me realize two issues. First, in the past, shrimp farmers only conducted shrimp farming in spring and summer seasons as the low temperature remained unfavorable for shrimp growth in winter. However, in the last two years, the region was struck by severe disease outbreaks forcing many shrimp farming families to forego their relaxed time in winter but take up part-time work such as the construction of greenhouse covers. A lot of the family shrimp ponds were cheaply converted to the hands of agri-businesses. Second, the severe disease outbreaks drove up shrimp prices, luring agri-business to change their pattern of accumulation from profiting from upstream and downstream investment to seeking control over the farming process. For example, a marketing middleman recently acquired 85 mu land (5.7 hectares) from a village to construct shrimp farms equipped with the cutting-edge ocean well filter system to control water quality, earning huge profits from selling live shrimp locally during the Chinese New Year (Huang 2015).

In this section, I examine the contradictions that the coop encountered externally as they both resisted and catered to the interests of an agri-business. In winter 2013, the coop started to construct green house covers for D Feedmill, one of the largest feed mills in the region. The reason that the coop got this contract was because Qi, a coop member was hired by the same feed mill to construct green house covers in the previous two years. This year, the high price of off-season farming lured the feedmill owner to expand the area of winter farming. Therefore, the owner asked Qi to recruit more workers for the project. At first, Qi wanted to act as a subcontractor and hired his own team of workers. However, some coop members successfully persuaded him to devolve this project to the coop and used this opportunity to build up the fame of the coop as a profitable business. Considering the difficult task of managing over 100 workers, he agreed with the coop's request.

Qi was born in the early 1970s. When he grew up in the early reform era, he witnessed the decline of state's investment in rural education. As the elderly brother in a family of four, he had to quit primary school at fourth grade and helped with farming. However, the short duration of schooling did not cripple his talent, as he proved himself to be a self-taught engineer who could fix various kinds of machineries such as aeration machine, water pumps, and motorbikes. After the coop signed the construction contract with D Feed mill, he decided to do some innovation to remodel the greenhouse covers. At that time, the dominant model of green house covers was in the shape of "pyramid" (*jinzi ta*) (add photo), which was a two-sided, triangular-shaped building. Qi observed that this structure was not very resistance to hurricanes which frequently attack the peninsular. Then, he developed an idea to turn the "pyramid" into "Mongolian tent" (*menggu bao*), which had an umbrella shape and could spread out the strength of wind blow (add photo). He did not have an opportunity to show his ingenious in the past two years as a wage labor for the feed mill. Now after he revealed his idea to the coop, all members supported him, giving him great motivation in carrying out the new design. Later, the "Mongolian tent" proved to be more stable and time-saving than the "pyramid," helping the coop to receive a lot of new contracts. In a sense, the coop did upgrade members from a status of de-skilling labor to a knowledgeable engineer, bridging the divide between manual labor and mental labor.

Soon the ten members each invested 20,000 yuan to buy production materials and hire labor. The construction work was finished smoothly in late 2013. Then the coop organized a celebration party that treated all workers a feast with lottery draws. The past thirty years of HRS has atomized the Chinese peasantry, making them vulnerable to resist the control of agribusiness. At the party, Kai, the director of the coop called for the workers to join the coop and cheered that the goal of the coop was to achieve "common prosperity" (*gongtong fuyu*). His remarks soon received a big applause from fellow villagers whose interests were rekindled in slogans such as "solidarity is power" (*tuanjie jishi lilian*). At that time, although the coop had not receive the salary from some contractors, Kai was very confident that if the feed mills defaulted on payment, he would organize 100 workers to encroach the defaulters.

However, the coop did not prove itself to be so powerful when confronted with the feed mill. After the construction work concluded in January, 2014, D Feedmill wanted to procrastinate payment, saying that they did not have enough cash and had to wait until they sold the winter crop of shrimp after the Chinese New Year at the end of January. The coop waited until the Qingming Festival in early April and still did not receive any payment, but the members were very anxious as they needed cash to pay for the expenses of shrimp farming, such as shrimp juveniles, feed, shrimp pharmaceuticals, aeration machines, and so on. As the coop discussed plans of action, they received a phone call from the director of D Feed Mill who claimed that the company had some problems with cash flow but could allow the coop to receive shrimp feed as payment in kind. The price of feed would be based on ex factory price which they offered to other sales agents. Now the coop operated two programs, as a marketing coop during the farming seasons of spring and fall, and as a labor coop in the off-season of winter.

It is hard to decide whether the coop established equal contractual relations with the feed mill or simply became a disguised form of exploited wage labor. Recently, there have been many cases where the cooperative easily becomes a collective team of wage labour for agri-business either in the form of contract farming or direct employment (Feng 2014, Yan and Chen 2015). As the government pushed for the vertical integration of agriculture (*chanye hua*), agro enterprises have played a leadership role like “dragon-head enterprises” (*longtou qiye*) or “company + households” (*gongsi jia nonghu*). A lot of “fake” coops just serve as convenient tools for agri-business to control and squeeze small producers (Zhang 2011, Zhang and Zhang 2007).

Now the coop was tied up with D Feed Mill to become what Zhang and Donaldson (Zhang and Donaldson 2008) called “contract farmers.” Compared with the “commercial farmers” in the case of the coffee farmer Chens who establish an informal relation with Nestle and thus enjoy relative freedom in choosing inputs and channel of sales, “contract farmer” such as the duck farmer Mr. Zhao, due to his lack of capital and technology, sign a solid contract with the processing company which provide him with ducklings, as well as feed, basic equipment, vaccines and medicine, and management advice. In return, Mr. Zhao needs to pay a high deposit for the duckling and commits legally to selling only to the contracting company. “By providing them with the needed capital, skill and/or market access, the corporate actor reduces contract farmers’ negotiating power and profit margin. In this relationship, farmers provide only labor and land” (Zhang and Donaldson 2008:37).

The rotating roles of a feed marketing coop and construction labor coop actually reduce members’ autonomy with the agri-business. Before coop establishment, shrimp farmers acted more as “commercial farmers” who can switch between different feed suppliers and processing companies (Zhang and Donaldson 2008). Now, the coop’s status as “contract farmer” bonds members to the same agri-business, depriving their autonomy and bargaining power. However, rather than blaming the coop as lowering farmers’ negotiating power, I want to highlight how the uncontrollable disease attacks makes farmers vulnerable and have no choice but become wage labor for the agri-business.

Shayuan coop’s “enemies” included not only the feed mill, but other private construction teams that competed for contracts with greenhouse cover constructions. Actually in the same village, some farmers organized into construction teams of 6-8 people to compete with coop. Kai was very proud that the coop, as a legal entity, out compete the private construction teams through “standardized management” (*zhenggui guanli*). First, due to the fear of legal responsibilities, the coop offered better protection to workers than the private construction teams. For example, the coop mandated personal safety insurance to all workers. Moreover, the coop used better quality plastic film than private teams to ensure worker safety. While private construction teams wanted to save costs and buy 6.5 mm plastic film, the coop bought the thicker film of 7mm. Due to the large volume of order, the coop actually could receive a discount and did not spend more money on raw materials than the private teams. The thicker film is of vital importance ensuring workers’ safety. Constructing the greenhouse cover requires workers to walk on the wire as high as 6 meters above the pond to fix the plastic film. If the pond does not have water, an accidental fall might be detrimental. Therefore, the thicker might prevent workers from falling. Second, private construction teams do not maintain a long time relations with workers and get dissolved after the project is over. In contrast, the coop wants to become a permanent entity and accumulates a portion of the profit as the public accumulation fund either for sustaining or expanding production the next year, or to support social and cultural services. For example, in the previous two years, the coop distributed \$100 yuan plus gifts such as rice and cooking oil to the elderly in the village. In the near future, it plans to open a children’s library and an elderly activity center.

The difference between the coop and private construction teams roughly corresponds to the difference between a primary coop and a mutual aid team in the Maoist co-operatization movement. Labor exchange and cooperation is nothing new for peasants who have had a long tradition organizing

mutual aid teams to help each other with irrigation, harvest, weeding, and other tasks that demanded concentrated labor investment at a time (Mao 1943, Wei and Zeng 2010). Li Huiyin observed that in mid 1950s, primary coop excelled over mutual aid team for the formers' more scientific and objective labor distribution and remuneration (Li 2009). Tao Lujia, party secretary for the old revolution province (*laoqu*), pinpointed the serious issue of class differentiation in the countryside only 3-5 years after the land reform had leveled social disparity (Tao 2009). In addition to the aggressive act of land accumulation of rich peasants, the issue "laxity (*huansan*)" for the mutual aid teams also played an important role. The mutual aid teams that refused to progress into primary coops did not have public fund or public property, failing to help poor peasants escaping the exploitation of rich peasants. In contrast, primary coops tried to contain the momentum of "land dividend (*tudi fenhong*)" by requiring the share of labor dividend to be over 50 percent, allowing poor farmers a reasonable share of their the fruit of their labor. In the future, primary coops would be evolved into advanced coops when land was collectivized to totally negate land dividend, setting up the condition of "more labor, more gain."

"From Each According to One's Ability, To Each According to One's Labor"

The dilemma between profit maximization and equal distribution is played out dramatically in the coop's internal contradictions. In this section, I will focus on two contradictions the coop encounters when it plans to expand its membership in the next year, including relations between investor and labor, as well as between management and worker.

After making a small profit in the first year, coop members got very excited and were eager to recruit new members to expand the coop soon. The desire was even turned into a demand after Director Lin's visit. As the first shrimp farming coop in Leizhou, the coop also drew attention of fishery officials who were invited to attend the celebration party. Director Lin from the Leizhou Fishery Technology Extension Center was a grassroots official that showed great concerns of the farmers' well-being. When she met the coop members, she also asked what kinds of assistance the coop needed from their extension center. While farmers complained about the more and more severe shrimp disease outbreaks, she proposed to help the coop apply for funding that sponsors a project of environmental reconstruction.⁴ First, the whole intertidal area would be re-design to separate water inlet and outlet. Then a large water treatment pond will be built to filter out the pathogens before the discharge is released to the ocean. She told the coop members that she had hoped for doing an environmental design project for shrimp farmers for a long time. Now the coop could become her trial site before similar projects were introduced to other villages and townships in Leizhou. The coop members were very excited that the government was willing to help with a project that not only benefited individual members, but also the larger community in the area. Moreover, if approved, the coop could take up the construction work and welcome an additional source of income. However, Director Lin finally affirmed, all government funding that sponsored required the coop to have at least 20 households. Therefore, the coop needed to double its membership in a short time.

⁴ Despite her year-long commitment in searching for funding from both the municipal and province level fishery management, she failed to find any relevant funds from the two relevant governmental agencies for "environmental reconstruction" (*huanjing gaizao*) projects. The Center for Animal Disease Control and Prevention (CADCC) focuses on the wellbeing of shrimp species and offer funding for developing new technologies of breeding, but considers environmental control as the duty of the Department of Resources and Environmental Protection (DRE). The DRE, although also an affiliated agency with the fishery bureau, equates environment as nature and only deals with the protection of wild animals such as the endangered species in the ocean, rather than farmed animals or artificial shrimp ponds. The compartmentalization of government tasks reflects how shrimp farmers' well-being was not so much a concern for them.

Soon the coop organized a meeting to discuss how to recruit new members. After the celebration party, a few workers were interested in joining the coop and inquired the criteria, but the members could not reach a consensus among themselves. What should be the criteria for screening? Apart from basic issues such as age, gender, and personality, the most controversial issue is whether they should target rich farmers or poor farmers? “Giving money (*chu qian*) or contributing physical strength (*chu li*), which is more important?” This contradiction stemmed from their understanding of the difference between profit and wage.

We now traced back to the moment before construction work was started. In September 2013, after the coop received contracts for building green house covers, members started to prepare for the business. Like any capital investment on industrial production, they needed to purchase two kinds of commodities: means of production and labor power. Each member contributed 20,000 yuan to accumulate a fund of 200,000 yuan to buy production equipment such as wire rolling machine, plastic film sticking equipment, and other small tools such as pliers, wrenches, scissors, etc. Depending on the requirement of the contractor, the coop might provide all the raw materials including wire and plastic film and labor and charged the contractor for about 5,000 yuan per mu⁵. Or, the contractor will buy raw materials by himself/herself and pay the coop only 600 yuan per mu for labor. Labor was sourced from two areas: inside the village and in the town. Villagers were people who did such kinds of construction work in the past and were paid 270 yuan per day for their skills. In addition, some workers would be recruited through the word of mouth from other villages in the town. They did not have previous experience with the greenhouse cover construction and were paid 150 yuan per day. Usually, a construction team consisted of six workers, with three villagers mixing with three non-villagers. For a three-mu pond, a team could usually finish the construction work in one day. Most coop members did both construction work and labor supervision. Therefore, they were paid the same rate as their fellow villagers plus 50 yuan a day as bonus. After the work was finished, they calculated the profit to be about 100,000 yuan. Where did the profit come from? From investors or from workers? The coop members considered the answer of this question to be of quintessential importance to the criteria of new member recruitment.

Rather than saying that the coop was divided into two camps, it might be more accurate to say that each member oscillates between two directions. At the beginning, some coop members championed those who were willing to invest money.

Fu initiated the conversation: “People like us who work on aquaculture definitely need money. It is impossible to start a business empty handed (*baishou*). According to my opinion, people who want to join our coop need to invest 20,000 yuan first.” Ming agreed, “Right now we have labor force, but not rich people.” Fen concurred, “After we have money, we can hire labor.” Ming further highlighted the preponderance of money over labor. “It is of no avail if we have labor only. If nobody invests in buying production materials, work can’t even be started.” To further make his argument more convincing, he used a trope of the popular local Leizhou opera, “No matter how talented (*lihai*) you are, if I don’t set up the stage for you, you can’t perform the opera.” Kai followed up that the new members should be divided between those invest money and those who contribute labor power only. “Wage and profit should be separated. Only those who invest in the production materials can get a share of the dividend. Those who devote labor will receive a salary.” Fu fanned the fire higher and said, “Next year, I will bring some migrant workers from other province. Then we can accumulate more money for the coop.”

Rather than getting applause from the audience, however, Fu noticed the sudden silence of the room. Contrary to his expectations, his extreme remarks worked like a pebble throwing into the water to awake the minds of the members. Ming suddenly realized that what they discussed previously

⁵ 1 hectare=15 mu.

derailed the original goals of the coop. “Now we should return to the starting point of our coop. We want to do something good. We want to lead *our villagers* to get rich together.” Kai also reminded others that in the construction project, although it was still cheaper to hire outsiders, they preferred assigning the job to their villagers first, because, as Kai admitted, “to the villagers, I share my heart.” Rong brought up the question, “Do we allow poor people to join (our coop), if he is a good boy?” The audience paused. He continued, “The person might be a good one and wants to develop the coop altogether. If we reject him simply because he does not have money to pay, it might become our lost.” He then forced others to reflect on the relations between thoughts and materiality.

“At the initial stage, we should speak about thoughts (*sixiang*), not money. At the beginning, all people do things (*zuoshi*) together, rather than make money... It is absolutely wrong to use money as criteria for action, otherwise our coop won't get expanded. We won't form a solitary unity with the name of Shayuan. In contrast, if we make small money, but big fame, we can be mentally satisfied. Is it only money that makes people satisfied?... No matter how fierce a tiger is, you can catch it with enough power. This is solidarity. The power of solidarity is very scary. No matter how skillful you are, Qi, you can't get the work done by yourself alone... Now we all work in the same coop. We don't need to use money as the yardstick (*xiang qian kanqi*). In our town, as long as we unite people together, as long as every one devotes all their hearts and minds, as long as every one dares nothing, we will have a bright future. If now we block (new members) with material interests, we can't enlarge our fame in the future.”

Different from Ming's previous trope of capital as the stage and labor as the opera singer, Rong drew on the example of fighting tiger that did not need a prerequisite of material investment. The tiger metaphor reminded people how Mao, in the context of the blockage of western countries during the Cold War, labeled the imperial forces such as the U.S. as “paper tiger” to highlight not only their fragility but more importantly, the Chinese people's strong force when united together. He encouraged the Chinese people not to be anxious about the poverty of the newly liberated nation, as he emphasized how “poverty and blankness (*yi qiong er bai*)” might actually work as an advantage to mobilize people together in the socialist construction, as beautiful pictures could be painted upon “a blank sheet paper.” Rong definitely highlighted the importance of manpower over capital in the construction of the countryside.

Now the coop members started to reconceptualize the relations between remuneration by capital vs. remuneration by labor, an important issue that predominated the debate in the Maoist co-operative movement. While some scholars criticized the progression from primary cooperative to advanced cooperative as a top-down decision that violated the peasants interests (Cao, Zhang, and Chen 2001, Zhang 2012), others show how this movement aimed to reduce the share of land and capital dividend to eventually remove the exploitive forces of the countryside, ensuring the socialist principle of “from each according to one's ability, to each according to one's labor” (Ma 2012, Tao 2009). That might explain why it was often the norm for rich peasant to oppose to movement, but for poor peasants to support it (Gao 1999, Li 2009).

Eventually, even Ming recognized the dilemma of prioritizing capital over labor as he stated that if those who invested money were rewarded more than those who contributed labor, then no coop members would be willing to work, as the construction work was both exhausted and dangerous.

Contradictions not only arise between the rich and poor, but also between managers and laborers. After the construction work in winter 2013, although the coop made a small profit of \$100,000 yuan, when examining each construction site, some actually lost money. In meetings, coop members debated

over what could be done to improve work efficiency, i.e. how to overcome the limitation of time rate—slacking off.

Employers paid the coop by the acreage of the shrimp ponds, however, to conceal to the workers the surplus value that was taken away, the co-op decided to pay the workers not by acreage but by the number of days they work. Since the money the coop received from constructing a pond was fixed, the faster the workers worked, the fewer salary the coop paid and the more profit it received. The time rate payment creates a contradiction between managers and workers. The managers want to make more profit by shortening the workers' necessary time and extending the surplus time. In contrast, the workers want to prolong the working days to get more wage. Therefore, it appears that profit comes not from the workers' labor, but from the coop members' management abilities. In a meeting, I debated with Fu on who earned money for the coop, workers or managers? Fu got very irritated when I insisted that workers created the value for the coop:

“How did they earn money for us? If our brain works slightly loose (*tounao cha yidian*), the workers would have swindled all our money. If we pay them 180 yuan per day (the rate for dismantling the greenhouse covers), but they make an efficiency of less than 100 yuan a day, we will lose 80 yuan per day. How do we earn money for us? They make negative assets. It is only due to the good brain of the boss (*laoban*) —the ideas of the boss—that makes money.”

Fu pinpointed a new role that coop members just learned to assume but did not yet perform adequately. Except for Fu, who has become a “laoban” in recent years running fish and shrimp hatcheries and employing farmers who lease their land to Fu to grow radish, no coop member has ever worked as a manager but has ample experience of being employed instead. When the construction work began in winter 2013, each coop member was assigned to manage a construction site even before they had time to think about what management meant. In day time, they worked for 8-9 hours like all other non-member. At night time, they had to divide and distribute labor for the next day, document the workers' work time, checked with the process of construction, did the accounting work for expenses, offering prepaid salary for workers in urgent need, shuffled workers between different sites, prohibited workers' drinking and gambling activities, and even solicited payment from employers. All these tasks were brand new for the farmer-turned-managers. Cheng complained, “Every time I took over a construction site, I couldn't fall asleep. You thought that was easy work, right? It was not! You serve as the head (of a team). Last time I was transferred to Beihe site, I couldn't sleep for the whole night, thinking how I could devolve my power.” In the first year, each co-op member received \$50 yuan per day as a bonus for their management work. However, the small bonus failed to attract members to work as managers, forcing the coop to double the bonus to \$100 yuan in the next year.

A coop is known as a democratic institution where the hierarchy between capitalists and workers is removed. That is both a blessing and a curse. When the managers failed to become a hierarchical class that received higher payment, members got little incentive to become managers given the exhausting work of planning and management. It remains to be an unsolved issue whether the co-op members should work as a managing class who did not do manual or a cheerleader (*daitou ren*) who worked harder.

Ming proposed that in the future, a management class (*guanli jieceng*) should be established to free coop members the drudgery of manual labor, allowing them to concentrate on labor supervision. He told me that work efficiency could double or even tripled when the coop member concentrated in watching over workers. The efficiency gain from proper supervision far out weights the loss of labor when the coop member stopped work to become an overseer (*jiangong*). The supervisor needed to

move around to make sure that workers never fell out of sight. When a worker wanted to slack off, he often looked back to check whether the coop member was watching him. Ming's suggestion soon reminded me the construction of panopticon as a form of discipline power associated with the birth of modern prison. The effectiveness of the panopticon lies not much in the prison guard's restless surveillance, but in the prisoner's internalization of the supervisor's gaze. However, while it seems that the modern way of discipline power is less violent and more pervasive than the ancient corporeal punishment, the prison failed to achieve its goal of reducing delinquencies (Foucault 1995).

Not all coop members agreed with the idea of using mental labor (*naoli*) to discipline mental labor (*laoli*). They preferred to describe their role as a team leader rather than an overseer. Cheng pointed out that the key issue for the coop to expand is to try all means to win the workers' heart. Different from Fu and Ming, Cheng did not consider managers to have special knowledge and skills that are superior to the workers and are different from physical labor. "If you can do the (manual) work, you can lead the team." He began to boast how his team won over a private construction team when both teams were hired by the feed mill. "We arrived the same day. They have nine workers. So do we. On the third day, they finished only two ponds, while we did three. Our speed was like the fire burning the house."

In winter 2014, I shadowed Cheng's team for one week to observe how he led the workers. That was the second year for the coop to do the greenhouse cover construction work. Compared with the first year, it received more orders not only from agri-business but also from family farmers due to the lure of high priced winter shrimp. This time, Cheng's team got a contract to do the construction work for various farmers in a village.

Ming gave me a ride and we arrived at the village at around 5pm, but the team still did not return to the dorm. I began to look closely at the hut where they dwelled in. It was actually not a house design for living, but a hut built next to a shrimp pond to store shrimp feed and electric motor. It was getting cold to less than 10 degrees Celsius at that time. Since the village was located by the sea, we could feel the scathing wind all the time. On the floor was laid seven weed mattresses, each with a thick blanket. The pillows were made either with their luggage bags or some used paper carton (add photo). In the team, there were three villagers including Cheng plus five outsiders from the same township. This year, the coop decided to unify the wage between villagers and outsiders to 210 yuan per day. Therefore, few villagers joined as they formed their private teams. Villager Ge greeted me as he knew more before. He is a Lei opera actor, but participated in the construction when the opera troupe was on vacation in winter. He jokingly said, "Sister Yu, would you get used to this kind of environment? This is a 'primitive society.'" Later, I learned that the label "primitive society" not only referred to the rudimentary sleeping condition, but even lack of drinking water. When I turned on the tap, the water looked brownish. They said that the underground water was not drinkable due to the high concentration of iron. Therefore, they relied on their employer to deliver drinking water to them from time to time. The underground water could be used for shower though, but imagine how freezing it was at a winter night. The sun was setting and my stomach began to rattle, but I didn't see a cook. Then Ming drove his car to take Cheng and me to the township to do grocery shopping. Cheng bought some duck, barbecue pork, and some vegetable for soup. When we returned, other team members already cooked rice. Some one turned a large basin up side down to serve as the table. Every one was hungry and we soon scoured the meal over. Ge said to me, "eating alone feels tasteless, but eating together brought good taste." While I worried how miserable it was to live in such kind of dilapidated environment, all other team members looked so cheerful. My concern was soon dispelled when Ming settled me to live in one villager's home.

The next morning I woke up at 6:30 and walked to the hut. It was rainy and windy. The dirt road got very muddy. When I got there, people already got up but breakfast was not ready. They said that today would be a day of rest due to the wind. Four people took out some poker cards to play. Others

including me watched them play. Some farmers entered the hut and asked us to start working, but Cheng refused them, saying that it was dangerous to walk on the wet plastic film.

On the third morning, the wind seemed to be growing stronger. After I arrived at the hut, I checked the weather online and told them that today there was northern wind 4-5 degrees and rained would not stop until 8pm. After breakfast, we began to kill time. While a young boy got obsessed with computer games on his cell phone, Ge started to play magic with some poker cards. Soon, our fun time was disrupted by an employer who urged the team to go to work. He is a feed middleman, but started to do off-season shrimp farming this year. At first, Cheng declined his request. However, the farmer complained that he already order shrimp juveniles from a hatchery and he needed to stock the juveniles as soon as possible to make sure that shrimp reached harvest size during the Chinese New Year which was coming in less than three months. After the farmer's pestering persuasion, even the team members felt bored sitting all day and insisted on going.

We arrived at the shrimp pond. The bottom layer of wire was already firmly installed, awaiting the plastic film to be put on before the upper layer of wire was fixed. We stretched the plastic film, but it was so windy that five people were needed to hold it in place. Finally, the plastic film was put on top the roof of the "Mongolian tent". Then we needed to attach the upper layer of wire. I was assigned the job of controlling the wire rolling machine. The rain got more and more intense, but none of us had a raincoat. We all got soaked and chilled. Cheng asked me to go to the hut nearby and get a rest, but seeing all workers so committed to work. I felt ashamed. Later, the employer felt bad seeing us working in the rain and did some makeshift raincoats for us by cutting three holes from the shrimp feed package bags. At lunch time, the employer even rode a motorcycle to the township to buy some raincoats for us. I was so excited putting on the thick raincoat that made me warm immediately. Cheng teased us, "Who complained of getting frozen? You must be slacking off." I observed his face and could not tell whether it was his sweat or rainwater that covered his forehead. Then the final step was fixing the plastic film to the wire with small iron string. I dared not walk to the top of the roof and only helped with the work close to the floor. Cheng quickly walked up and other workers soon followed him. We finished the work by about 2:30pm. Taking a five-minute break to drink some water, we headed to another shrimp pond to do the same work again. By 6pm, it was getting dark but we just finished installing the top layer of wire and not done fixing the iron string. Two senior workers requested that we went home and started again tomorrow morning. Cheng said ok. However, he continued to pack things up and was the last one to leave. We got a free banquet at night from the feed middleman employer. At the dinner table, I suggested that the coop should provide raincoat to the workers, but the workers disagreed, "We should refrain from working in the rain rather than wearing raincoats."

The next day, the winder and rain did not subside and grew even stronger. In the morning, the feed agent employer approached Cheng and asked the team to start construction on another pond. This time, Cheng rejected him firmly. Because of yesterday's work, he was coughing a lot.

Team members were also very impressed that I did not try to escape hard work and said that, "Sister Yu shared sweetness and bitterness (*tonggan gongku*) with us." I immediately thought about Cheng, an exemplary leader.

"Sharing sweetness and bitterness" was a popular saying in the Maoist time, calling for intellectuals, party members, and cadres to take up physical work and labor with workers and peasants. In the commune era, cadres were required to earn work points by laboring in the field rather than just sitting inside of office giving orders to commune members. Li found out that for cadres who refused to participate in manual labor, they were more liable to abuse power and got alienated by the peasants (Li 2009). For the whole time, Cheng only focused on the construction work and did not spare time on the panopticon gaze. His spirit even moved me as well as every body else to get embroiled into the spirit of the collective. Nobody wanted to slow down intentionally as the cooperative team work itself was a

disciplinary mechanism. If one person slows down, all others' work would be affected. Cheng chose to become a team leader, using his own hard work as a motivation incentive for other workers.

On my last day of the field trip, I proposed to invite all team members for a meal. They suggested mutton hot pot. At first, Cheng did not approve, saying that he didn't want to use my money and the restaurant was too far away. However, the employer was very enthusiastic and said that he could order motorcycle taxi to take every one. At 5:30pm, two motorcycle taxi arrived. All team members looked at Cheng for his advice. He nodded and we all quickly packed up. That was one of the most delicious feast I had ever had.

Conclusion

The end of the Cold War witnessed the collapse of the Soviet Union and the changing colors of China. To the many left intellectuals, the transition means both a blessing and a curse. The "failure" of state socialism has attracted scholars and activists to look for more grassroots resistance, such as the "new social movement" (Mouffe 1984), "community economy (Gibson-Graham 2006)," and "solidarity economy" (Rakopoulos 2014) etc. However, there are also critiques on whether these innovations are "utopians" that can never uproot the foundation of capitalism since they disavow revolution as a way of gaining power.

The re-cooperatization movement that gained momentum in the recent decade in China epitomizes these same contradictions as scholars often question the nature of the coops. Are they capitalist or anti-capitalist? The yes or no question conveys an essentialist understanding that these grassroots organizations have some pre-existent, stable features that can be easily categorized.

In this paper, I trace the development and operation of a nascent shrimp aquaculture cooperative to explore their external and internal dilemmas. In their relations to agri-businesses, through the organization of small producers, they can resist the monopoly of agri-capital that controls the upstream and downstream sectors, or they can provide collective labor that is convenient for capital. In their internal structure, they can maintain a democratic society adhering to the principle of "one member, one vote" or they can see the emergence of class differentiation between investors and labor, as well as between managers and workers. How should we understand the coop's simultaneous pro-capitalist and anti-capitalist tendencies? In the essay entitled "Critique of the Gotha Program," Marx offered a critique of the draft program of the United Workers' Party of Germany in 1875 by showing how the co-operative society based on common ownership of the means of production might still possess some of the capitalist influence: "What we have to deal with here is a communist society, not as it has developed on its own foundations, but, on the contrary, just as it emerges from capitalist society; which is thus in every respect, economically, morally, and intellectually, still stamped with the birthmarks of the old society from whose womb it emerges... But these defects are inevitable in the first phase of communist society as it is when it has just emerged after prolonged birth pangs from capitalist society (Marx 2000)."

Through an ethnographic "thick description" (Geertz 1977) of a cooperative, I explore the dilemmas that coop members encountered as well as agencies they innovated. This analysis tries to bridge the gap between theory and praxis as well as between scholarship and activism. As Lenin commented on Marx's "Critique of the Gotha Program:" "The great significance of Marx's explanation is, that here too, he consistently applies materialist dialectics, the theory of development, and regards communism as something which develops out of capitalism. Instead of scholastically invented, 'concocted' definitions and fruitless disputes over words (What is socialism? What is communism?), Marx gives analysis of what might be called the stages of the economic maturity of communism" (Lenin 1964). The trajectory of the Shayuan coop has helped us change from an essentialist to a dialectical understanding of the cooperative movement and to see "class" formation as a dynamic

process.

References

- Belton, B. E. N., and David Little. 2008. "The Development of Aquaculture in Central Thailand: Domestic Demand versus Export-Led Production." *Journal of Agrarian Change* no. 8 (1):123-143.
- Bernstein, Henry. 2009. "V.I. Lenin and A.V. Chayanov: Looking Back, Looking Forward." *Journal of Agrarian Change* no. 36 (1):55-81.
- Bowman, Besty, and Bob Stone. 2006. "Venezuela's COOPERATIVE Revolution." *Dollars & Sense* (266):16-23.
- Bramall, Chris. 2009. *Chinese Economic Development*. New York, Ny: Routledge.
- Cao, Jinqing, Letian Zhang, and Zhongya Chen. 2001. *Dangdai zhebei xiangcun de shehui wenhua bianqian [Modern social and cultural change in rural northern Zhejiang]*. Shanghai: Shanghai yuandong chubanshe.
- Deng, Hengshan, Jikun Huang, Zhigang Xu, and Scott Rozelle. 2010. "Policy support and emerging farmer professional cooperatives in rural China." *China Economic Review* no. 21 (4):495-507.
- Department of Rural & Social Economic Survey, National Bureau of Statistics. 2006. *Collection of China Agricultural Statistics 1949-2004*. Beijing: China Statistics Press.
- Feng, Xiao. 2014. "Rural Logic of Farmer Cooperatives' System Alienation: A Case Study on "Cooperatives' Help with Packaging Urban Capital"." *China Rural Survey* no. 116:2-8.
- Foucault, Michel. 1995. *Discipline and Punish: The Birth of the Prison*. New York: Vintage Books.
- Gao, Mobo. 1999. *Gao Village: A Portrait of Rural Life in Modern China*. Honolulu: University of Hawaii Press.
- Geertz, Clifford. 1977. "Deep Play: Notes of the Balianese Cockfight." In *The Interpretation of Cultures*, 412-454. New York: Basic Books.
- Gibson-Graham, J.K. 2006. *A Postcapitalist Politics*. Minneapolis, MN: The University of Minnesota Press.
- Hale, Matthew A. 2013. "Tilling sand: contradictions of "Social Economy" in a Chinese movement for alternative rural development." *Dialectical Anthropology* no. 37 (1):51-82.
- Hall, Derek. 2004. "Explaining the Diversity of Southeast Asian Shrimp Aquaculture." *Journal of Agrarian Change* no. 4 (3):315-335.
- Hinton, William. 2006. *Through a Glass Darkly*. New York: Monthly Review Press.
- Huang, Philip C. C., Yuan Gao, and Yusheng Peng. 2012. "Capitalization without Proletarianization in China's Agricultural Development." *Modern China* no. 38 (2):139-173. doi: 10.1177/0097700411435620.
- Huang, Yu. 2010. "The Pursuit of Common Good and After: Development of Shrimp Aquaculture in South China." *Journal of Chinese Dietary Culture* no. 6 (2):35-65.
- Huang, Yu. 2012a. *Vibrant Risks: Scientific Aquaculture and Political Ecologies in China*. Dissertation, Anthropology Department, University of Washington, Seattle.
- Huang, Yu. 2015. "Can Capitalist Farms Defeat Family Farms?: The Dynamics of Capitalist Accumulation in Shrimp Aquaculture in South China." *Journal of Agrarian Change* no. 15 (3).
- Huang, Zongzhi. 2012b. "Xiaononghu yu da shangye ziben de bu pingdeng jiaoyi: zhongguo xiandai nongye de tese [An unequal transaction between small rural households and big commercial capital: a distinctive feature of China's contemporary agriculture]." *Kaifang shidai [Open Times]* (3):88-99.
- Jia, Xiangping, and Jikun Huang. 2011. "Contractual arrangements between farmer cooperatives and buyers in China." *Food Policy* no. 36 (5):656-666.

- Jin, Shaosheng, and Jiehong Zhou. 2011. "Adoption of food safety and quality standards by China's agricultural cooperatives." *Food Control* no. 22 (2):204-208.
- Lammer, Christof. 2012. *Imagined Cooperatives: An Ethnography of Cooperative and Conflict in New Rural Reconstruction Projects in a Chinese Village*, University of Vienna.
- Lenin, Vladimir Ilyich. 1964. *Lenin Collected Works Vol 25*. London: Lawrence & Wishart.
- Li, Huaiyin. 2009. *Village China Under Socialism and Reform: A Micro-History, 1948-2008*. Stanford, CA: Stanford University Press.
- Liu, Laoshi. 2010. "Hezuoshe shijian yu bentu pingjia biao zhun [Social practice of rural cooperatives and local evaluation criterion]." *Kaifang shidai [Open Times]* (12):53-67.
- Luo, Pinghan. 2006. *Nongcun renmin gongshe shi [A history of people's communes in rural area]*. Fuzhou: Fujian renmin chubanshe.
- Ma, Shexiang. 2012. *Zhongguo nongye hezuohua yundong koushu shi [China Agricultural Cooperative Movement Oral History]*. Beijing: Dangdai zhongguo chubanshe.
- Mao, Zedong. 1943. "Ger Organized." In *Selected Works of Mao Zedong Vol III*.
- Marx, Karl. 2000. "Critique of the Gotha Programme." In *Karl Marx: Selected Writings*, edited by David McLellan, 610-616. Oxford: Oxford University Press.
- McMurtry, J.J. 2004. *Social Economy as Political Practice* no. 31 (9):868-878.
- Mouffe, Chantal. 1984. "Towards a Theoretical Interpretation of 'New Social Movements'." In *Rethinking Marx*, edited by Sakari Hänninen and Leena Paldán, 139-143. Berlin: Argument Sonderband AS 109.
- Nguyen, Tin, Enjiang Cheng, and Christopher Findlay. 1996. "Land fragmentation and farm productivity in China in the 1990s." *China Economic Review* no. 7 (2):169-180.
- Pei, Xiaofang, Annuradha Tandon, Anton Alldrick, Liana Giorgi, Wei Huang, and Ruijia Yang. 2011. "The China Melamine Milk Scandal and Its Implications for Food Safety Regulation." *Food Policy* no. 36 (3):412-420.
- Petras, James. 1997. "Alternatives to Neoliberalism in Latin America." *Latin American Perspectives* no. 24 (1):80-91.
- Postone, Moishe. 1993. *Time, Labor, and Social Domination: A Reinterpretation of Marx's Critical Theory*. New York: Cambridge University Press.
- Rakopoulos, Theodoros. 2014. "The crisis seen from below, within, and against: from solidarity economy to food distribution cooperatives in Greece." *Dialectical Anthropology* no. 38 (2):189-207.
- Research Team of Management Department, The Ministry of Agriculture. 2013. "Goujian xinxing nongye jingying tixi, wenbu tuijin shidu guimo jingying [Constructing New Agricultural Management System, Steadily Promoting Moderate Scale Management]." *Mao Zedong Deng Xiaoping lilun yanjiu [Studies on Mao Zedong and Deng Xiaoping Theories]* (6):38-45.
- Smil, Vaclav. 2004. *China's Past, China's Future*. London: Routledge Curzon.
- Tao, Lujia. 2009. Tao Lujia: Jianguo chu yici gaoceng zheng lun (Tao Lujia: A debate among the top leaders at the early years of the PRC). *Financial Times Chinese*, <http://www.ftchinese.com/story/001027938>.
- Tong, Zhihui, and Tiejun Wen. 2009. "Ziben yu bumen xiexiang yu xiaononghu jingji de zuzhi hua daolu [The transference of capital and departmental capital to rural areas and the organization of the farming household economy]." *Kaifang shidai [Open Times]* (4):5-26.
- Vermeer, E.B. 1997. *Water Conservancy and Irrigation in China*. The Hague: Leiden University Press.
- Wei, Benquan, and Yaorong Zeng. 2010. "Minjian huzhu, hezuo yundong, geming celue [Folk mutual aid, cooperative movement and revolutionary strategies]." *Gannan shifan xueyuan xuebao [Journal of Gannan Normal University]* (2):32-38.
- Xia, Ying. 2001. "Nongcun hezuo jingji: 21 shiji zhongguo nongye fazhan de biran xuanze

- [Agricultural cooperative economy: the inevitable choice of agricultural development in 21st century China]." *Diaoyan shijie [The World of Survey and Research]* (9):7-12.
- Xu, Tao. 2010. "There Is Gold on the Floor, But They Cannot See." *Nanfang Daily*, October 24.
- Yan, Hairong, and Yiyuan Chen. 2013. "Debating the rural cooperative movement in China, the past and the present." *The Journal of Peasant Studies* no. 40 (6):955-981.
- Yan, Hairong, and Yiyuan Chen. 2015. "Agrarian Capitalization without Capitalism?: Capitalist Dynamics from Above and Below in China." *Journal of Agrarian Change* no. 15 (3).
- Yang, Guobin. 2013. "Contesting Food Safety in the Chinese Media: Between Hegemony and Counter-Hegemony." *The China Quarterly* no. 214:337-355.
- Zhang, Deyuan. 2011. "'Pibao hezuoshe' zheshe chulai de guanmin guanxi [The government-people relationship reflected by 'brief-case' cooperatives]." *Renmin luntan [People's Tribune]* no. 25:58-9.
- Zhang, Kaihua, and Qinglin Zhang. 2007. "Nongmin zhuanye hezuoshe chengzhang de kunhuo he sikao [Puzzles and thoughts about the growth of farmers' professional cooperatives]." *Nongye jingji wenti [Agricultural Economic Issues]* (5):62-70.
- Zhang, Letian. 2012. *Gaobie lixiang: renmin gongshe zhidu yanjiu [Farewell to Utopia: a study of rural communes]*. Shanghai: Shanghai renmin chubanshe.
- Zhang, Qian Forrest, and John A. Donaldson. 2008. "The Rise of Agrarian Capitalism with Chinese Characteristics: Agricultural Modernization, Agribusiness and Collective Land Rights." *The China Journal* (60):25-47.
- Zhang, Xuelian, and Kaiwen Feng. 2008. "Nongmin zhuanye hezuoshe juece quan fenge de boyi fenxi [A game theory analysis on the division of decision-making power of specialized farmers cooperatives]." *Zhongguo nongcun jingji [Chinese Rural Economy]* (8):61-69.
- Zhanjiang Bureau of Foreign Trade and Economic Cooperation. 2011. Zhanjiang Aquatic Production (Shrimp) Demonstration Bases for Transformation and Upgrading of Foreign Trade. Zhanjiang: Zhanjiang Bureau of Foreign Trade and Economic Cooperation.
- Zhao, Quanmin, and Shijie Jing. 2005. "Shichanghua liliang de qieshi: dui 20 shiji zhongguo hezuoshe jingji kunjing de yizhong quanshi [The deficiency of market power: an interpretation on the economic dilemma of cooperatives in China in the 20th century]." *Gansu shehui kexue [Gansu Social Sciences]* (6):210-213.
- Zheng, Shi, Zhigang Wang, and Shunfeng Song. 2011. "Farmers' Behaviors and Performance in Cooperatives in Jilin Province of China: A Case Study." *The Social Science Journal* no. 48 (3):449-457.
- Zong, Liang. 2013. "Woguo nongmin zhuanye hezuoshe yi da 68.9 wan jia (The Number of Farmers' Cooperatives Have Reached 689,000)." *Liangyou shichang bao [Grain News]*, January 11.

Land grabbing, conflict and agrarian-environmental transformations: perspectives from East and Southeast

An international academic conference
5-6 June 2015, Chiang Mai University

International Conference Paper Series

The purpose of the 2015 Chiang Mai conference is to contribute to *deepening* and *broadening* of our understanding of global land deals, resource conflict and agrarian-environmental transformations – in the specific regional context of Southeast and East Asia, with special attention to climate change mitigation and adaptation policies as well as the role of China and other middle income countries (MICs) within the region.

The Conference Paper Series aims to generate vibrant discussion around these issues in the build up towards the June 2015 conference – and beyond. We will keep these papers accessible through the websites of the main organizers before, during and after the conference.

About the Author

Huang Yu is an assistant professor in the Anthropology Department, Chinese University of Hong Kong. Her research interests include agrarian change, Science and Technology Studies (STS), political ecology, aquaculture, science extension network, and rural cooperatives in contemporary China. She has published in the "Journal of Agrarian Change" and "Modern China."