Why Good Governance Goes Wrong:

Government and Village in the Supply of Public Goods in Rural China

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善治为何不得善终：农村公共物品供给中的政府与乡村

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Abstract

Following the rural tax-for-fee reform and the abolition of agricultural taxes in the early 2000s, the overall supply of rural public goods has improved, but its performance is still deficient. During a field study of ecological migrants in rural Ningxia, the authors witnessed the problems encountered in the implementation of a public housing project. This episode demonstrates how the provision of rural public goods depends on rural governance that responds to the tension between modern development and the values of rural society. The failure of the project stems from the clash between the logic of peasant actions and the performance indicators of cadres, producing an internal rupture between rural society and rural governance. In the process of modernization and urbanization, grassroots government is becoming more bureaucratic and technical, with the prevalence of e-government and especially with village committees turning increasingly administrativized and beholden to superior levels of government, and thus is failing to fully embed itself in rural society.

Keywords

public goods, rural governance, peasant logic, coupling, ecological migration

提要

自税费改革后，农村公共物品供给总量提升但绩效不足。本文通过对“一户多代”住房案例的深度研究发现：供给绩效不足的表层原因是供需错位、决策僵化与公众参与不足，而深层制约在于农村公共物品供给与基层治理相耦合。有效的供给受制于有效的治理，现行乡村治理在现代化进程中越发科层化与技术化，与传统的小农社会存在内在张力，基层治理日渐悬浮，干部普遍难以理解乡土逻辑并融入乡土社会。有效的治理首先要回应现代治理与乡土社会之间的张力，乡村治理体制与乡土社会的内在断裂正成为当下乡村治理的首要问题。

关键词

公共物品、乡村治理、乡土逻辑、耦合、生态移民

Problems in Public Goods Provision

Since the launch of the Constructing a New Socialist Countryside 新农村建设 campaign in 2005, transfer payments aimed at improving infrastructure and development in rural areas have increased year by year. As the country moves from a tax-absorbing regime 税费汲取型政权 to a post-tax resource-importing regime 后税费资源输入型政权, it faces the problem of how to ensure the effective use of fiscal funds. However, the question remains whether project investments are appropriate and effective, leading to a search for methods to optimize the rural public service effect of central government transfer payments (Zhang Xueling, 2015).

At present, the pattern of rural public goods is that overall insufficiency has been largely alleviated, but the imbalance in structure remains. Overall insufficiency means that the supply of public goods cannot meet the needs of consumers, while structural imbalance refers to poor

supply performance due to the mode, methods, or procedures of supply (Lin Wanglong, 2007; Yue and Zhong, 2014). Evaluating the distribution of public goods involves two major research fields: the decision-making mechanisms of the supply subject, and the participation of the demand subject (referring in this case to government and peasants, respectively). Research on the supply of rural public goods in China involves the subjects, mode, and system of provision. The subject is primarily the government at all levels, with the obvious absence, marginalization, and dislocation of other subjects (Hu Zhiping, 2015; Jia and Lü, 2007). Government supply is easily subject to bureaucratic problems: the autonomous supply mode is limited by the ability to mobilize, and the principal-agent supply mode inevitably faces supervision problems (Wang Jinjun, 2011). The "high-pressure system" 压力型体制 and the "tournament model" 锦标赛模型 encourage government hierarchies to make top-heavy decisions, with the exercise of strong and often arbitrary command, frequently leading to a disconnect between supply and demand, or even the use of "public goods for political goals" (Zhang Qin, 2006; Fang Jianzhong, 2011). At the same time, the pressure of bureaucratic performance evaluations also affects the effectiveness of rural public goods supply (Zhao Jingyi, 2013; Fan Fengchun, 2014).

Research on the demand side has mainly focused on mechanisms of expression and participation. Scholars who attach great importance to the subjectivity of peasants in the supply of public goods have called for paying greater attention to the expression of their demands and participation in public affairs, and have advocated cultivating a diversified and collaborative-provision model of public goods (Deng and Weng, 2012; Xie and Wang, 2011).

Peasants' silence in the policy formulation process will lead to the distortion of demand information, while their absence from the implementation process removes an important participatory and supervisory mechanism. Observers thus have recommended a management system that includes the collection, analysis, and absorption of peasants' demands (Chen Shuisheng, 2017). In addition, studies have revealed that most peasants in ethnic or underdeveloped regions are less willing and able to express demands (Liu Shuming, 2016). In such regions, the demand and supply of public goods exhibit obvious local features, so that the supply mode cannot be one-size-fits-all.

The literature has explored the possibility of improving the system by starting with the supply side. In her study of common-pool resources, Elinor Ostrom (2000 [1990]) proposed self-governance as an alternative to a "Leviathan" authority or privatization, and built a public choice theory of polycentric governance that rejects both market-oriented approaches and statism. Polycentric governance places the relationship between the supply of public goods and the governance of the commons within the larger social system (Tarko, 2014). Chinese scholars have had high expectations for polycentric governance, and generally argue that polycentrism will strengthen the socialization and diversity of the supply of public goods while combining the advantages of government, market, and community to achieve the coordination and cooperation between these three (Zhang Kezhong, 2009; Liu and Zhang, 2012).

Studies of public goods provision are valuable, but several limitations must be recognized. Firstly, scholars have proposed solving the problem of the supply mode of rural public goods by

using theoretical approaches such as self-governance, polycentric governance, and multi-governance. These ideal types have not yet been fully integrated into the Chinese governance system. In formal governance, any attempt to improve the public goods supply through self-organization by Chinese peasants is unrealistic simply because the necessary foundation and conditions do not exist. To solve the problem of governing the commons in China, initiatives must be compatible with existing rural circumstances and China's own local governance path. Secondly, the literature has paid more attention to what ought to be than to what actually exists. If reform proposals are not based on detailed empirical case studies of the implementation process of public goods supply, they will likely prove unsuited to local circumstances, especially the distinctive requirements of rural compared to urban supply, and regional and ethnic specifics.

In view of the foregoing, this article has two purposes. First, it seeks to reveal the actual state of rural public goods supply through a case study, and responds to the core concern of poor supply performance from an empirical perspective. Second, looking beyond the supply of public goods, it uses discourse and event analysis to examine the relationship between rural society and the governance system, highlighting the tension between modern governance and local governance. The article concludes with our reflections on the current structure and path of rural governance.

The Deadlocked Housing Project

From the spring of 2017 to early 2020, our research team conducted a holistic study of Liang Township, Zhong County, in the Ningxia Hui Autonomous Region.[1] This township initiated a project to address the housing shortage among a group of new residents categorized as "ecological migrants" 生态移民, but as the completion of the project drew near, villagers resisted paying, thus throwing the entire project into a deadlock. Even after the houses were finally sold, the occupancy rate and degree of satisfaction were not high. To understand why a project advanced in the public interest and supported by government funds was not whole-heartedly accepted by the people it intended to help, the research team spent nearly four years tracking the event and fully witnessed it from the beginning to the end.

Immigrant Complaints

A shortage of housing

Liang Township is located on the Weining Plain, along the upper and middle reaches of the Yellow River. The township covers an area of 51.3 square kilometers and has a total population of 21,000. It has jurisdiction over five administrative villages, in which there were 1,830 families and 8,106 individuals below the poverty line in 2019 (before the implementation of the poverty alleviation campaign). In 2002, the National Pilot Project for Poverty Alleviation by Relocation and Ecological Migration 国家易地扶贫生态移民试点工程—which sought to relocate poor

[1] Zhong County, Liang Township, and names of the township's villages are pseudonyms.

people from lands rendered inhospitable by industrialization, climate change, poor policies, and human activity—was launched. Subsequently, the Ningxia Agricultural Reclamation Group set up a Resettlement District for Ecological Immigrants, and, in 2005, established an Administrative Committee for Ecological Immigrants. In July 2016, the resettlement district was officially transferred to the government of Zhong County. In February of the following year, the establishment of a township administration was approved by the executive meeting of the government of the Ningxia Hui Autonomous Region.

However, the resettled villagers were deeply dissatisfied with the housing provided to them, and sought help from village committees and the township government. The complaints revolved around three issues. First, the houses were too small. The population of Liang Township is multiethnic (consisting primarily of Hui and Han) and families are relatively large, usually more than five people. In door-to-door interviews, we encountered many families with three or four generations living together under one roof. These families with "many children and multiple generations" found their living space to be simply too cramped. Second, the construction of the housing was rushed to meet a very tight schedule, with the result that that the dwellings were poorly built. Many resettlement houses developed a variety of problems such as leaking roofs, cracked walls, and, for houses on high terrain, very low water pressure. The residents called for all these problems to be ameliorated. Third, many residents considered the policy of "distributing housing to people with a local hukou" to be unfair, especially the deadline set by the government for "freezing hukou" (that is, mainly disallowing family members from applying for a separate

hukou). Housing was distributed to the household, not to individuals. Thus, for example, some young couples were no longer living with their parents, but the two generations were still registered as one household. This prevented them from purchasing a resettlement house at a discounted price. Such migrants, as one would expect, were very unhappy with the policy.

Initiating a Housing Project: One Household with Multiple Generations

In order to solve the housing problems of ecological immigrants, the county government received approval from the autonomous region government to implement a "one household with multiple generations" 一户多代 housing project. The aim was to solve the housing shortage among families with multiple generations or many adult children, especially those who are married and do not have their own residence. At the end of 2017, the township government asked the village committees to report on the number of households that intended to apply for new houses. Cadres responded that they had not seen any formal documents regarding the qualifications of applicants. Based on the premise that households of more than six people, or with more than two sons, or with more than three generations living together were all qualified, in April 2018 the township government finally identified 243 eligible families.

At that time, there were two options for building resettlement housing: subsidized construction by villagers themselves or "unified construction" through the government. The Administrative Committee for Ecological Immigrants usually adopted the former method, but village and township cadres thought that letting villagers build houses themselves would not only

fail to solve the housing problem, but would also throw a monkey wrench into land management and planning. As a result, the township government decided to adopt the option of unified construction. In April 2018, the project was launched, with 295 new houses planned in three villages, which far exceeded the 52 applications on record. Each house was to have a floor area of 56 square meters and consist of "two bedrooms, one living room, one kitchen, and one bathroom." The houses were to sell for 70,000 yuan, according to the model of "peasant payment + government subsidy," with peasants bearing 55,000 yuan and the government providing a subsidy of 15,000 yuan. The government would also fund the construction of infrastructure.

When village committees notified these families to pay in July, however, there were only a few who responded. In the face of this awkward situation, the township government sought further financial support from the government on the grounds that Liang Township is impoverished. The county government responded by increasing the subsidy from 15,000 yuan to 30,000 yuan. The township government asked the village committees to go back to the residents to find out how many would buy a house under the new arrangements. All of the 106 households that indicated they intended to buy a house were required to sign a "House Construction Agreement" with their village committee. Sixty households that said they would not buy a house were required to sign an "Agreement on Abandoning House Purchase Qualifications," meaning they would formally lose their right to purchase a house under the new terms. Finally, the village committees discovered that seventy-seven households were living away from the village all year round. Based on this investigation, the township government decided to cut the number of new

houses from 295 to 185, with 120 in Xin Village, 35 in Bai Village, and 30 in Nan Village (see Table 1).

According to the "House Construction Agreement," the families were required to make a down payment of 30,000 yuan before August 15, 2018, and a final payment of 10,000 yuan after the project was completed. As the deadline approached, payment was still not forthcoming. Village cadres repeatedly explained to the peasants that anyone who did pay on time would be deemed to have given up their qualification to buy a house, and other families would be allowed to purchase the house.

Persuading people to pay became a headache for village cadres. Throughout August, the heads of villagers' groups promoted the new policies in village meetings. But as of September 15, only seventy-eight households—fewer than half—had made a payment (see Table 1). Facing these delays, village cadres did not cancel the peasants' eligibility, but instead postponed the deadline from July 10 to August 15, then to September 20, and finally to the end of that year. Moreover, contractors who had been prepaid for the construction reminded the village committees of the contractual requirement that 80 percent of the project fee should be paid after the main framework of the house was completed. Peasants delayed, contractors urged, and village committees were overwhelmed. The housing project was at a deadlock

Table 1. Status of the Housing Project in Liang Township

Village	Total households	Applying households	Eligible households	Reinvestigated and adjusted number				Houses to be built	Paid-up households (%)
				Confirmed intention to purchase	Gave up qualification	Uncertain about purchase	Ineligible households		
Nan	962	85	59	32	8	19	26	30	10 (33.3%)
Xin	1,207	108	108	50	18	40	0	120	53 (44.2%)
Bei	420	33	33	9	11	13	0	0	0
Bai	521	32	32	15	12	5	0	35	15 (43%)
Dong	728	11	11	0	11	0	0	0	0
Total	3,838	269	243	106	60	77	26	185	78 (42.2%)
Period of statistical data	December 2017		April 2018	July 2018					September 2018

Source of data: Statistical tables provided by the Liang township government, September 2018.

A Double Analysis: Discourse and Events

Discourse analysis is a method of studying how language contributes to sociocultural views and identity (Gee, 2011 [1999]).[2] In the study of rural societies, discourse analysis can supplement event analysis by revealing the multifaceted and paradoxical nature of how events are portrayed and understood. In this article, we combine discourse analysis and event analysis to examine the complexity of peasants' behavior and rural social issues.

Discourse Analysis: The Deadlock's "Three Discourses"

Why did this well-intentioned housing project become deadlocked? We posed this question to township leaders, village cadres, and villagers with various standards of living, each of whom

[2] Discourse analysis considers how language, both spoken and written, enacts social and cultural perspectives and identities. James Paul Gee (2011 [1999]) refers to language that establishes identity through "presence" as "discourse" and distinguishes "discourse analysis" from capital-D "Discourse analysis." When "discourse" (the language in use) and non-verbal "materials" are integrated to determine a specific identity and carry out a specific activity, "Discourse" is involved. Other "materials" include ways of using various objects, symbols, work, and technology as well as ways of performance, communication, feeling, belief and evaluation. Language users take these methods to enable themselves and others to express or possess meaning. It can be said that discourse and Discourse, respectively, refer to discourse in language and discourse in practice.

explained the event from their own perspective. These discourses presented clear structural characteristics.

Township leaders: Peasants always rely on others, and village cadres are incompetent

Housing provision in Liang Township is a complex issue involving peasants' livelihood, historical factors, and cadre-mass relations. The township government took advantage of the ecological immigration policy to obtain project funds, hoping to solve a longstanding housing problem while increasing its prestige. It never anticipated the payment deadlock, which leaders attributed to peasants' habit of "waiting, relying, and demanding" 等、靠、要—that is, waiting for the state to provide financial assistance, relying on the state for financial assistance, and demanding that the state provide financial assistance. A vice-mayor declared, "They cheated us! So many families rushed to apply for the houses, including those who are not actually in need. But when it's time to collect money, guess what, nobody pays! Everyone expects the party to pay for them." In addition, leaders characterized the village cadres as incompetent: "The village committees should have figured this out! They are truly incapable." The township government officials were left feeling very frustrated: "If the houses hadn't been built, that would be difficult enough to explain to our superiors. But it's even worse when the houses have been built, but payment has not been collected!"

Village cadres: Pressure from both sides, and work is really tough

Village cadres interpreted this event from two different perspectives. First, that nonpayment was mainly due to economic factors. “Not everyone is waiting for a handout. Some families are in fact poor and need some time to raise money.” Second, that past issues had affected current work. This refers mainly to the fact that some migrant families had applied and paid for a residential plot 宅基地, but they received neither a plot nor a refund of the “residential plot fee” they had paid. And now, if they wanted a project house, they would have to come up with still more money. Little wonder that a village cadre said, “You should first refund the residential plot fee the peasants paid in order to get them to cooperate with you.” Third, some villagers did not agree or comply with village cadres. One village secretary sighed, “They are just making trouble and pissing me off. We’re here to serve the villagers, but they don’t appreciate it.” Fourth, people were not as easily managed as in the past. Another village secretary said, “The party has spoiled the peasants. For each house, in addition to the subsidy, the party spends 46,000 yuan on average on infrastructure, such as roads, lighting, water supply, and drainage. Now the families only need to pay 40,000 yuan [. . . yet] they are still talking nonsense.” Generally speaking, village cadres felt that they had done their best, but were squeezed from both above and below. Villagers did not appreciate their efforts, and their superiors were not satisfied.

Peasants: A combination of factors

Villagers also had a range of opinions about this event. Because villagers' family income is low and they lack savings, making the one-time payment was a challenge. A middle-aged woman in Nan Village explained, "We spend money as quickly as we make it, since we mainly live on agriculture and part-time jobs. We're penniless." Second, they felt that the price of the houses was unreasonably high, and suspected that corruption or rent-seeking was involved. A young woman in Bai Village asked, "Does a house of that size cost 70,000 yuan? That's expensive for the countryside. The money could be embezzled." Third, villagers felt the quality of the houses was poor, and some believed it would have been better if they had built them themselves. A middle-aged man in Nan Village told us: "I have been working on construction sites for many years. Give me 70,000 yuan and see what kind of a house I can build!" Fourth, some were waiting to see if there would be a more favorable policy. A resident of Xin Village asked, "The money we've paid can't be returned, and we can't lose the money for no reason at all. What if the policy changes again?" In the discourse of peasants, the reasons for not paying included objective and subjective factors, such a low income, a lack of savings, and a wait-and-see attitude. Their basic strategy was to wait, delay, and complain. It was because of all these factors that most families did not pay for the house within the deadline.

Event Analysis: The Peasants' Purchase Behavior

To analyze the event itself, we conducted household interviews based on indicators such as whether the payment had been made, family economic status, the number of the registered family members, their actual living conditions, and whether they had applied for a residential plot or been affected by the "freezing hukou" policy. From this, we extracted five main variables influencing peasants' purchase behavior: family income, the layout of the resettlement housing, market factors, historical issues, and political trust.

Family income

Housing affordability directly affected peasants' decision-making. On the one hand, ecological immigrants had low incomes and earned their living mainly by working as migrant workers or doing part-time jobs nearby. Owing to their poor education and low level of labor skills, they generally took manual labor jobs with daily wages of about 80 yuan, while skilled male workers could earn about 300 yuan. In a good year they might work for eight or nine months, but in a bad year only four or five. Since immigrants during the Twelfth Five-Year Plan (2011–2015) did not receive any farmland when they were relocated, they were the target groups of the housing project. Generally, the monthly expenses of a family in this area were 2,000 to 3,000 yuan, which for most families was only enough meet their daily needs. On the other hand, social capital within immigrant society was relatively low, which respondents interpreted as making it "difficult to borrow money." Social capital as an attribute of a community can influence

integration and contribute to public welfare. Robert D. Putnam (2011: 6–15) regards social capital as social trust, networks, and norms, which can be taken advantage of as institutional and cultural resources to coordinate the behavior of agents to improve economic efficiency. Wang Jing (2013) further differentiates "family social capital" from "community social capital," and argues that the latter also has a significant impact on a family's prospects for improving their standard of living. This element is weak in Liang Township, a newly formed immigrant community with relatively high population mobility and low social trust. A resident of Xin village told us that in the township's villages, "if you borrow money, you may be able to borrow three hundred to five hundred yuan, up to a thousand, but you can't borrow more." The weak social capital network of migrant society hinders the economic development of households and regions.

House and courtyard layout

During our fieldwork, villagers often complained that the design of the houses was not suitable for rural areas. The 56 square meters were divided up into an urban apartment pattern of "two bedrooms, one living room, one kitchen, and one bathroom," which did not fit into the lifestyle of the countryside. More than urban residents, rural families customarily use their living space for social interaction. In an interview, a middle-aged Hui woman exclaimed with wide eyes, "The living room is too small to receive guests. Or should I just let them sit on the bed?" In addition, rural dwellers in northwest China have used outdoor pit toilets for generations, and

most of them do not accept the idea of indoor toilets. Furthermore, people thought that the houses were too close to each other and the courtyards were too small to grow fruit and vegetables (see Figures 1 and 2).

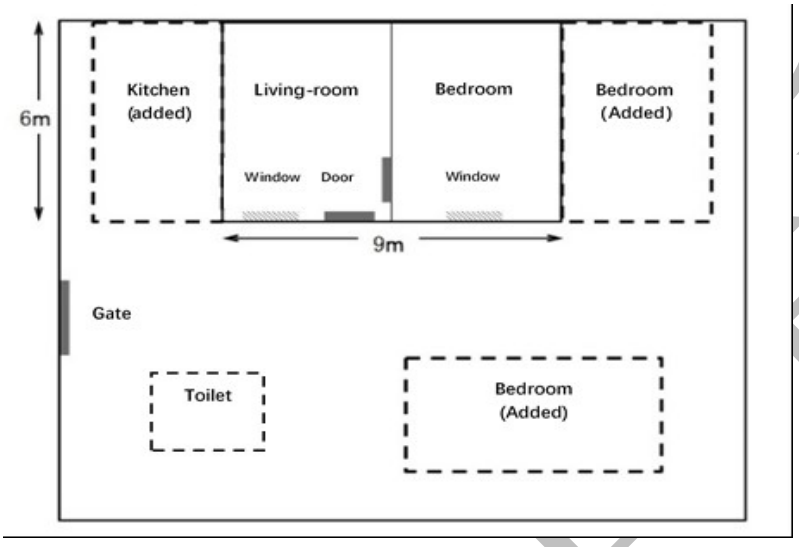

Figure 1. A popular plot plan: House and courtyard

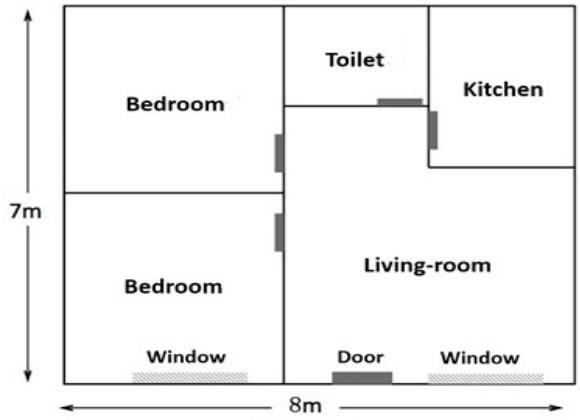

Figure 2. Floor plan of a house in the "One Household with Multiple Generations" project

The housing market

At the end of 2019, according to villagers' estimates there were more than 760 vacant houses (houses unoccupied all year round) in the five villages of Liang Township, while the number of houses constructed in the project was just 185. When people in rural China buy a house in a village, it usually comes with farmland; that is, the farmland and house are sold together. The price of vacant houses in Liang Township was generally between forty and fifty-five thousand yuan and that of the attached farmland was generally about ten thousand yuan per mu. In other words, families in need could choose to buy a vacant house at a price comparable to that of the project houses. The government of the Ningxia Hui Autonomous Region has clearly stipulated that it was strictly prohibited to transfer houses and farmland to immigrants illegally, and such behavior must be "seriously investigated and completely corrected." But the fact was that the transfer of houses from local residents to members of the "self-migrating population" 自流移民 had already existed and the number of "self-migrating" families in Liang Township had already reached 373.[3] Moreover, the village committees acquiesced in these transactions. In rural areas, the ideal choice was to buy a vacant house with attached farmland at an affordable price.

[3] "Self-migrating population" refers to immigrants who migrate their own, outside of official ecological relocation or poverty alleviation relocation projects. They cannot obtain a hukou in the receiving areas, but many of them have privately purchased houses or farmland in their new places of residence without permission from the authorities (Wang and Zhang-Xu, 2017).

Historical legacy

Many migrant households were not eligible to purchase a project house at the preferential price (12,800 yuan) due to the "freezing hukou" policy. Some people believed that the project houses were essentially compensation for their past loss and should be priced according to the standard in the past, which meant that they would only need to pay 12,800 yuan or a little bit more, instead of 40,000 yuan. Others focused on another remaining problem: applying for a residential plot had already cost peasants 5,000 yuan, and that fee had not been returned. These people thought that they were the real owners of these plots and hence they were qualified to apply for a house too. Or else, considering that the money had been used for five years, the fee should be refunded. With these matters still unsettled, who would be willing to pay again?

Trust

High political trust can enhance the legitimacy and performance of government, while low political trust hinders local governance (Lu and Zhang, 2014). Because of an unresolved historical legacy, villagers are mistrustful of local grassroots officials. In Liang Township, although the government showed its good intentions by increasing the housing subsidy for ecological migrants, the fact that policies were inconsistent affected the peasants' expectations, causing them to step back or hesitate to participate in the project. And as noted earlier, a few villagers were skeptical about the real cost of the houses based on what they knew to be the cost

of an owner-built house. These villagers felt that the project houses were too expensive. They speculated that the difference was caused by the misuse of construction funds.

While discourse analysis can reveal differences in interpretation, event analysis can reveal the process of events. It does so by presenting the motivations of each subject and the circumstances of their behaviors. Both methods of analysis are practical, but they still only reveal visible phenomena. In their research on policy-making, Vincent and Elinor Ostrom regard institutional analysis, individual choice, and public choice as interactive variables, and emphasize "methodological individualism," that is, taking the individual, rather than the group, as the object of analysis (Ostrom and Ostrom, 1971). Peasants represent the demand side of public good provision; their demands and expressions are deeply influenced by their habitus, which in turn greatly affects how rural public goods are supplied. When rural governance confronts traditional rural society (peasant habitus), rural governance is made to move toward its own "practical logic" (Bourdieu, 2003 [1980]): good governance without a good ending.

The Collision of Rural Logic and Modern Governance

On the surface, the tortuous unfolding of the housing project in Liang Township might seem to be a trivial matter. Yet, it reveals the inherent habitus underlying peasants' behavior, or what we call "rural logic." The literature on peasants has mainly comprised three theoretical traditions—formalism, substantivism, and Marxist class analysis—each of which conjures up a corresponding classic image: the "rational peasant," the "moral peasant," and the "exploited

peasant." These images, however, are excessively abstract and detached from life in rural China in recent decades. The reality is that peasants today are "multifaceted peasants," that is they are simultaneously subsistence agriculturalists, exploited laborers, and profit-seekers. They are also "socialized peasants," that is they are still small household farmers, but have been draw into or are involved in a highly open socialized system (Huang Zongzhi, 2000; Xu and Deng, 2006). The image of the "multifacted peasant" and the "socialized peasant" are based on peasants' stable identities and behaviors in the specific conditions in rural China. "Rural logic" is seen in peasants' behavior and has a significant impact on how rural public goods are provided as well as how effectively they are provided (Ma and Bai, 2006; Xie and Wu, 2015).

Peasants' Risk Tolerance

Why did the Liang Township government not simply require people to prepay for the resettlement housing? Generally speaking, a market economy operates according to the logic of risk neutrality or risk preference. Transactions in urban real estate in China mostly involve payment in advance, whereby the seller first collects the purchase money from the buyer, then constructs the building, and finally hands it over to the buyer. When the Liang Township project at first tried to use this method, few peasants were willing to fork over a payment in advance. This is because of the strong and longtime habit in rural areas of peasants paying on delivery, assuring them that they can see the actual goods before paying. Generally, peasants are risk-averse, a key component of "peasant rationality" (Zhu Qizhen, 2009). Even though the

buyers in Liang Township agreed to pay for the houses after they were built, they questioned the construction quality. Chen Xinjian and Wei Yuanyuan (2019) also found in their study on the risk preference of poor households in ethnic areas of Guangxi that rural poor families were strongly risk-averse. Peasant's risk management strategies were significantly affected by their perception of risk and appetite for risk. Poor households with a stronger perception of risk and a lower risk aversion were more inclined to apply risk management strategies in advance, which is consistent with the peasants' behavior in delaying the payment for the housing offered by Liang Township and keeping an eye on the quality of construction.

Peasant Pragmatism

As mentioned above, although houses with "two bedrooms, one living room, one kitchen, and one bathroom" are common in cities, they are not popular with rural residents. In Liang Township, houses usually have two big *jian* (or "bays"), each measuring about 4.5 m × 6 m. It is common for families to add one or two more *jian* if needed. While city dwellers think of a *jian* as a bedroom, villagers' notion of *jian* is quite different: a *jian* is the rectangular space defined by four columns used in a wooden framework. A *jian* is similar to a room, but it does not necessarily have walls. In rural areas, peasant houses usually follow this traditional architectural style and when one speaks of the size of a house, one speaks of the number of *jian* rather than the number of rooms. This tradition informed the perception among the peasants in Liang Township that the living room in the new houses was too small for getting together with neighbors. In

addition, people who had lived in arid regions in northwest China for generations considered indoor toilets unacceptable. However, nothing could be done about these complaints because the ordained design plan could not be altered. In China's "project system," planning is assigned to professional agencies, and cannot be altered after the fact. The cadres in Liang Township thus shrugged and said that maybe with a "toilet revolution" 厕所革命 and the new, sufficient water supply, villagers might gradually get used to indoor toilets: "Isn't that the way it is with urban dwellers?"

Thus while the villagers stuck to their own living habits, the cadres had no choice but to (reluctantly) remain tied to the strictures of the project system. To some extent, the "technical governance" of the project system and the autonomy of grassroots organizations have always been dichotomous. Yuan Fangcheng and Chen Zehua (2015: 10) argued that "for townships, there was a negative correlation between the amount of 'projects entering the villages' 项目进村 funds and rural governance performance." Under the current situation, not only have township governments failed to act as agents of public service for rural areas, but they have also neglected their ties with the peasants, thus becoming a seemingly irrelevant level of bureaucratic organization (Zhou Feizhou, 2012: 126). Because of the inability of the project system to effectively deliver information from top to bottom and vice versa, the autonomous decision-making power of grassroots government has been weakened, thus inhibiting the progress of rural governance.

Peasants and Rational Choice

The question of whether peasants were willing to purchase a house in the "one household with multiple generations" project must be understood in the context of a market economy. Before the project was launched, there were four main ways for immigrants to meet their housing needs. The first was to expand the house they already occupied by adding two more *jian*, which cost about fifty thousand yuan. The second was to apply for a residential plot and build a new house with a spacious courtyard, which cost about sixty to seventy thousand yuan. The third was to buy a vacant house in the township, the price of which varied according to the size of the house, the area of the courtyard, and whether there was farmland attached, but in any case was at least forty thousand yuan. The fourth was to buy an apartment in the county seat, which cost 4,000 yuan per square meter, or at least 200,000 yuan. This option appealed to families who wanted to buy a house in town for their newlywed child or for a child to attend school, but only a few well-off families were able to come up with enough money.

In short, families needed to weigh the options and balance many concerns, such as the cost, the size of the courtyard and farmland (if any), the amenities, their children's education, and so on. In an interview, a young woman who had two children and lived with her parents-in-law expressed her hesitation over whether to buy a project house or to buy a vacant house behind her parents-in-law's home. The advantage of the latter was that the young couple could have their own home and at the same time the husband's parents could take care of the children. However, this house was on low-lying land and might be inundated on rainy days, which made the family

hesitate. In a competitive market, peasant choices are based on both survival rationality and economic rationality. Peasants behave rationally by pursuing maximum utility under certain economic constraints. In addition, their decision-making is affected by their cognitive ability and surroundings (Denzau and North, 1994). In fact, the decision to apply for a project house was, as we have noted, one among several possibilities. To look at peasants only through the lens of "waiting, relying, and demanding" would be to overlook their economic rationality and deprecate their initiative in making independent choices.

Peasants' Rights

In the eyes of most cadres, peasants' avoiding or delaying payment, or trying to pay less, is simply dishonest. Cadres interpret peasants' behavior from the angle of commerce, while the peasants justify the "legitimacy" of their behavior from the perspective of rights. In Liang Township, some peasants viewed compensation through a historical lens. They want to buy a project house at the initial offering price of 12,800 yuan, or slightly higher. When these ecological immigrants were relocated, their married children had already formed their own nuclear families and lived independently, but their household registration had not changed, and so the nuclear families were not eligible to purchase a resettlement house at the preferential price. Therefore, they felt that a project house should compensate for their former losses. A second category of peasants was concerned about equal rights. These peasants had previously paid a "residential plot fee" in order to build a new house. However, due to the incompetence of the

officials, they did not receive the approved plots. They insisted that the fee should have been refunded immediately, instead of being held for five years. Otherwise, they should be given ownership of the plots. A third category of peasants was concerned about justice and social welfare. They really could not afford a project house and wanted to give a promissory note to the village committee, which they would pay off when they had earned enough money. But they were unwilling to give up their eligibility and firmly rejected selling the houses to unqualified people, whom they felt should not enjoy any subsidy. They believed that it was the government's duty to assist truly poor families, which reflected a plain view of justice and social welfare. Furthermore, returning to the issue of the cost of the project houses, peasants speculated that the prices were higher than the actual cost of construction and thus felt that they had to bargain. These factors constituted the basis for what peasants considered to be a legitimate "battle of public opinion" and "delaying tactics." The peasants' arguments on the grounds of justice were in line with the findings of research on the protection of peasants' rights in China.

The seeming dishonesty of peasants was thus a kind of "rights protection behavior." The "rights protection" here, however, was based not on "rights consciousness" such as that which exists in civil society, but rather on "rules consciousness" (Perry, 2008; 2009). Elizabeth Perry's interpretation of protests in China as springing from "rules consciousness" rather than "rights consciousness" is insightful inasmuch as the sentiments and principles of China's rural society are similar to legal principles. Human relationships in rural China are interlinked, and the "rights protection" we have seen here is actually more like an attempt to defend the "orthodoxy" of rural

society. In his classic study, T'ung-tsu Ch'ü (2003 [1961]: 376) argued that ever since traditional Chinese law was crystallized by the Confucianists through incorporating "the essentials of Confucianism (*li*) into the law codes" 以礼入法, the law retained its general characteristics for centuries thereafter. This was because China's social structure, in particular the family and class system, was static. For peasants, the law of nature, legal principles, and human relationships form a trinity 天道、法理、人情三位一体. Specifically, peasants interpret legal principles based on what they think is just. This kind of rights defense does not amount to a political attack but a check on grassroots administrative power, which to a certain extent the central government tacitly accepts. As Yang Xuedong (2007: 27) has pointed out, "The government [. . .] is not always able to effectively perform the function of providing public goods. Some officials might also seek personal gain under the project system. Rent-seeking by officials can capture public resources and erode the public interest." On one hand, the peasants' defense coincides with their self-serving and self-protecting behavior. On the other hand, it is also a disguised restraint on official rent-seeking and combines the functions of surveillance by the masses and self-correction in political practice.

Game Theory, or "Weapons of the Weak"

Peasants who were allotted but did not pay for a house in the Liang Township project were driven not only by economic factors but also by the expectation that the township would make further adjustments and compromises. The subsidy was set at 15,000 yuan in April 2018, but was

doubled to 30,000 yuan in August. The question in the minds of the peasants was if they "delayed" further, would there be additional favorable policy adjustments? Since peasants universally expected that the subsidy would be increased yet again, they did not confront the cadres directly, but procrastinated while professing that they intended to comply. In fact, the peasants' strategy was to manipulate the discourse to portray themselves as a weak group that deserved sympathy and support. In order words, they were wielding "weapons of the weak" (Scott, 2007 [1985]). During our fieldwork, we witnessed routine interactions between villagers and cadres. As we followed the cadres on their visits to recalcitrant villagers to dun them for payment, we found that the peasants were neither timid nor obedient in front of the cadres as we had imagined they would be, but rather were relaxed and assertive.

The process of calling on peasants to collect payment was like a drama. At first, the villagers complained about the problems with the houses, such as the layout, location, quality and price, and so on, and then claimed that they still wanted them despite these drawbacks. After all, with subsidies, the houses were worth the price. While complaining, people also praised the party's policy, showing that in their eyes their struggle was not the least bit political. Next, they enumerated the difficulties their families faced and asked for a grace period. Finally, while "crying poverty," they saw the cadres out politely and promised that they would try their best to raise the money.

In this drama, it was as if the peasants were playing the leading role, showing off their acting skills, while the cadres were a cooperative audience. Yet the cadres often knew more than they

let on, and later commented to us, for example, that "This family is really in a difficult situation. It has members who are sick, and their income from part-time jobs is low" or "He's pretending to be poor, but the family is really well-off!" These interactions reflected a fundamental feature of rural society: village cadres (especially the heads of villagers groups 村民小组长) in the acquaintance society have a very good understanding of the real living conditions of the villagers. The drama had three main features. First, criticism as a bargaining technique. At the beginning, the peasants listed the shortcomings of the houses and then expressed their willingness to buy, hopefully at a lower price. Second, peasants' flexibility. The peasants switched between a tough posture and an accommodating one, criticizing the project while also praising the policy, all the while maintaining neither a good nor bad relationship with village cadres, and expressing a positive attitude but not actually paying. Third, village cadres were the main but silent audience. They never expressed too much sympathy for the truly poor, nor did they unmask those they knew to be pretending to be poor. In the village hierarchy, they serve as a grassroots extension of the bureaucracy, knowing the most but speaking the least.

Throughout the game between the peasants and the cadres, "weapons of the weak" and "hidden transcripts" were typical strategies of peasant resistance (Scott, 1990). "The resistance of the weak" was usually accompanied by the use of both "public transcripts" and "hidden transcripts." "Hidden transcripts" refers not only to verbal expressions, but also the backstage discourse of peasants that ran through the whole process (Guo Yuhua, 2002). Discerning village cadres were able to identify the "hidden transcripts" and the "public transcripts" and figure out

the situation: it was impossible to collect all the payments before the houses were handed over. Village committees made concessions to the villagers and allowed the truly poor to delay payment. This workaround enabled the village committees to get most of the house payments, and put pressure on the debtors to pay up in the following year. In short, although the negotiations were tortuous, the results were basically acceptable to both sides.

In short, the peasants exhibited both traditional and modern characteristics in the progress of marketization. On the one hand, they still embodied peasants' traditional characteristics, holding to a plain conception of justice, pragmatism in daily life, and risk aversion. On the other hand, they also had market cognition and game thinking, which enabled them to make economic rationally choices among several housing purchase alternatives, and to use "weapons of the weak" to negotiate and bargain with village cadres. They would be indeed appear "weak" when confronting cadres, trying to use various excuses to hide their rationality in the game. In short, these peasants were clever and their behavior was complex.

Although modern governance-oriented county and township government officials know that peasants' behavior is complex, it is difficult for them to understand and appreciate this complexity. Unlike these officials, village cadres can easily recognize peasants' "low-profile resistance," but find it difficult to convey advice on how to respond to this complexity upward in the bureaucracy. Village cadres were originally at the interface between the state and the grassroots, but they have neither become the "bottom-up" track in "dual-track politics" (Fei Xiaotong, 2006 [1947]: 145–60), nor have they become the ligaments connecting upper-level

government and rural communities in a system of vertical governance. Therefore, when modern governance encounters rural logic, the current rigid governance system obviously is not conducive to an empathetic understanding of and response to rural society.

The Coupling of Grassroots Governance and Public Goods[4]

China's current rural governance system is characterized by an internal/external duality. First, it has the characteristics of local governance, which should be a form that grows out of the soil. Second, it has the characteristics of national governance, which should be confined to modern governance. In the unity of opposites between internal and external forces, the external forces clearly play a dominant role, and thus the modernity of the grassroots governance structure has become increasingly significant. In the process of pursuing modern governance, county and township governments have become more bureaucratic and technical, while village committees have become more administrative, in the process losing the attributes of "semiformal governance" (Huang Zongzhi, 2008). This inherent governance tension aggravates the lack of subjectivity in

[4] "Coupling" 耦合, borrowed from the field of ancient agriculture, refers to the phenomenon in which two or more systems or two forms of motion influence each other or even unite. Here it is used to indicate that rural society and modern governance jointly shape governance in rural China.

rural governance and the disconnect and rupture of the "county-township-village" governance system, thus constraining the supply of rural public goods. Specifically, it has become increasingly difficult for the leaders of rural governments today to understand the logic of peasants in the course of trying to get along with them. In terms of rural public goods supply, there have been practical problems, such as a mismatch between supply and demand, inappropriate decision-making mechanisms, a single mode of supply, and a low level of public participation. These problems have been discussed at length in the literature, but the discussion has been superficial. We argue that the governance factor is a fundamental but easily overlooked cause of the poor performance of public goods provision. In the final analysis, governance is insufficiently embedded in local society, and there is an inherent tension between the current rural governance structure and small peasant society.

Rural Governance and Modernization

All governance is essentially local governance. Locality and community are intrinsic to local governance. In the context of governance, the concept of "local" includes comprehensive weighing and thinking about such factors as population, levels of administration, historical traditions, psychology, social organizations, and infrastructure (Sun Baiying, 2004:29). However, there is inherent tension between modernity, or a system of universal governance, and local governance grounded in rural society. County-level departments that are the financial suppliers and standard-setters of public goods sometimes do not start with the real needs of peasants in

public project planning, but instead with an urbanization-oriented mindset and overattention to the proceduralization of the project system.

Looking back on the housing project in Liang Township, it is clear that it was not discussed democratically, nor had the public's opinions been fully heard. The project house designed as if were an urban apartment did not fit the habits and preferences of the local peasants. Their discontent over indoor toilets and the layout of the houses was very obvious. Indoor toilets were costly but, from the peasants' perspective, useless. They needed to be furnished and waterproofed, which increased the cost by several thousand yuan. Most families, however, had no wish to use them, and in fact most of the toilets were unused. Another controversy involved the layout of the houses. "Two bedrooms and one living room" was not the first choice of local residents. They preferred a whole *jian* without partitions. In their view, a good house should have at least two big *jian* and a big enough courtyard to add a toilet, a kitchen, or one or two wing rooms when they had enough money. The dominant position of peasants' decision-making has been "marginalized," and the priorities on their list of demands are not the same as the priorities of government supply. When village cadres solicit the opinions of the masses, it is often the case that in fact they ask for the opinions of relatively prestigious villagers or villagers who have connections with the cadres. Thus, Sun Hao and Zhu Yifang (2012) argue that, "Even if there is an expression of peasants' demands, it is restricted by elitism and non-institutionalization." In short, in the event, the county government provided public goods with good intentions, but it had not fully considered the rural residents' living habits, nor had it really valued their wishes. As a

result, from the very beginning the housing project diverged from the actual needs of the people, which inevitably led to a poor allocation of resources.

Moreover, by the time the mismatch between supply and demand was obvious, the project had already begun and could no longer be adjusted. Although peasants had repeatedly complained that "the houses are too small for a big family," the reality was that in many instances there were not many people living at home because some family members work and live outside all year round. For this kind of family, the houses were not that cramped, since the housing was allocated based on the number of individuals listed in the household register 户口簿 while the householders' real living situation depended on the number of members actually at home. For the above reasons, quite a few households applied for a project house but were unwilling to pay, not necessarily because they did not have the money but because they represented a "false demand," meaning that they did not really have an urgent need for housing. Village cadres were aware of these facts. They advised the township government to clarify the eligibility requirements for buying a house and to be more flexible in deciding who would be allowed to buy, but there was no response. Village cadres understood the logic of the local peasants and their needs, but there was no channel for passing this knowledge up the chain of command and persuading their superiors.

The logic of rural society is incompatible with China's system of formal governance and thus cannot be used as a basis for policy-making. In the modernization of national governance, county and township governments have increasing relied on e-government systems, becoming

more bureaucratic and technical in the process. Village communities, however, have not been able to keep pace. In fact, the gap between higher-level governments and village communities has been expanding. Most of the village cadres in the northwest provinces are not computer-savvy. In order to fulfill the requirements of the administrative departments for electronic office work, nearly every village has hired at least one or two "information clerks" 信息员. These information clerks handle electronic work, such as filling out electronic forms and compiling electronic documents. They are paid by village committees or even by the cadres themselves. If qualified information clerks cannot be found, some villages turn the work over to print shops in town. As a cadre put it, "The township's print shops are booming."

With the popularity of smartphones and the mobile internet, the "WeChat work method" 微信工作法 has become an indispensable facet of administration. Whenever the officials of the township departments had jobs to assign or needed any documents from village committees, they just announced it to the WeChat group. Village cadres were unhappy with this working style. A Bai Village cadre complained that "they only care about the paperwork and order you to hand it in on time, regardless of whether it can be done and the difficulties you have. If we can't finish, they're unhappy and never listen to our explanations." Some township officials seldom went to the villages in person and were unfamiliar with the village community. As time went on, they knew less and less about the conditions of agricultural production and the livelihood of the villagers, not to mention understanding and trying to think from the perspective of peasants.

Thus, the connection between the township and village communities—not only in terms of administration but also of social attributes—has been loosened.

Township Government: Disembedding from Rural Society

In the Mao era the relationship between cadres and masses was very close—so close that cadres were said to "eat, live and work together with the masses." According to that ethos, township government should be closely connected with the village community, but in recent years it has been gradually "disembedding" (Polanyi, 2001 [1944]) from rural society, especially at the level of social life. Thus rural governance today has become rootless. Township government, as the lowest level in the bureaucracy, faces the formal modern government above and traditional grassroots society below. Correspondingly, looking upward, it must obey the county's leaders, and downward it must "lead" and guide the village-level organizations. Since 1949, the institution of the town-village has not undergone a major change, but there have been different working styles in different periods. At present, two significant facts regarding townships are emerging in China: widespread weak township leadership and "absentee leaders."

Weak Township Leadership

Since the rural tax reform in 2003, rural China has stepped into a post-agricultural tax era. At the same time, township government has become the workhorse of county government. This is the most basic feature of the county-township relationship. Administrative power has been overly

concentrated in top-down vertical departments, with the result that the autonomy and integrity of township government has been severely weakened (Duan Xuzhu, 2010). In the housing project in Liang Township, the township reported to the county leaders that there was a shortage of housing for immigrants and asked the county departments to develop a housing project. In response the county government initiated a project, but after it was implemented, the township government became a sandwiched layer. The project was designed by a formal, certified company and constructed by a contractor. The township government and the villages played almost no role in supervision. In fact, villages and the township were very passive throughout the entire project. To a certain extent, the township was aware of some defects in the housing project and growing dissatisfaction among the villagers. But it did not deal with these problems competently. In contrast, in a positive administrative system, the township as the main executor of the policy should uncover and solve problems promptly, and improve its policy in practice. But nowadays, under the macro-background of "project governance," township governments have to follow the established routine of the project system and temper their enthusiasm and initiative to a certain extent. As a result, township governments, lacking will and power, have to an appreciable extent withdrawn from rural life and village affairs.

Fang Yan and Xu Yiyan hosted a "Ninth Five-Year Plan" research project, and issued a report in the name of the Research Group on China's Township Administration, in which they summarized the history and current problems of China's township institution (Research Group, 1998). Many of the problems they pointed out still exist, or have even worsened. The report

concluded that “the township is nominally the substantive bureaucratic organization in charge of China’s villages, but in fact it is just a shell. At present, the structure and capacity of township government is poor and the administrative capacity of townships is inherently insufficient. This is extremely disproportionate to the role of the township as the lowest level of administration. This is a very important issue that needs to be studied seriously and resolved urgently in the process of reforming the administrative system.” Generally speaking, under the project system, the “vertical bureaucratic departments” intersect with the “horizontal bureaucratic organization,” with the former being constantly strengthened and the latter being weakened. When it comes to the last administrative level, the township government suffers from disadvantages much more than any other horizontal organization. In such a complicated power and resource distribution system, the township government’s autonomous management is constantly being weakening, leaving it almost a nominal organization.

The Emergence of Absentee Leaders

Scholars have used the term “absentee landlord” in discussing the land system, rural economic decline, and the landlord-tenant relationships in Republican China. The emergence of the absentee landlord was connected with changes in the rural political ecology, economic structure, and cultural traditions. The *Cihai* encyclopedic dictionary (1961 edition) notes that landlords generally lived in the city, were detached from agricultural production, and lived on land rent. Some relatively large landlords had domestic servants who ran their rural businesses and

collected rent on the landlord's behalf. Big landlords could thus engage in business or politics in the city. Although they had moved to city, they still maintained close financial and political ties with the countryside. Some scholars have concluded that the emergence of the "absentee landlord class" was a result of changes in the economic structure, social environment, and traditional customs (An Bao, 2013). Understanding the nature of the absentee landlord has been seen as indispensable to understanding social transformation in rural China's society.

In recent decades, a large number of rural leading officials have become analogous to the big absentee landlords of the past. These "absentee leaders," as we call them, generally live in urban areas; are detached from agricultural production; live on a fixed salary (plus some subsidies); commute to work, daily making the trip from their urban residences to their workplaces in the countryside and back; and seldom go down to the villages, but instead work at their desk using the "WeChat work method."

In the past, officials' place of work and place of residence coincided: township officials lived in town, village cadres lived in the village, and the heads of villager groups lived in the natural village. Nowadays, with the attraction of the city and the improvement of transportation, almost all township officials and village elites return to the city after work, like homing pigeons. Many township officials share the dream of being transferred to urban jobs. The philosophy of development they embrace is generally that of modernization and urbanization. In the process of rural modernization, it is the township staff who first realized what Alex Inkeles (1983) called "individual modernity" and sought promotion to a job in the city. As they break away from

agriculture and rural life, their "local knowledge" (Geertz, 2016 [1993]) of rural society becomes increasing weak. Undermining local governance, rural leaders are "disembedding" from the rural community.

The Transformation of Villager Committees

With a view to ensuring self-government by villagers and developing democracy at the grassroots level in the countryside, the Organic Law of the Villagers Committees of the People's Republic of China was enacted in 1987. According to Article 2, the villagers committee is the primary mass organization of self-government in which the villagers manage their own affairs, educate themselves, and serve their own needs. Peng Zhen, chairman of the Sixth Standing Committee of the National People's Congress, was an important promoter and practitioner of grassroots democracy. He clearly pointed out the essence of the village committee: "The village committee is a grassroots mass organization of self-government, not the 'legs' of the government. The relationship between the township government and the village committee/rural community is one of guiding but not leading" (Peng Zhen, 1990 [1982]). Contrary to this relatively idealistic statement, the village committee has become in practice a quasi-government subject to authorities higher up on the bureaucratic ladder, and especially in recent years, has actually become the "legs" of the township government.

In the Xi Jinping era, the Chinese government launched a large-scale poverty alleviation and rural revitalization strategy. Under strong political pressure and in a task-oriented

atmosphere, the overloaded county and township governments have had to assign a great deal of work to the villages. The village cadres frequently grumble about "too many tasks and endless work" and some of them claim they want to resign, but these claims do not reflect what they really think. Although they are "cadres," their political identity is still "peasants." Their true intention is to rid themselves of the awkward identity as a "peasant" and to be incorporated into the civil service system. Some areas are already running trials of this kind, providing an opportunity for village cadres to become civil servants through recommendation or examination. The result is an ever-greater subordination of the village committee to the administrative bureaucracy.

Peng Zhen once said, "We should communicate with the masses and let them act voluntarily, instead of forcing them. This is a matter of life or death for the party. The masses will accept what is reasonable and reject what is unreasonable" (cited in Bai Yuhua, 1995: 300–301). At the moment, the village has neither the institutional mechanisms nor a sound discourse to justify rejecting what they consider unreasonable. In the Liang Township housing project, when the peasants delayed payment, the township leaders blamed the village cadres for not having done their work well and made them feel wronged. For example, from the very beginning the project was a moving target due to the confusion over "false demand" and "real demand." The village cadres recognized these institutional flaws and the subsequent problems, but their advice, though useful, could not be effectively conveyed to the township government.

To reiterate, the villagers did not accept the layout of the project houses and preferred to build houses on their own. But why were the preferences of the villagers not taken into account and respected? The answer is simple: peasants and village cadres are irrelevant in rural governance. Peasants cannot effectively express their demands and gain respect through modern discourse, and village cadres, as the spokespeople of the peasants, play a very limited role in the administrative system. Only when the peasants "voted with their feet" and refused to pay was the advice of village cadres heeded, and then only to a limited extent.

China's constitution of 1982 legally endowed grassroots organizations with the legal status of self-governing communities. The core of grassroots democracy is the village committee election. Although village democratic elections have failed to substantially advance democracy, the essence of popular self-government is valuable and should be maintained. The party's mass line and the people's claim to power are core components of good governance. At present, however, the village committee and the village party branch are the legs of higher-level government. The danger is that the bureaucratization of the village committee and its subordination to higher-level government may render the village committee a mere formality, lacking substance and doing no more than dealing with cumbersome paperwork but not real work (Dong Leiming, 2006). Although there is the promotion and framework of "one matter, one discussion" 一事一议 in public affairs, similar to consultative democracy, villagers are basically passive voices rather than active participants. Clearly, participatory democracy in China's villages is in decline. Whether the upper levels of the bureaucracy will be able to

completely absorb and take over the provision of public services remains to be seen (Huang Zongzhi, 2008).

Recent archival research has demonstrated that local administrative practice in late Qing and Republican China drew widely on semiformal governance through the use of quasi-officials selected by communities. Semiformal governance, or "centralized minimalism," of this sort can be to some extent an alternative to the "bureaucratization," "rationalization," and "modernization" of modern governance (Huang Zongzhi, 2008). However, rural governance is stuck in the fast lane of the modernization of state governance. The evolution of rural governance has the following features: governance costs have turned from low to high, the "third realm" has almost disappeared, and the villagers' ability to exercise management has been weakened. Rural governance has undergone a great transformation from semiformal to formal. In particular, village-level management, as the interface between the state and society, is becoming increasingly administrativized and institutionalized.

In order to improve rural public services, for years the Chinese government has been increasing financial transfers to rural areas. Looking back at the housing story of ecological immigrants in Liang Township, we see that the government acted in good faith and provided support, but the housing project was trapped in a deadlock from which it could not escape. The housing project exposed many problems in rural governance as well as the institutional predicament of rural public goods supply: effective public goods supply requires effective rural governance, which in turn calls for responding to the tension between modern governance and

traditional society. Montesquieu (2005 [1784]: 9–14) believed that political institutions ought to reflect the social and geographic aspects of each community. In *The Spirit of the Laws* he declared: “I have not separated the political from the civil institutions, as I do not pretend to treat of laws, but of their spirit.” Laws, at the most basic level, are the necessary relations arising from the nature of things. In Montesquieu’s eyes, “laws should be in relation to the climate of each country, to the quality of its soil, to its situation and extent, to the principal occupation of the natives, [. . .] in all of which different lights they ought to be considered.”

Following Montesquieu, we do not treat of governance but of its spirit, which should be integrated with the nature and principle of local governance. Local governance has possible relations and consequently possible laws deriving from all kinds of localized things, such as the physical-geographic environment, humanity and society, and so on. Only this type of rural governance with the spirit of local governance is suitable to rural society. In order to explore a path forward, it is necessary to make two great breakthroughs. One is balancing and coordinating modern governance and local governance. The other is advancing rural governance embedded in local society. Constructing a system that balances modern governance, local governance, and participatory governance should be the long-term future direction for China.

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