The Characteristics of Rural Change in the Inner Urban Fringe of Beijing City, China: A Case Study of Rutang Village

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Abstract: This paper aims to illustrate the changes in a rural area called Rutang Village in the inner urban fringe of Beijing City. The landscape surrounding Rutang Village and its land use pattern appear very rural. However, in spite of this appearance most of the labor force in Rutang Village is engaged in industrial activities. In short, agriculture-oriented society is shifting to industry-oriented in the area. To other words, Rutang Village is going through a transitional period from a purely rural village to an industrial workers' village. The emergence of the transition is due to the development of township and village enterprises, and the advantage of the closeness to Beijing City. Its functions related to agricultural production are strengthened by the administrative orders imposed by the Government of Beijing City, for Rutang Village provides mainly grain production. A collective farm management system is adopted in order to fulfill production quotas. At the same time, outside labor force are hired to maintain agricultural production level. Rutang Village has formed an original agricultural production model. In the survey of Rutang Village, it became apparent that changes of land use, social and organizational structure and economic activity are due to changes of state policies which contribute to a liberal circumstance for peasants in the inner fringe of Beijing City after the reform and opening. Meanwhile, it has also become apparent that there are influences from external factors such as industrialization and urbanization interacting with internal factors such as agro-technical advance and changes in peasants' life styles.

Key words: inner urban fringe, rural area, reform and opening policy, Beijing City, township and village enterprises, outside labor force

Introduction

The countryside around large cities plays the role of supplying agricultural products, land and labor. Land use and landscape of the countryside vary according to the levels of this role (Ilbery 1985). The essential factors and functions of urban and employment opportunity decrease from the inner urban fringe, the outer urban fringe, urban shadow to rural hinterland (Bryant et al. 1985; Yamamoto 1991; Bryant and Johnston 1992). Due to the closeness to cities, the urbanization of land use and farm characteristics in the inner urban fringe speeds up with the development of the cities (Bryant 1981; Bryant et al. 1985). On the other hand, even though there are developments of housing, recreational facilities and raising of commuter settlements in the outer urban fringe and urban shadow, people are still engaged in agricultural production in these areas. These countryside characteristics are also prominent in the landscape and land use (Ilbery 1985; Yamamoto and Tabayashi 1987). Recently, geographical studies on the surrounding areas of the city have discussed the changes caused by city development, natural environment and socioeconomic, historical and cultural environment of the cities (Munton 1974; Bryant et al. 1985; Kikuchi and Moran 1990; Bryant and Johnston 1992; Marsden et al. 1996; Kikuchi et al. 1997). However, these studies fail to explain such issues as the relations between the above-mentioned sectors in the changes of the city's surrounding areas and analysis in terms of temporal and spatial characteristics and landscape of countryside.

Researchers such as Von Thünen and Sinclair, and most of the researchers on the
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Countryside around large cities initially focused on the relations between cities and countryside, and these have become a study subject of agricultural geography. Nevertheless, the author considers that many such researchers have put emphasis on developed countries as study objects, and have analyzed mainly agriculture and its production, land use, part-time farmers and change of life style. They have not paid sufficient attention to the area difference, phases of change and structure of the countryside around large cities. For example, researchers have focused on the analysis of changes along with city development such as the increasing demand for land, more job opportunities outside agriculture and expanding market consumption of agricultural products (Sinclair 1967; Gregor 1970; Munton 1974; Sit 1979; Bowler 1984; Grigg 1985). It goes without saying that there have been great changes in the urban fringes of metropolitan areas in developed countries since the Second World War. However, there are some differences in the changes in the large cities' countryside of China from what we have seen in other countries. The differences of agricultural production, land use, part-time farming and life style of peasants are important topics in urban fringe between developed and developing countries. The author assumes that there have been great changes occurring in large cities of China since the reform and opening to the outside world. This paper explores these changes.

China has made tremendous changes since 1978. Researchers have made intensive efforts to examine these changes, and studies have emerged relating to the development of agriculture and rural economy of China in recent years. Leeming (1985) has described regional differences of various kinds of crops, while Furusawa (1993) surveyed rural structural changes from the viewpoint of regional economics. Oshima (1988) centered on development of the rural economy from the viewpoint of regional studies, and Tajima (1996) examined the changes of management styles on agriculture from the standpoint of agricultural construct. On the other hand, many studies examined the development of township and village enterprises which is regarded as the main power behind the rural development of China in recent years. Chen (1989) analyzed various types of development of township and village enterprises. Uno and Zhu (1991) defined spontaneous force for township and village enterprises within a region. Hayashi (1993) referred to township and village enterprises and rural development from social and economic point of view, and Ishida (1996) clarified the relationship of rural industrialization and rural change. In addition, Ueno (1989), Ueno and He (1993) and Ji (1989) made clear the relationship between township and village enterprises in the suburbs of big cities. Despite a number of current studies related to township and village enterprises in the suburbs of big cities, few studies focus on the whole figure of such suburbs. Komagata (1993) studied the new trend of rural economic development in the suburb of Tianjin, and Oshima (1989) explained the formation of vegetable production base in the suburb of Hefei City of Anhui Province. Bao (1991) delineated the factors of social changes in suburbs of several big cities of China, and Cui and Wu (1990) also studied characteristics of changes in the suburb of Nanjing City.

However, most of the studies mentioned above are conducted from the viewpoint of agricultural economics or sociology. Meanwhile, these studies mainly focus on the external impact of changes in state policies but fail to display internal factor analysis related to the external impact. Furthermore, the studies (including field studies) have some limitations. First, most of the field studies targeted the towns on an over-generalized level. Second, many field studies were conducted by local officers (town or village level) and translators (for foreigners). It is a shortcoming in conducting field studies that researchers could not talk directly to peasants. Third, it can not be denied that the statistics they used were too old to apply to the actual current situation. We can approach the real situation by using "historical perspective" and "micro perspective" through agricultural geography and economic geography. Along with the social-economic changes, an understanding of rural and agricultural impacts of the policy is extremely important, particularly under on-going reform and
opening to the outside world in China. As one step of the study, the author considers that intensive rural survey is necessary.

In this paper, the author takes up the urban fringe of Beijing City, the second largest city in China, as the target area to analyze the real situation and factors of changes after the reform and opening policy. This study aims to discuss the changes, and analyzes the phases of change and related sectors of the change in terms of time and space. Beijing is located in the northern part of North China Plain, where mountains back its west, north and northeast, and its central and southeast parts are plains. Municipal Beijing is composed of 10 districts and 8 counties (Figure 1). Besides the city proper, most parts are rural areas. Organizations at the grass-roots level are乡镇们 and villages (former people’s communes and production brigades).

Some Aspects of Changes in the Urban Fringe of Beijing City after the Reform and Opening Policy

The development of township and village enterprises

A great achievement has been made in the development of township and village enterprises in Beijing City since the implementation of reform and opening policy. There were only small-sized enterprises run by communes and production brigades in the suburban rural areas of Beijing City before 1980. Their purpose was to provide service to agricultural production. However, in the 1980’s, the government of Beijing City carried out a series of reforms to promote the development of township and village enterprises. A lot of preferential policies such as tax abatement and simplification of application procedures were given to township and village enterprises. A variety of township and village enterprises were established under the theoretical guidance of tenet, “the society can not be stable without agriculture, can not be rich without industry and can not be vigorous without commerce”. Meanwhile, township and village enterprises in Beijing City also developed in production technology and business management because the state enterprises shifted from the city proper to the outskirts, which also contributed to the development of such enterprises.

In terms of the numbers of township and village enterprises and the gross incomes, an economic difference remained between counties such as Changping County, Tong County and Shunyi County which are just adjacent city proper of Beijing City and counties such as Huairou County, Miyun County, Yanqing County and Pinggu County which are further away from city proper. For instance, the number of township and village enterprises and the gross incomes of Changping County, Tong County and Shunyi County made up 33.5% and 45% respectively of the totals of Beijing City in 1995. And Changping County, Tong County and Shunyi County were the most developed areas of the township and village enterprises in
Beijing City. In contrast, the number of township and village enterprises and the gross incomes of Huairou County, Miyun County, Yanqing County and Pinggu County which are a bit further away from city proper of Beijing City made up only 11.2% and 9.1% respectively of the totals of Beijing City in 1995. The suburban rural areas such as Chaoyang, Fengtai and Haidian which are close to city proper of Beijing, used to be the most developed areas for township and village enterprises. But in recent years, the development of township and village enterprises in these areas has been retarded due to land occupation in the process of urbanization. In contrast, those areas close to suburban rural areas like Changping County, Shunyi County and Tong County have become developing areas for township and village enterprises. The spatial shift of the development of township and village enterprises has led to a concentric distribution of township and village enterprises in Beijing City (Figure 2).

Changes of rural labor force

There has been considerable change in the composition of the rural labor force in Beijing City since the implementation of polices of reform and opening. The result has been a remarkably decreasing rural labor force in agricultural production and increasing rural labor force from outside in this region. The total number of rural households is 1,248,754 and the total rural population is 3,759,965, while the rural labor force is 1,715,990. Concerning the distribution of the rural labor force, there were 688,112 people who engaged in agriculture, accounting for 40.1% of the total rural labor force, a decrease of 35% in comparison with 1978. The number of people engaged in agriculture has decreased as mechanization of agricultural production and an increase of employment outside agriculture were encouraged. There were 614,324 people who engaged in manufacturing, accounting for 35.8% of the total rural labor force, an increase of 20.3% in comparison with 1978. The development of rural industries has absorbed considerable numbers of rural laborers and made a great contribution to the development of the rural economy. There are 413,554 people who engaged in commerce and services, accounting for 24.1% of the total rural labor force, an increase of 14.0% from 1978 (Figure 3).

People in rural areas were restricted from moving due to the household registration system before the implementation of the policy of reform and opening in China. After the reforms and opening policy, however, many rural laborers from outside Beijing City have come into the suburban rural areas of Beijing City for jobs because the household registration system has been liberalized to some extent. The numbers of outside laborers totals about 3,500,000, employed in manufacture, service and agriculture both in the urban area and rural areas of Beijing City. Figure 4 shows the area where such outside laborers are located. Generally speaking, most of these people find employment in the urban area and the suburban rural areas which are close to the city proper where there are more employment opportunities.

Some types of rural area in Beijing City

Dismissal of people's commune system in
Beijing City was delayed because its agricultural production was relatively developed, especially in the urban fringe. Rural officers thought the collective economy (scale economy) was a style better suited to these local conditions, and the municipal government also paid more attention to the collective economy. Moreover, most of the villages adopted collective economy management in Beijing City (about 83 percent) in 1995. Few villages adopted the agricultural production responsibility system. But there has been a tendency for the agricultural production responsibility system to turn to collective economy in recent years.

Since the reform and opening policy, the rural region of the urban fringe of Beijing City has seen great change, and transformed from traditional agricultural production to rural industry and modern agricultural production. The development of township and village, changes in the rural labor force, natural conditions and policies affecting the rural area of Beijing City can be divided into three types: A type (developing in rural industry and agricultural production), B type (developing in agricultural production and fallen behind in rural industry) and C type (fallen behind in rural industry and agricultural production). A type is located mostly in low lands close to the city proper. B type is located in low land far from the city proper, while C type is located mostly in mountain and hilly areas.

In order to carry out a more detailed analysis, the author surveyed the region from 1996. the Rutang Village, as an A type, in the inner urban fringe of Beijing City, was selected as the study area. Rutang Village is located in the southeastern part of Changping County and is 25 km away from Beijing City’s center (Tian’anmen Square). It is typical of type A Rutang Village to apply collective economy to agricultural production and rural organization, and the village has features universal in many other parts of rural areas of the urban fringe of Beijing City. Rutang Village is a grain producing area, where rural industries have developed a great deal. As an example of villages which have adopted the collective economy system, it is likely to be compared with villages where agricultural production responsibility will be carried on in the future. Therefore, it seems fair to say that
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Table 1. Changes of agriculture in Rutang Village

<table>
<thead>
<tr>
<th>Stage</th>
<th>Year</th>
<th>Cultivated land (hectares)</th>
<th>Sown area (hectares)</th>
<th>Orchards (hectares)</th>
<th>Production of grains (ten thousand kilogram)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total areas</td>
<td>Grains</td>
<td>Vegetables</td>
<td>Others</td>
</tr>
<tr>
<td>The Pre-stage of</td>
<td>1974</td>
<td>433</td>
<td>420</td>
<td>5.3</td>
<td>8</td>
</tr>
<tr>
<td>Reform and Opening Policy</td>
<td>1978</td>
<td>353</td>
<td>340</td>
<td>5.3</td>
<td>8</td>
</tr>
<tr>
<td>The First Stage</td>
<td>1979</td>
<td>353</td>
<td>341</td>
<td>5.3</td>
<td>6.7</td>
</tr>
<tr>
<td></td>
<td>1980</td>
<td>353</td>
<td>341</td>
<td>5.3</td>
<td>6.7</td>
</tr>
<tr>
<td></td>
<td>1981</td>
<td>353</td>
<td>341</td>
<td>5.3</td>
<td>6.7</td>
</tr>
<tr>
<td></td>
<td>1982</td>
<td>353</td>
<td>343</td>
<td>3.3</td>
<td>6.7</td>
</tr>
<tr>
<td></td>
<td>1983</td>
<td>353</td>
<td>344</td>
<td>3.3</td>
<td>6</td>
</tr>
<tr>
<td>The Second Stage</td>
<td>1984</td>
<td>287</td>
<td>281</td>
<td>3.3</td>
<td>2.7</td>
</tr>
<tr>
<td></td>
<td>1985</td>
<td>287</td>
<td>283</td>
<td>2.7</td>
<td>0.7</td>
</tr>
<tr>
<td></td>
<td>1986</td>
<td>287</td>
<td>283</td>
<td>2.7</td>
<td>0.7</td>
</tr>
<tr>
<td></td>
<td>1987</td>
<td>287</td>
<td>283</td>
<td>2.7</td>
<td>0.7</td>
</tr>
<tr>
<td></td>
<td>1988</td>
<td>287</td>
<td>283</td>
<td>2.7</td>
<td>0.7</td>
</tr>
<tr>
<td></td>
<td>1989</td>
<td>287</td>
<td>283</td>
<td>2.7</td>
<td>0.7</td>
</tr>
<tr>
<td>The Third Stage</td>
<td>1990</td>
<td>287</td>
<td>286</td>
<td>0</td>
<td>0.7</td>
</tr>
<tr>
<td></td>
<td>1991</td>
<td>287</td>
<td>286</td>
<td>0</td>
<td>0.7</td>
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<td></td>
<td>1992</td>
<td>287</td>
<td>286</td>
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<td></td>
<td>1993</td>
<td>287</td>
<td>286</td>
<td>0</td>
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<tr>
<td></td>
<td>1994</td>
<td>287</td>
<td>286</td>
<td>0</td>
<td>0.7</td>
</tr>
<tr>
<td></td>
<td>1995</td>
<td>287</td>
<td>286</td>
<td>0</td>
<td>0.7</td>
</tr>
</tbody>
</table>

Source: Field survey.

Rutang Village is a suitable sample to study and examine the changing directions of the inner urban fringe of Beijing City. Through survey and analysis of this village, the author aims to acquire a clear picture of the various changes characteristic of the inner urban fringe, and further for the whole urban fringe of Beijing City.

The Process of Rural Changes in Rutang Village

Table 1 shows the target indexes of agricultural production in Rutang Village. According to this table, at the pre-stage of reform and opening policy, Rutang Village had a total land area of 433 hectares. 130 hectares of the land had been put under its neighbor villages respectively in 1978 when the reform was carried out, and in 1984 when the people's communes were abated. Furthermore, 13 hectares of the land was reduced because of road construction and establishment of township and village enterprises in the village. A little piece of land was used to grow vegetables a few years ago, but not nowadays. In 1995, Rutang Village had a total of 287 hectares of arable land area, 286 hectares of which was crop land (97% of the arable land) and the rest of the land was for fruit trees. In 1974, there was only 13 hectares of land which could grow two crops a year. But in 1978, the land area which could grow two crops a year increased to 127 hectares. Since 1980, all of the land of the village has come to be cultivated with two crops a year. Therefore, the productivity of the land has improved significantly. Because natural conditions are suitable for crop production in Rutang Village, the village has been designated by the government as a grain production base since the people's communes period.

In order to analyze the process of change in Rutang Village, the author went to field and hearing surveys from 1996 to 1998. Figure 5
Figure 5. Changes of organizations and development of rural industry in Rutang village.

- relation of order and obey - indirect relation.

Data source: Field and hearing surveys.
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shows the changes in rural organization and development of rural industry. This figure indicates that the process of change in Rutang Village was divided into three stages from the reform and opening policy. First was the stage at the beginning of the reform and opening period from 1979 to 1983; The second stage, a transition period, is from 1984 to 1989, and the Third stage is the development period from 1990 up to the present. The changes in Rutang Village at these different stages are closely related to the development of the township and village enterprises.

The First stage (1979～1983)

Agriculture production responsibility system has been adopted in the rural areas all over China since the implemented policy of reforms and opening. Rutang Village still goes on with collective management farming system, however, this is rather different from the one in operation prior to reform and opening. In the First stage, rural organizational structure did not turn from this pre-stage pattern. However, the production brigade was responsible for managing the township and village enterprises at that time. Peasants planted mainly wheat and corn, orchards and only few vegetables. Few farm machines were used, and labor intensity was considerable. A few peasants began to work at township and village enterprises of the villages.

In this stage, the Garment Processing Factory and the Printing Factory were established. Garment Processing Factory enrolled 30 women tailing experts from the village. Each of them brought her own sewing machine to the workplace at the beginning. Because they were paid on their work performance marks (gong fen), the women could not get paid in cash till the end of a year. After two years, the employees in the Garment Processing Factory had increased to more than a hundred people, including some male staff. In the early 1980's, peasants' income was distributed evenly by the village heads without considering the employment in either agriculture or industry.

The Second stage (1984～1989)

The people's commune was dismissed in Rutang village in 1984. Also, rural organization of the village changed from the production brigade to a committee of village people. This committee was responsible for organizing management related to all agricultural and industrial activities of the village and to pay governmental taxes. Agricultural production was carried on by Rutang farm. There was a farm in Rutang Village which consisted of four branch farms. A branch farm consisted of two former production teams who looked after 67 hectares of arable land. The board of the farm consisted of a general manager, a manager, an accountant and a storekeeper. The general managers were assigned by the committee of village people of Rutang Village and the manager of the four branch farms assigned by the general manager. The committee of village people was responsible for production plans, and the standard to apply fertilizers, and to provide irrigation facilities and agricultural machines. The Farm was responsible for purchasing fertilizers, pesticides and seeds. All the agricultural products were delivered to the state government. If the production target was met, all the grain production could be sold to the state government at a negotiated price after the deduction of grain rations for the village people.

From the year 1984 to the year 1989 is regarded as development stage of the township and village enterprises in Rutang Village. In this stage, the Cardboard Box Processing Factory and the another Garment Processing Factory were established. Before 1986, a number of employees enrolled in the township and village enterprises were evenly allocated to each former production team. Each production team recommended candidates to the township and village enterprises. As the Cardboard Box Processing Factory was built up, the demand for labor force increased. As long as the village people applied for a job, they could get employed in the township and village enterprises. Labor was recruited from among those who worked in agriculture to those who worked in the factory according to the development of township and village enterprises in the village. Rutang farm began to hire outside labor in order to replenish the labor force for agricultural production. Even township and village enterprises of the village began to hire
outside labor force, because production of township and village enterprises expanded continuously from 1988.

In the late 1980's, the income distribution system was reformed because of a decrease in the labor force engaged in agriculture and an increase engaged in the township and village enterprises. The "eat in the cafeteria the same as everyone else" (Lunch of Big Pot) system for income distribution was abolished though the "collective economy" system was still in use. A new income distribution system was introduced to make each laborer perform his/her best in work, through which the income was distributed to each laborer according to work performance (distribution according to work). In the new income distribution system, without considering work division between agriculture and industry, each laborer was paid the basic salary monthly, and the laborers could get bonus, as the farm and the township and village enterprises were profitable by the end of a year. The life style of peasants in this village began to be transformed from rural living into urban living.

**The Third stage (after 1990)**

After 1990, the Integrated Company of Agriculture, Industry and Commerce was established by the committee of village people, and the farm and the township and village enterprises were integrated. The integration was convenient for management and for staff to shift. Since then the management and efficiencies of agriculture and industry have been improved greatly. Agricultural production is managed by the farm which belongs to the integrated company. Figure 6 shows the current status of land use in Rutang Village. We can see from figure 6 that all the arable land is put in good order. This was done in response to a decrease in agricultural labor force and an introduction of large-sized agricultural machinery. In this way, not only was agriculture modernized but also agricultural productivity was improved. All of labor force in agriculture are from outside except for five directors of farm and branch farm, two keepers and one accountant. Output of grain is greatly rising along with the input of many chemical fertilizers, and introduction of improved strains of grain that are supplied by the seed station of the county in grain production.

In 1990's, the income distribution system was improved again. The total salary of staff consisted of basic salary, bonus and post salary. The basic salary varied very little among labor force of village. The bonus was dependent upon the fulfillment of the production targets. The post salary was determined by the responsibility that each cadre held. An income difference between the ordinary laborers and the cadres on-the-spot was thus created. The new reform broke down the traditional ideology of income distribution. However, the income differences between the ordinary laborers and the cadres on-the-spot caused a negative effect on the relationship between them. Table 2 provides the results of sample survey on work
Table 2. Employment of sample peasant households in Rutang Village in 1996

<table>
<thead>
<tr>
<th>Peasant families</th>
<th>Head of household (sex, age)</th>
<th>Family member (person)</th>
<th>Work place</th>
<th>Post</th>
<th>Annual salary (Yuan/per family)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>sex age</td>
<td>labor force</td>
<td>foster members</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>male 32</td>
<td>2</td>
<td>1</td>
<td>Cardboard Box processing Factory</td>
<td>worker</td>
</tr>
<tr>
<td>B</td>
<td>female 38</td>
<td>2</td>
<td>1</td>
<td>Garment Processing Factory</td>
<td>accountant</td>
</tr>
<tr>
<td>C</td>
<td>male 41</td>
<td>2</td>
<td>2</td>
<td>Printing Factory</td>
<td>vice-factory directo</td>
</tr>
<tr>
<td>D</td>
<td>male 46</td>
<td>4</td>
<td>0</td>
<td>Factory outside the village</td>
<td>build</td>
</tr>
<tr>
<td>E</td>
<td>male 54</td>
<td>5</td>
<td>0</td>
<td>Private business</td>
<td>individual transport</td>
</tr>
<tr>
<td>F</td>
<td>male 37</td>
<td>2</td>
<td>1</td>
<td>Private business</td>
<td>restaurant business</td>
</tr>
<tr>
<td>G</td>
<td>male 58</td>
<td>4</td>
<td>2</td>
<td>Branch Farm</td>
<td>head of branch farm</td>
</tr>
<tr>
<td>H</td>
<td>male 62</td>
<td>1</td>
<td>0</td>
<td>Farm</td>
<td>keeper</td>
</tr>
<tr>
<td>I</td>
<td>female 44</td>
<td>2</td>
<td>3</td>
<td>Raise livestock</td>
<td>sheep herding</td>
</tr>
<tr>
<td>J</td>
<td>female 47</td>
<td>4</td>
<td>0</td>
<td>Village People Committee</td>
<td>director of women's federation</td>
</tr>
</tbody>
</table>

Source: Field and hearing surveys.

and incomes of sample peasant households in accordance with the occupational pattern in Rutang Village. The table shows that the annual income of peasant households E and F were the highest among all those surveyed. They were both running private businesses. The annual incomes of the cadres employed in the township and village enterprises were twice as much as that of the ordinary staff. Great income differences between the heads of branch farms and the storekeepers also remained. These income gaps were enlarged due to reform of the income distribution system as mentioned above. Peasants' workplace was now not only in township and village enterprises of Rutang Village but was also expanding to places outside Rutang Village. In addition, the construction of employment has been changing enormously.

Characteristics of Rural Changes in Rutang Village

The development of township and village enterprises

Four township and village enterprises have been established in Rutang Village since 1978. The Garment Processing Factory, established in this village in 1978, had a very close relationship with Dongfeng Garment Processing Factory, owned by the county government, in order to stabilize distribution of raw materials, production and marketing at the beginning. The technicians working for the Garment Processing Factory were enrolled from Dongfeng Garment Processing Factory. Garment Processing Factory established a regular contact with a big garment processing factory located in Beijing City in 1982, and set up a market network from Beijing region to all over China. In the late 1980's, Garment Processing Factory signed a
contract with Textile Import and Export Company of Beijing City which was under the control of the Foreign Trade Bureau of Beijing City. All the completed products were exported.

The Printing Factory was built in 1981 with the profits generated by the Garment Processing Factory. All the printing technology and equipment as introduced from Beijing Xinhuan Printing Factory. In the late 1980's, Printing Factory did not perform well, but it has been increasingly profitable since 1990. The Cardboard Box Processing Factory was built up in 1986 with the aid of Beijing Cardboard Box Processing Factory. As a branch of Beijing Cardboard Box Processing Factory, Cardboard Box Processing Factory is currently performing very well. Another Garment Processing Factory was separated in 1989 from Garment Processing Factory, as the production capacity of Garment Processing Factory expanded. Most of the manufactured products are exported and the rest are marketed domestically in Another Garment Processing Factory. The two garment factories in Rutang Village are well developed because of the huge international and domestic markets. All four township and village enterprises in Rutang Village have strictly-linked relationships with the state enterprises and government department of Beijing City. This is a driving force to development of the township and village enterprises in Rutang Village.

The total output value of the township and village enterprises in Rutang Village is increasing every year, while the gross outputs of Garment Processing Factory are increasing most rapidly among them all. For instance, the gross output of Garment Processing Factory in 1995 was 15 times as much as that in the first year when it was built. Especially in the late 1980's, the net profits and part of taxes turned over to the state were increased significantly because the foreign exchange rate and government policies became more favorable. The gross product of the Printing Factory, Cardboard Box Processing Factory and Another Garment Processing Factory also increased 4.5 times, 9 times and 4.6 times respectively compared to that at the year of establishment.

Increase of outside labor force

Great changes have taken place in Rutang Village during the past ten years after the implementation of the reform and opening policy. One such change is an increase in the labor force from outside the village. Since the mid 1980's, almost all the labor force of Rutang Village have left agriculture and found employment in the rural industries, as the township and village enterprises in Rutang Village were developing. It is not possible for the village to give up agricultural production because the quota of grain delivered to the state is increasing year by year, which meant that agricultural production had to be continued. In order to ensure enough labor force to work for agricultural production, Rutang Village has had to enroll labor from outside the village. Furthermore, the township and village enterprises were also short of labor due to the expansion of the township and village enterprises and the introduction of new arrangements for aged workers to retire in the late 1980's.

In the mid 1970's, the male youths in Rutang Village used to marry young women from Sichuan and Henan provinces. In the mid 1980's, the wives of the male youths recommended their relatives to Rutang Village for temporary jobs. Because these relatives introduced their relatives and mates to the village for work again, more and more outside laborers came into the village for work (Figure 7). This is different from the coastal regions of southern China where the outside labor force was introduced by labor service companies.

There were 87 outside laborers in the village who engaged in agriculture in 1995 except for the management staff, and they accounted for 90% of the total agricultural labor force in Rutang Village. At the same time, the numbers of outside laborers who engaged in township and village enterprises accounted for 60% of the total. Outside laborers have contributed a great deal to Rutang Village in its development of both agriculture and industry. There were 412 outside laborers employed in Garment Processing Factory, accounting for 66.1% of the total, while the outside labor force employed in Another Garment Processing Fac-
Changes of structure of employment

At the pre-stage of reform and opening policy, almost all laborers were engaged in agriculture in Rutang Village. The numbers of laborers engaged in manufacture and commerce has increased dramatically and those engaged in agriculture has decreased year by year since the reform and opening policy. This is why agricultural production is heavily dependent upon the outside labor force as mentioned above. The percentage of laborers engaged in agriculture decreased from 99.3% in 1974 to 1.4% in 1995. On the other hand, the percentage of labor force engaged in manufacturing increased from 5% in 1978 to 98.6% in 1995. The changes are closely related to the township and village enterprises in employment. This means that village people are now out of agricultural production and into industrial production. In 1978, the annual net income per laborer
was only RMB 120. The annual net income per laborer reached RMB 209, 75% higher than in the previous year, after the establishment of the Garment Printing Factory in 1979. The annual net income per laborer doubled in comparison with that in 1981 when the Printing Factory went into production in 1983. The annual net income per capita was RMB 2,960, and the annual net income per laborer was RMB 5,080 in 1995. The net incomes, living standards and welfare facilities of the village people have been improved to a great extent as the township and village enterprises have been developing in Rutang Village.

**Characteristics of changes**

The author analysed the changes which occurred in Rutang Village after the reform and opening policy was carried out through its social, rural organizational structure and economic activity, presented in Figure 8. As illustrated in the map of the land use in Rutang Village, the landscape surrounding Rutang Village and the land use pattern are very rural. Though Rutang Village is still a rural area, the former farmers have left agriculture, and almost all the labor force is engaged in industrial activities. This indicates that Rutang Village is going through a transitional period from a purely rural village to an industrial workers' village (Clout 1972). The author considers that the pre-conditions of transition include the development of township and village enterprises in Rutang Village, and the advantage of the closeness to the large city, Beijing City. However, industrial workers' village of Rutang Village is different from developed countries. Rutang Village provides grain production mainly, so its agricultural production functions are strengthened by administrative order. A collective farm management system was adopted in order to fulfill production quota. At the same time, outside laborers have been hired to maintain this agricultural production level. Rutang Village has thus formed an original agricultural production model.

**Conclusion**

As mentioned above, the author surveyed and analyzed the present situation of Rutang Village, located in the inner urban fringe of Beijing City. This section draws conclusions of the survey, presents an overall summary related to this region, and finally, implications for further investigation. The location of township
and village enterprises location in this region facilitated a great advance along with the development of urbanization and industrialization in the urban fringe of Beijing City after the reform and opening policy. The development of township and village enterprises differs according to distance from the city proper. The breakdown of labor force changed dramatically according to the development of such enterprises. There are many outside laborers hired to yield agricultural production in areas where township and village enterprises in these regions emerged. Meanwhile, there are also many outside laborers employed to yield production of township and village enterprises in these regions. There are many villages where people can not produce agricultural products without outside labor.

A few rural industries originated from the pre-stage of reform and opening policy in Rutang Village. Rutang Village still carries out collective management farming system after the dismissal of the people's communes. At present, though Rutang Village is a rural region, peasant households holding agricultural production, are shifting from agricultural production to industrial production as a whole. However, as marketable grain production is based on the administrative orders from the past till the present, agricultural production can not stagnate on the basis of the development of township and village enterprises. Therefore, many outside laborers are hired in order to maintain agricultural production level. A unique agricultural production system has emerged in this region. In terms of Rutang Village, the author identified some factors of rural change. Among these, changes of national policies played the most important role in changes of the urban fringe of Beijing City, because peasants have acquired many benefits from rural industry since the reform and opening policy. Meanwhile, it also became apparent that the influence of external factors such as industrialization and urbanization interact with internal factors such as agro-technical advance and changes of life styles of peasant families.

For variations in this region, we should consider its natural conditions, varying guidance to various regions, various policies for grain production based areas and non-base areas, and varying development for township and village enterprises at a distance from the city proper. It is important to compare different regions of Beijing City for rural development in order to grasp the characteristics of regional development. Meanwhile, we should explore how peasant households deal with these differences in future investigation.

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Notes

1. The agriculture and rural sector of China has carried out rural reform since the Third Plenum of the 11th Central Committee of the Chinese Communist Party held in 1978. In the plenum the Party Central Committee decided to open its doors toward the outside world and reform such economic institutions as the contract system of responsibility in production of agriculture which links remuneration with output and production liberalization.

2. There are three ways to name the region out of Beijing proper. One is administrative suburb which is divided into inner suburb and outer suburb. The second is the suburb of metropolis classified by government departments of urban planning, meaning rural areas out of the city proper and townships. And the third is generally called "suburb" which means the low land areas out of the city proper. The urban fringe of this paper is generally called "suburb".

3. The township and village enterprises are based in rural areas and cover manufacturing, agri-products processing and service industries. Generally speaking, the development of township and village enterprises in Beijing City experienced three stages from the viewpoint of economic development. From 1980 to 1986 is the first stage. The highest annual growth rate in profit marking and tax collecting occurred in 1983 at 42.5% and the lowest in 1985 at 12.9%
during this period. From 1987 to 1990 is the second stage. The highest annual growth rate in profit making and tax collecting was in 1988 at 28.2%, and the lowest in 1990 at 8.1%. The township and village enterprises of Beijing City has entered a new development stage in 1992 after Mr. Deng Xiaoping's famous "southern speech".

4. The urban fringe is divided into inner and outer fringes by agricultural and urban land use patterns (Bryant et al. 1985; Bryant and Johnston 1992). The urban fringe of Beijing City covers a rural area within a radius of sixty kilometers from the central point of the city proper (Chen 1995). According to studies for the development of the rural economy in villages and towns of Beijing City, rural industry of villages and towns has been developed within thirty kilometers from the city proper (Kikuchi et al. 1997). Meanwhile, rural landscapes show great changes from twenty years ago because many factories, public facilities and residential quarters were built in this area since 1980. For convenience of study, the author defines the urban fringe according to the distance from Tian'anmen Square, up to thirty kilometers cover the inner urban fringe and the other than thirty kilometers cover the outer urban fringe.

5. According to Statistical Yearbook of Beijing City and materials of Bureau of Agriculture in Beijing City, there are many villages like Rutang Village in the inner urban fringe of Beijing City in 1996.

References


Statistical yearbook of Beijing (1980–1997). (C)


(C): in Chinese
(CE): in Chinese with English abstract