

Regional Development through Autonomy Establishment in Contemporary West-China -----The case of Chengdu's Five Golden Flowers

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Abstract: China's rapid economic growth since the 1978 reforms has resulted in not only significant economic, social and environmental change, but also wider disparities between eastern and western China, between urban and rural, and among individuals. Establishing autonomy of the local communities is an effective approach to decrease the disparity. This paper examines the case of Chengdu's Five Golden Flowers, and searches to identify the advantages of adopting a sustainable development approach to establish local autonomy to develop business and/or industry. Two kinds of dominant business manners are introduced as essential strategies. The outcome of Five Golden Flowers is analyzed in terms of social and economic efficiency to evaluate the effectiveness of this regional development project, which caused a remarkable reduction of the disparity between the urban and rural area in this region. The role of the government in the rural development is defined here in terms of six criteria and three dimensions to demonstrate the relationship between the government and local businesses.

Keywords: Regional development; Establish autonomy;

1. Introduction

Economic growth and development in China have been extraordinary large and rapid since 1978. However, the disparities between China's eastern and western regions, between the rural and urban sectors, and among individuals have grown more acute; these are problems that challenge the sustainability of China's growth.

To resolve this issue, one important factor is how each family or community establishes autonomy to develop business and/or industry, because autonomy is an essential element for sustainable development in free market circumstance, particularly in the long term.

This paper describes the case of the local agricultural communities in a small county in Chengdu, a region of west China, establishing their

autonomy through working to build a new flower business, called Five Golden Flowers. By studying the detailed procedure of their business and analyzing how they established their autonomy through the regulatory project, we may find some significant implications for narrowing a wider range of socio-economic disparities.

First, the detailed situation of regional disparities in contemporary China is articulated in an extensive reviewed of the literature in Section 2. Then, the case of Five Golden Flowers is introduced in details in Section 3, including the two dominant business manners. The government process to establish local people's autonomy is described and the input-output is analyzed in Section 4. The discussion and analysis about the function of the government are concluded in Section 5 to determine the essential conditions for

establishing autonomy in contemporary China. The paper ends in Section 6 with a discussion of implications.

2. Background: Regional development disparity in current China

Regionally, China's eastern and coastal provinces and municipalities have developed at a faster pace than their interior counterparts, leading to a severe disparity (Aimin CHEN,2002). As shown in Table

2.1, the first, second and third groups are the eastern, middle and western area respectively. In the eastern and coastal region, most of the provinces and municipalities, no matter per capita urban disposable income, or per capita rural net income, are by far higher than these in the western area which had the highest concentration of rural poverty, and the disparity has been widening over time(Fang, Zhang and Fan,2002).The severity of disparity is alarming.

Table 2.1

Income and development disparity among China's provinces (2005)

Area	urban area			rural area		
	disposable income per capita(Yuan)	<i>actual</i> increase rate to 2004(%)	Engel's coefficient (%)	net income per capita (Yuan)	<i>actual</i> incomes rate to 2004(%)	Engel's coefficient (%)
China	10493	9.6	36.7	3255	6.2	45.5
Shanghai	18645	11.8	/	8342	10.7	/
Beijing	17653	11.2	31.8	7860	8.1	32.8
Tianjin	12639	10.2	/	3590	8.9	/
Zhejiang	16294	10.4	33.8	6660	6.4	38.6
Jiangsu	12319	15.2	/	5276	8.4	/
Fujian	12321	8.2	40.9	4450.36	5.8	46.1
Guangdong	14769.9	6.3	36.1	4690.5	4.5	48.3
Liaoning	9108	12.8	38.8	3690	7.3	42.6
Shandong	10744.8	13.8	33.7	3930.6	12.1	39.8
Hainan	8124	8.7	/	3004	8.3	/
Hebei	9107.1	14.5	34.6	3481.6	9.8	41.0
Guangxi	8916.8	9.0	42.5	2494.7	8.2	51.0
Shanxi	8913.9	12.8	32.4	2890.7	11.6	44.2
Jilin	8690.62	10.8	34.7	3263.99	8.8	43.5
Inner Mng.	9137	10.3	31.4	2898	10.5	43
Heilngjng	8273	10.7	33.5	3221	7.2	36.3
Anhui	8470.7	11.5	43.7	2641	3.8	45.5
Jiangxi	8620	14.0	/	3266	10.6	/
Henan	8667.97	10.2	34.2	2870.58	7.5	45.4
Hubei	8786	9.5	/	3099	7.2	/

Hunan	9523.97	8.2	35.8	3117.74	7.2	52.0
Chongqing	10244	11.9	36.4	2809	11.9	52.8
Qinghai	8057.85	10.1	36.31	2165.11	8.0	45.13
Gansu	8086.82	9.63	36.04	1890	6.9	47.2
Sichuan	8386	8.8	/	2802.8	8.6	/
Guizho	8147.13	10.6	/	1877	5.2	/
Ningxia	8093.6	12.1	34.8	2509	6.3	44
Shanxi	8272	9.4	/	2052	6.9	/
Yunnan	9265.9	4.5	42.8	2041.79	6.5	54.5
Xinjiang	8100	8.0	/	2482	10.6	/
Tibet	8411	2.6	53.9	2078	11.7	60.3

Sources: 2006 internet bulletin of National Bureau of Statistics of China(<http://www.stats.gov.cn/tjgb/>), and authors' calculations.

According to the recent census in 2005, till 1st November in 2005, the national population reached 1.30628 billion. The urban population was 561.57 million, 42.99% of the total population; the village population was 744.71 million, accounting for 57.01%. Compared with the fifth national census in 2000, the proportion of urban population increased by 6.77%. (National Bureau of Statistics of China, national 1% population sample investigation main data bulletin in 2005). The urban-rural income disparity in China has also widened compared with the situation in 1978. As shown in Fig. 2.1, urban disposable per capita income was 2.57 of rural per capita net income in 1978, was 2.79 times in 2000, and 3.22 times in 2005.

The disparities create a direct threat to the social and political stability and, thus, the sustainability of development in China. Therefore, the Premier Wen Jiabao put forward establishing harmonic society. He accentuated solving the issues concerning agriculture, farmer and rural area(sannong problem) as the main missions of the central government. (Two conferences in 2005).

One phenomenon is worthy paying attention, in terms of the relatively contribution for the disparity of urban and rural, as Table 2.2 shows,

the contribution ratio of western area is higher than that of eastern area. In this respect, to narrow the disparity between the west and east, one direct and effective approach is developing the rural area in west-China.

However, despite a large body of literatures on the rural development in China, including Fan (1990, 1991), Fan and Pardey (1997), Huang and Rozelle (1996), Lin (1992), McMillan, Whalley, and Zhu (1989), Zhang and Carter (1997), Fan and Zhang(2004), Michael Webber and Wang(2005). Also many economists have described and attempted to account for the changing patterns of regional area (Benjamin and Brandt, 1997; Long, 1999; Lu and Wang, 2002; Wang and Hu, 1999). Even rural development has taken on an extraordinary diversity, with observers pointing to the distinctiveness of the social relations, links to the global and national economy, intra-regional linkages, and regional sector specialization that underpin development in northern Jiangsu (Liang, 1994), southern Jiangsu (Ho, 1994), Wenzhou (Nolan and Dong, 1990) and the Pearl River Delta (Lin, 1997). In these examples, development has been facilitated by the location of the regions in the accessible coastal parts of China. However,

few studies have attempted to account for the suitable way to develop the western area, no studies have systematically focus on the roles of

the autonomy establishment in the rural areas in West China.

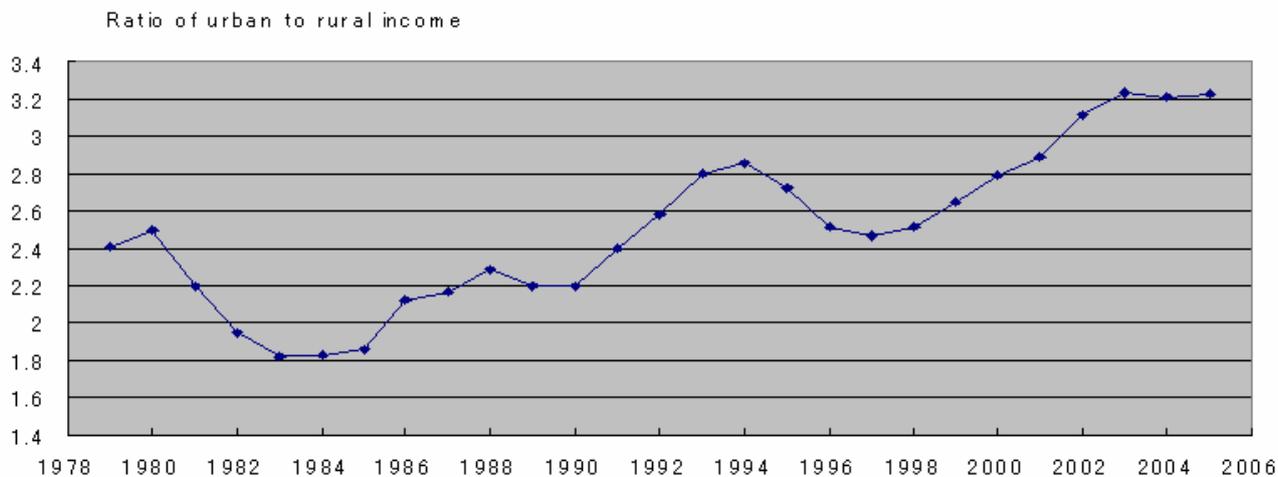


Fig.2.1. Comparison of urban and rural per capita incomes(urban disposable income per capita/ per capita rural net income) Sources: Internet bulletins of National Bureau of Statistics of China (<http://www.stats.gov.cn/tjgb/>) and authors' calculation

Table2.2 The rough calculation of theTheil index and Contribution ratio of eastern ,middle,western area to the national income gap in 2002

Eastern area	Urban interior	Rural interior	Between urban and rural
Theil index($\alpha=0$)	0.073	0.134	0.121
Contribution ratio(%)	22.2	40.9	36.9
Rate of change to 1995	97	-46	14
Middle area			
Theil index($\alpha=0$)	0.057	0.092	0.142
Contribution ratio(%)	19.6	31.5	48.8
Rate of change to 1995	84	-7	35
Western area			
Theil index($\alpha=0$)	0.051	0.112	0.227
Contribution ratio(%)	13.0	28.7	58.3
Rate of change to 1995	65	14	15

Sources: Research result of China academy of social sciences (Li,Yue,2004)

As the largest city in the western China, as well as the political and economical core, Chengdu is a very important model for the whole western China.

In the suburb of Chengdu, the development of Five Golden Flowers is successful and becomes famous. Even the local people claimed in the interview to be

surprised by the large change occurred during these three years. The success here should have some instruction effect to other western regions, and even in the whole of China.

The main claim in this paper is that during urbanization and rural development process in contemporary China, taking the local specialties into account, adopting the government-lead strategy, establishing the autonomy of the local community should be a realistic and effective approach. A Chinese aphorism says, give a man a fish and you will feed him for a day, teach him how to fish and you will feed him for a lifetime. We hope that our research result can give some advice to the policy maker and also to the local governors in other regions.

Out information about the villages comes from a variety of sources. One of the authors used to live



near Five Golden Flowers for 7 years, visited the area several times, for informal discussions with village leaders and villagers. Open-ended interviews were conducted with local peasants, tourists, government officials and managers of companies in November 2006, to acquire more quantitative information about the changes over the previous 3 years. Finally, a large variety of archival materials and information have been obtained from the bulletins of the government and local almanac. It is believed that such effort may help the researchers keep their objective positions and protect the field researchers from the governmental unilateral influences.

3. Establishment of Five Golden Flowers

3.1 Geographical and forepassed status



Fig.2.2 Location of Five Golden Flowers

Fig. 2.2 illustrates the location of the main places referred to in this paper. Chengdu was confirmed by State Council of the PRC as the center of science and technology, business trade, financial, transportation and communications in southwest area in 1993. Chengdu governs 9 sections,4 towns

and 6 counties, and covers 12,390 square kilometers. The resident population of Chengdu is 12.21 million, urban population is 7.31 million, accounting for 59.85%; rural population is 4.9 million, accounting for 40.15% (Bureau of Statistics of Chengdu, 1% population sample

investigation bulletin in 2005). In 2005, the urban per capita disposable income was 11,359 Yuan, rural per capita net income was 4,485 Yuan, compared with 3,655 Yuan in 2003, the rural net income shows a 22.7% increase in two years, especially in Jinjing section, the increase rate was 42.8%. Compared with the income increase rate to 2004 showed in Table 2.1, such outstanding increase rarely occurred in the whole of China.

The Five Golden Flowers is located in Jinjing section. As a matter of fact, they were five villages of Sansheng country in Jinjing section. Sansheng county is only 7 kilometers away from the center of Chengdu, and 5 kilometers from the Erhuan road, between Sanhuan road and bypass highway.

Due to its location at the city entrance area, this region is unavailable to be used as construction land according to the regulation. The soil texture belongs to the Longquan cordillera acidity inflation soil, which is unsuitable to plant foodstuff.

Five Golden Flowers' flower industry experience can be traced back to Qianlong period(1736-1795), about 300 hundred years ago. From the early 1980s, the household responsibility system was introduced. The communal land was redistributed to peasant households, so that each household received its own roughly equal allocation of land (either per capita, or per adult, or per male adult, depending on the region). The population in Sansheng country was 18,347, with a 93.4% of agricultural population, 12,676 mu agrarian squares were more or less equally distributed, resulting in a small average of 0.7 mu per household member(1 mu equals one-fifteenth hectare). The flower industry used to be dispersed and small, family-scale, using inefficient and obsolete technology.

The village people mentioned that one of the Five Golden Flowers---Hongsha village was even called Siberian of Chengdu in 80s.

3.2 Status quo

As marked in the Fig.2.2, Five Golden Flowers consists of five villages as follows: Wanfu village, which is called He Tang Yue Se, that means "Moonlight over the Lotus Pond", encompasses 1074 mu regulated area, with lotus as primary flower, auxiliary by spatterdock, late lotus, drawing an ecology lotus pond landscape. Fuma village, called Dongli Juyuan, that means "Dongli chrysanthemum garden". Xifu village, called Xinfu meilin, that means "Happiness plum forest", with about 3000 mu plum forest. Xinfu meilin develops sightseeing industry based on the plum blossom culture and plum blossom industry chain. The fourth village is Jiangjiayan village, which was called Jiangjia Caidi, means "Jiangjia vegetable yard". Here, the Renzhong manner has transformed the traditional agricultural industry to a leisure industry, and modernized the interaction between city and countryside. The last member of the Five Golden Flowers is Hongsha village, called Hua xiang nongju, that means "flower farmer residence". It has been assessed as a national AAAA level scenery place. The potted flower, cut flowers, ornamental fresh flowers and tourism are the dominant industry in Hongsha village.

3.3 Two unique rural business manners-----Happy Farmhouse and "Renzhong" manner

3.3.1 Happy Farmhouse

Happy Farmhouse is a type of tourism, which takes the countryside landscape, the attractive environment, the countryside folk culture and customs and atmosphere of farm life as basic tourism resources, the farmers' residence as the unit

of business, the experiences of the village life as the marketable product. The main tourist activities are eating the peasant family's food, living in an agricultural house, doing agricultural work and enjoying contacting with a peasant family. (cf. Sichuan Province Chengdu city: "The General statue of service quality in Chengdu Happy Farmhouse") .The Happy Farmhouse system not only affords a new leisure form and an amusement space, but also plays a vital role in reforming farmers' industrial structure and increasing farmers' income.

In Sichuan province, at the end of 2005, there were 17,037 Happy Farmhouses, with 237,970 employees and nearly 500,000 indirectly employed farmers. These Happy Farmhouses hosted 82.44 million tourists for a reception income of 246.8 million Yuan. (China tourism newspaper:2006).

Happy Farmhouse, which received an average of 10,000 tourists per day, had become one of the dominant industries in Five Golden Flowers. In Hongsha village, for example, there are more than 90 Happy Farmhouses.

3.3.2 Renzhong manner

Renzhong manner was developed by Jiangjia vegetable yard, which provides clients with the opportunity to plant, watch and taste the green vegetables. At present, the advertising slogan is "Be a farmer for a year for 800 Yuan". As the term suggests, for that small fee anyone can have a vegetable garden (one tenth of a mu) in Jiangjia vegetable yard, and such services as growing seedlings, planting or harvesting are charged by the land owner. The tourist can participate according to his or her own interest, and the agricultural produce, will be completely processed by the tourist. Renzhong manner currently attracts hundreds of tourists each year.

4. Development procedure and Input-output analysis

4.1 Hardware----infrastructure construction

From 2003, Jinjing government began improving rural infrastructure in Sansheng country, the basic principle was described as constructing this area as sightseeing place appropriately, maintaining the ecological environment. It involves:

- Rehabilitation of the rural residences. Adding external ornament as normative western Sichuan farmer residence style. During the first phase, the government paid 80% of the reconstruction fee.
- Urbanization of rural infrastructure. Road net, sewage treatment, natural gas pipelines and water supply were built with the appropriating funds from government.
- Modernization of the accessory facility. Countryside cable TV terminal households were increased to 1500 units and optical fiber was installed in each household. According to construction regulation of the community health service center, a 200 square meters health service center was built in Five Golden Flowers.
- Construction of ecological landscape. Green plaza, Niu Wangmiao were rebuilt, the protection of ecological vegetation was underway, and the "Agricultural Civilization Memory Hall" was built.
- Large-scale land management. Under the premise of not reducing the original cultivated area, the land was rearranged by dismantling the courtyards, the ridge of field and so on. The concentrative construction land were auctioned or used for commercial development.
- Introduction of Company & Project Foundation. Supports were afforded to the

floriculture companies in the aspects of fund, technology and policy from different departments of government.

- Financial assistance. Low or no interest loans were afforded to the local entrepreneurs, to encourage them to create their own business.

4.2 Software---culture factor, education, training, social security system

The cultural and industrial factors were introduced into the Five Golden Flowers to promote the development from traditional agriculture industry to the leisure economy. Furthermore, the government paid special attention to cultivate the independent competition of the local people. It involves:

- Increase cultural attachment value to the traditional industry. The first “Sichuan flower exposition” was held in Five Golden Flowers on September 29th, 2003; the first “China-Chengdu plum blossom festival” was held in Xinfu Meilin on December 27th, 2004. Hetang Yuese was endowed with the connotation of music and the drawing art by building special artist village. Reappearance of agricultural culture civilization was underway in Jiangjia Caidi; The chrysanthemum flavor was shown in Dongli Juyuan. Complementation and mutualism of the cultural industry and agricultural industry was implemented.
- Social security system was constructed for the local people. All the peasants have been completely included in the new rural cooperatives medical service. 92% land-lost, 62% quasi-land-lost peasants have participated in the social endowment insurance system.
- Experts and consultants were invited to train or educate the peasants in the field of flower industry or restaurant. The governors in

Hongsha village declared in our interview that they have held lots of training lectures or symposiums from 2003. What is more, just one month ago, the manager from Minshan restaurant(five stars hotel in Chengdu) worked one month in Hongsha village, instructing every Happy Farmhouse on site.

4.3 Input-output analysis

From the initiative of the Five Golden Flowers in 2003, the section government (including the country government) has invested 97.45 million Yuan, and municipal government has invested 18 million, amounting to 115.45 million. Simultaneously, a massive of social fund investment also has involved in the project operation, reaching 1670 million Yuan, among them, Huaxiang Nongju (1000 million Yuan), Xinfu Meilin(40 millionYuan), Jiangjia Caidi(10 million Yuan), Dongli Juyuan(1 million Yuan), Hetang Yuese (about 16 million Yuan). We analyze the input-output benefit in two aspects, the social and the economical efficiency.

4.3.1 Social efficiency

Five Golden Flowers encompasses approximately 12 square kilometers. According to the conventional urbanization standard (including park construction), the average investment needed to construct the basic infrastructures and urbanize a square kilometer is approximately 150 million Yuan(empirical and statistical estimate of Chengdu municipal construction). Thus, 1800 billion Yuan should be needed in the Five Golden Flowers. However, in fact, each square kilometer was invested only 15 million Yuan. The entire area was invested less than 180 million Yuan, but formed a leisure open style park with attractive rural scenery and harmonious ecological environment for the citizens, where millions of people come for

vacation each year. Moreover, it has attracted multitudinous agricultural enterprises and management merchants, Due to the improvement of the countryside infrastructure, the change of the traditional life and production method, the peasants can also enjoy the city civilization. It largely promoted the urbanization progress.

4.3.2 Economical efficiency.

The economical efficiency was summarized as follows:

- Output growth of the floriculture industry. From 41.24 million Yuan in 2000, it extended to 65.6 million Yuan in 2005, with a 59.1% increment.
- The tourism income. Till now, Five Golden Flowers has received about 11 million tourists, with reception income of 234 million Yuan.
- The appreciation of peasants' properties. For the improvement of the countryside environment, the rent of land raised from 1,005 to 2,000 Yuan per mu. The price of reconstructed residences raised from 500 to 1600 Yuan per square meter. The appreciation of the peasants' household properties has surpassed 1.3 billion Yuan in Five Golden Flowers.
- The increase of peasants' income. The peasants' income composes four stable parts: rent, salary, bonus and welfare. In 2005, the per capita net income in Five Golden Flowers reached 6,321 Yuan, especially in Hongsha village, it reached 7,060 Yuan, with an increase of 40.5% compared with 2003.
- The appreciation of the collective property. The collective property of Five Golden Flowers was 8.373 million Yuan In 2002. In 2005, it reached 35.83 million Yuan, the annual increased rate was 122%.
- Increase of tax revenue. It increased to 12

million Yuan in 2005, from 0.401 million in 2002, with a 300% annual increase rate. During these three years, the average increase of the financial revenue in Jingjiang section is above 20%. Taking this data as the evaluation standard, the investment recovery period of Five Golden Flowers is about 9 years.

5. Analysis and discussion

In the rural development progress, the function of the government should be generally regarded as a sine qua non. In this context, the UNDP's perspective on local governance is informative:

Local governance comprises of a set of institutions, mechanisms and processes through which citizens and their groups can articulate their interests and needs, mediate their differences and exercise their rights and obligations at the local level. It requires partnership between local governmental institutions, civil society organizations and private sector for participatory, transparent, accountable and equitable service delivery and local development. *It necessitates empowering local governments with authority and resources and building their capacity to function as participatory institutions that are responsive and accountable to the concerns and needs of all citizens.* At the same time, it is concerned with strengthening of grass roots democracy and empowering citizens, communities and their organizations such as CBOs and NGOs to participate as equal partners in local governance and local development process (italics added by David J.A:2005).

www.undp.org/governance/local.htm

In developing countries, governments usually tend to take a more active role in the regional development and operation of projects, due to the scarcity of resources and the absence of a strong and experienced private sector (Jenkins& Henry,

1982; Qiu, Zhang, & Ap, 1999; Richter, 1983). In other viewpoint, some researchers worried about that China's current vertical bureaucratic system, which lacks a clear definition of governments' respective purviews and commitments in administration (Ying, Zhou:2005), maybe enables the governments to intervene into the rural development to an optional extent, according to their practical interests and needs. Especially, several defects of the over control of the Chinese government in tourism development have been pointed out (Li & Lin, 2000). These issues, the proper role of the government in the rural development and what kind of strategy to adopt, are hotly debated.

Nowadays, in the process of the rural development, there has been a significant transformation in the model of urbanization in post-reform China, a society dominated by a large rural population but with accelerated industrialization and development. In the context of Five Golden Flowers, it is hard to classify it whether it is state sponsored urbanization (urbanization from above) or spontaneous urbanization (urbanization from below) as Shen (2006) mentioned. The development of Five Golden Flowers is unique and creative. The roles that the Chinese government (includes the Chengdu municipal, Jinjiang section and local governments) has played can be evaluated through six criteria and three dimensions. Six criteria means operator, regulator, investment stimulator, promoter, coordinator, as well as educator, three dimensions consist of constructing the platform, insuring no fear of trouble in the rear, and presenting tools. Concretely, the government, as the biggest player and initiator, who operates the project in macro and holistic point of view, regulating the statutes and condition, promoting the infrastructure and living environment, stimulating the external and internal

investment, coordinating the relationships among the communities, household families, external capitals and so on. The explicit achievements can be depicted as three dimensions: firstly the business platform has been constructed where the local people can select a suitable approach to make use of their resources: operating their own flower business or Happy Farmhouse, Renzhong their lands, working in the companies, etc. Secondly, no fear of trouble in the rear was somehow guaranteed due to the availability of the medical insurance, endowment insurance, for-free compulsory education system, particularly the first two subjects which used to be only citizens' welfare. Last but not least, the tool that was endowed to the local people includes material and spiritual aspects. On one hand, the traditional isolated flower production has been changed to the extensive, large-scale management business, the rural tourism industry has been soundly developed, local people gradually master the business management knowledge by training, educating and experience. On the other hand, this pattern is not only simply changing the household registration status (hukou) of the peasants from the countryside to urban, but also promoting the integration of the urban and rural. Urban residents engage in sightseeing, operating business or Renzhong land. Peasants also can experience the citizen life more conveniently and initiatively than before. Such kind of bidirectional ideological interaction should contribute to update the ideological system of the local people.

As has been shown before, the autonomy of the local people and communities has been established. It appears that the Five Golden Flowers has sufficient momentum to become self-sustaining.

6. Conclusion

Through the case study, this paper introduces the development strategy and dramatic transformation that took place in Chengdu Five Golden Flowers, attempts to understand the common characters by creating and employing a new Chinese characterized concept of regional development in west China. Similar to the situations in many other developing countries, the current socio-economic and political settings of China makes it almost impossible to completely copy the western-styled regional development principles into the practices in China's rural area, even unsuitable to copy the eastern Chinese style into the practices in western China's rural area because of the regional disparity. The successful experience of Five Golden Flowers have some implications and illumination: taking the local specialties into account, adopting the government-lead strategy and establishing the autonomy of the local people should be a realistic and effective approach to develop the socio-economy of the regional area and narrow the disparity between the urban and rural areas. In this kind of project, Chinese characterized socialist regime has its won unique strength.

China's experiences in regional development may also serve as an example for other developing countries facing similar problems, like the lack of alternatives for rural economic promotion, the over-singleness of industrial structures, the over-plus of labor force, and the dramatic difference in incomes between the urban and the rural, to mention some of them.

Given the short development history of the Five Golden Flowers, we are unable to evaluate its long-term effects on society and regional economy. Follow-up studies will be necessary to develop an in-depth understanding. How to avoid the tourist vision weariness and promote the branding value of Five Golden Flowers will also be an emerging field for further study.

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