



Can mutual assistance lead to shared prosperity?

The dilemma of rural autonomy under the coordination of interests and competition

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Abstract. K Village's mutual assistance farm is a new poverty alleviation model based on neighborly assistance. However, it has encountered problems such as uneven distribution of benefits, waning enthusiasm among the masses, and corruption among village cadres. The recently emerged mutual assistance farm model is unsustainable. This article utilizes stakeholder theory and self-governance theory to conduct a multi-level analysis of the mutual assistance farm model's self-governance. From the perspectives of institutional supply, trust-building, and mutual supervision, targeted and feasible suggestions and opinions are proposed to further improve and promote the mutual assistance farm model, providing valuable insights and references for poverty alleviation and prosperity practices in other regions.

Keywords: Rural self-governance; Mutual aid farm; Case analysis

1 Introduction

Since the 19th National Congress of the Communist Party of China, the Party Central Committee has made a series of significant deployments and issued a range of policies and measures in order to win the battle against poverty and implement the rural revitalization strategy. The Party Central Committee believes that the final fortress of poverty alleviation must be conquered, and the prominent weaknesses in the rural areas for achieving a comprehensive well-off society must be addressed.

The origin of the mutual assistance farm can be traced back to Qing'an County, Heilongjiang Province. At that time, Zou Fuzhuo, the secretary of the Sixhe Village branch in Da Luo Town, selected Wang Yongcai, an agricultural technology expert in the village, to organize extremely poor households to form a poverty alleviation cooperative in order to solve the food and clothing problems of the impoverished farmers in the village. After the Qing'an County Party Committee inspected the above-mentioned typical experience, they decided to promote it throughout the county. The government promised to the farmers that they would only temporarily relinquish the land operating rights, and the land would be contracted to skilled farmers. The farmers who joined the cooperative would still be the owners of their contracted land,

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with the land following the people and free entry and exit. In early 1988, a total of 420 mutual assistance cooperatives were formed. By 1990, the number had grown to 2,125. [1]Subsequently, the model of mutual assistance farms was gradually discovered and valued in various places, and it was promoted in various regions.

2 Case and Analytical Framework

2.1 Case Overview

This paper takes K Village in Province A, Western China, as a case study. K Village actively explores new paths for poverty alleviation and rural income generation, with land consolidation and redistribution as the carrier and the goal of achieving common prosperity. The mutual assistance farm model has been implemented, showing immediate effects in its initial operation. However, it faces challenges such as uneven distribution of benefits and varying public sentiments. It is necessary to further justify and optimize how to sustain the mutual assistance farm as a poverty alleviation measure.

2.2 Theoretical Analysis Framework

According to Elinor Ostrom's theory of self-governance, in a context of commons resource use, individuals are influenced by four variables: discount rate, expected benefits, expected costs, and internal norms. They adopt cooperative behavior strategies.[2] Once cooperation is chosen for self-governance, challenges of institutional supply, credible commitment, and mutual monitoring are inevitable. Overcoming these challenges is crucial by adhering to Ostrom's eight design principles for self-governance institutions, which require reasonable and detailed institutional design. Furthermore, after the establishment of the institutions, it is necessary to conduct self-governance analyses at different levels.[3]

Therefore, this case study will start with stakeholder theory, focusing on the mutual assistance farm model established based on neighborly relationships. It will clarify the demands and behavioral expressions of various stakeholders involved in the process, identify points of interest conflict, and conduct in-depth analysis of the behaviors of different stakeholders in this practice. By constructing mechanisms for coordinating interests, this study aims to provide models and insights for implementing the mutual assistance farm model in local poverty alleviation efforts, and to promote the deep development of rural revitalization.

3 Analysis of the Rural Autonomy Dilemma in the Context of Coordinated Competition of Interests

According to stakeholder theory, the stakeholders of mutual aid farms are groups or individuals who have a direct or indirect impact on rural poverty alleviation and prosperity through neighborhood mutual assistance. In this case, the main stakeholders

of the mutual aid farm are divided into four entities: grassroots government, village committee, ordinary villagers, and impoverished farmers.[4][5]

3.1 Analysis of the Interests among Stakeholder Groups

Ordinary Villagers and Impoverished Farmers - Unity, Cooperation, and Symbiotic Competition.

In the case of Village K, it can be observed that the relationship between the participating villagers of the mutual aid farm fluctuates between unity and opposition. However, these two states are not consistently maintained but rather dynamically exchanged based on the common and individual demands of their interests.[6]

In the process of neighborhood mutual assistance, villagers collaborate with each other primarily through collective labor. For instance, in the context of a mutual aid farm, villagers voluntarily participate in cooperative labor activities, and they also enhance work efficiency through methods such as competition and mutual supervision. This unified and cooperative relationship among villagers not only benefits the prosperity of the rural collective economy but also contributes to individual economic improvement, facilitating the positive development of the mutual aid farm.

On the other hand, villagers' vicious competition arises mainly from the psychological tendency of comparison and the pursuit of economic interests among villagers and families. As the mutual aid farm develops and grows, collective economic benefits increase. When the village leader announces the distribution plan according to the agreed-upon arrangement at the beginning of the year, dissatisfaction begins to emerge among villagers. Although the initial distribution plan was agreed upon, the emergence of unfair practices during the process results in villagers whose interests have been compromised feeling a sense of imbalance. Conflicts arise among villagers, leading to heightened contradictions. This negatively impacts the overall progress of the mutual aid farm, hindering the implementation of the comprehensive poverty alleviation plan.

Village Residents and Village Committee - Collaboration Strained by Loss of Trust.

The village committee is democratically elected by the villagers and should represent the collective interests of the villagers, help them voice their concerns, and ensure the realization of their interests. Under the mutual aid farm model, the village committee members should earnestly implement the party's guidelines and policies, serving as role models for all villagers. The director of the village committee should set aside personal interests and treat all villagers equally, taking the lead in resolving production difficulties, promoting economic development among the villagers, and achieving common prosperity. Only through mutual trust between the villagers and the village committee members can the implementation and development of the mutual aid farm be smoothly carried out and the goal of precise poverty alleviation through neighborly assistance be guaranteed.

However, in the case at hand, the director of the village committee pursued their personal interests through their power and position, causing dissatisfaction among the

masses. As the work of the mutual aid farm progressed, certain members of the village committee, who directly held the initiative in making decisions regarding the farm, acted in an arbitrary and authoritarian manner, harming the collective sentiments. Within the village committee, there were instances where members were dismissed from their positions due to repeated violations of work discipline. This significantly exacerbated the conflicts between the village committee and the villagers, undermined the villagers' enthusiasm for participating in the mutual aid farm, and resulted in dissatisfaction and suspicion regarding issues such as benefit distribution. As a direct consequence, the sustainability of the mutual aid farm became unattainable.

Village Residents and Grassroots Government - Contradictory Interdependence.

The mutual aid farm can only advance in an orderly manner with the strong support and mutual assistance of the villagers. The grassroots government also hopes that impoverished villagers can truly lift themselves out of poverty and achieve prosperity to demonstrate the effectiveness of targeted poverty alleviation policies and realize their own governance value.

In this case, the grassroots government of K Village conducted a comprehensive investigation of the village's situation, topography, and poverty level when formulating and implementing targeted poverty alleviation policies. They aimed to plan neighborhood mutual assistance poverty alleviation policies according to the specific circumstances of the entire village's residents, impoverished households, and marginalized households. The government designated 80 mu of land cleared during land consolidation as a poverty alleviation mutual aid farm. However, due to the lack of timely and effective communication with the villagers regarding land clearance, profit sharing, and division of labor, the villagers questioned the work of the mutual aid farm, which affected their enthusiasm to participate.

Furthermore, the linkage between the villagers and the grassroots government should have been maintained through the village committee, acting as a bond. However, in this case, the director of the K Village committee pursued personal gains, leading to a loss of trust among some villagers towards the committee. Consequently, the villagers expressed their desire to directly engage with the grassroots government. Therefore, appropriately handling the relationship between the villagers and the grassroots government is beneficial for the orderly development of neighborhood mutual assistance and the realization of poverty alleviation goals.

4 Analysis of Multi-level Autonomous Governance in the Mutual Aid Farm Model

In recent years, with the promotion of poverty alleviation and rural revitalization tasks by the national and local governments, the mutual aid project has achieved certain accomplishments, and various ethnic groups have been able to live a relatively stable life. However, based on case studies, the project still faces many challenges in its implementation. According to Ostrom's theory of autonomous governance, any organization engaged in autonomous governance will encounter difficulties. Similarly,

the mutual aid farm in Village K also faces three challenges in terms of new institutional supply, trustworthy commitment, and mutual supervision.

4.1 Issue of new institutional supply: Disruption of public rules

The issue of institutional supply pertains to the question of who should be responsible for the institutional design of autonomous organizations or who should establish these autonomous organizations. When it comes to the utilization of public resources, institutional design becomes necessary. In the case of the mutual aid farm, the operating and benefit allocation models were initially proposed by the first secretary in conjunction with the village branch secretary, and subsequently negotiated with the municipal poverty alleviation office, township party committee, and higher-level poverty alleviation authorities. However, the initial phase of institutional design did not sufficiently incorporate the opinions of the farmers, which planted hidden dangers for the sustainability of the mutual aid farm model.[7]

Furthermore, the benefits brought by the new institutional arrangements are meant to be collectively shared, ensuring that everyone can enjoy them. However, the mutual aid farm in K Village stipulated that the farm's income should be distributed as dividends to subsidize the purchase of livestock for impoverished households, recipients of low-income support, and other low-income families in the village. As a result, non-impoverished participants in the mutual aid farm were unable to obtain tangible benefits, which contributed to the failure of the mutual aid farm.

4.2 Issue of trust and community identity establishment: Disruption of trust

During the initial stage when the village committee jointly formulated new institutional rules, the majority of villagers made credible commitments to abide by the rules and act in accordance with them after calculating the expected future benefits. However, as the mutual aid farm developed and stabilized, these commitments faced the risk of reduced credibility. The high dividend payouts and the lack of transparency and openness in dividend distribution triggered disputes among many villagers, leading to a gradual emergence of passive resistance among the villagers.

Furthermore, since commitment itself is a two-way behavior, individual adherence to commitments is conditional on the other party also honoring commitments. However, individual resource users always face the temptation to breach commitments, as doing so can bring them additional benefits. Once some individuals engage in such behavior, rational choices made by others would also involve breaking commitments, as no one wants to become a "victim" of adhering to commitments. Therefore, when the village committee director, Mr. Ai, privately transported mutual aid farm products, such as sweet corn, in violation of commitments, it undermined the collective trust foundation and aggravated the "collapse" of the mutual aid farm.

4.3 Issue of mutual supervision: Inadequate supervision

Timely and effective supervisory mechanisms are crucial for achieving the objective of mutual compliance with commitments. Ostrom's empirical findings indicate that supervision is a necessary condition for credible commitments, and credible commitments are essential for the emergence of new institutions. In the case of K Village Mutual Aid Farm, the occurrence of the village committee director engaging in unauthorized shipment of agricultural produce, farmers exhibiting passive attendance, and instances of the village committee director and purchasing enterprise owner misappropriating agricultural payment for personal gains can be attributed, at least in part, to an inadequate supervisory system.[8]

5 Countermeasures and Suggestions

5.1 Reflection based on institutional supply

Redefining rights boundaries for long-term development.

In the case of mutual aid farms, it is necessary to clarify the stakeholders, as well as the obligations and rights boundaries and scope of mutual aid group members. It is important to determine how mutual aid group members are formed, how the cultivation costs of mutual aid farms are shared, and how farm income dividends are distributed. Particularly, it is essential to address the issue of coordinating the distribution of interests between ordinary farmers and impoverished households.

Optimizing institutional and organizational design to enhance governance capacity.

It is essential to establish a dedicated office within the village committee, fully leveraging the committee's organizational and coordinating role. This includes strengthening the working mechanism of the village committee and effectively fulfilling its responsibilities in the routine management and supervisory governance of rural neighborly mutual aid. The grassroots government should take responsibility for organizing, guiding, and overseeing the work. Effective supervision should be carried out in daily operations to identify early signs of problems and potential risks, and to promptly address them.[9]

Establishing relevant policies and regulations to facilitate the governance process.

The establishment of relevant policies provides a legal framework and ensures that the development of village mutual aid farms can proceed in a regulated manner. Sound laws, regulations, and policies serve as institutional safeguards for mutual aid farms, increasing their operability and ensuring that their development follows established guidelines.

5.2 Reflection on Trust-based Thinking

Strengthening Member Training and Cultivating a Trust Atmosphere.

When establishing mutual aid groups, it is important to adhere to the principle of neighborly assistance. By forming mutual aid groups in close proximity, it will be possible to mobilize a greater number of young and strong laborers to serve as members, thereby providing higher-quality and more comprehensive neighborly mutual aid services. It is crucial to enhance the skills training of villagers. Through a greater emphasis on knowledge and skills training, the development capacity of the mutual aid farm can be improved, leading to a comprehensive enhancement of the economic level of the farm.

Utilizing "Rural Elites" as Leaders to Strengthen the Foundation of Trust.

Although Professor Ostrom did not explicitly state the role of elites within a common pool resource as one of the key principles for its long-term sustainability, domestic research in China has indicated that "strong leadership" is one of the necessary institutional elements for self-governance. In rural areas of China, there are individuals who possess relative advantages in terms of character, experience, and prestige. The government can collaborate with rural elites to leverage their leadership role and mediate conflicts within mutual aid groups.[10]

Increasing Project Promotion and Mobilizing Villagers' Initiative.

In the process of implementing neighborly mutual aid for poverty alleviation, the government should first increase publicity efforts to enhance villagers' awareness of the project, actively encouraging the participation of ordinary villagers. The government should intensify support for the project by allocating greater resources for supervision and assistance.

5.3 Reflection based on mutual supervision

Villagers' participation in rule-making, strengthening supervision awareness.

Self-governance emphasizes the involvement and negotiation of resource users, harnessing collective wisdom through face-to-face discussions and pooling efforts. It is recommended that Village K establish a mutual aid association composed of villagers, with regular meetings of the council held to collectively discuss various matters related to the mutual aid farm. Issues should be promptly addressed, and management rules should be appropriately modified, fully utilizing the spirit of democratic consultation and self-governance.

Harnessing the role of diverse stakeholders to facilitate coordinated governance.

Timely establishment of incentive mechanisms, such as the cooperative shareholding system, can enable villagers participating in the mutual aid farm to obtain equitable returns through labor, closely connecting individual interests with farm earnings, and fully mobilizing the villagers' enthusiasm for production and management. By offering

comprehensive incentive and restraint mechanisms, a positive atmosphere with everyone managing and caring for the farm can be cultivated in the mutual aid farm.

Utilizing information technology for innovative supervision methods.

To enhance the level of self-governance in the mutual aid farm, it is crucial to fully utilize information technology. This includes establishing a comprehensive supervision platform to strengthen monitoring throughout the entire development process of the mutual aid farm. Additionally, it is important to improve resident expression and monitoring mechanisms, as effective information feedback is a vital means for residents to exercise effective oversight. Utilizing platforms such as WeChat groups, important information regarding the mutual aid farm can be promptly and effectively made public.

6 Conclusions

Regardless of how society develops, mutual assistance and cooperation have always been traditional virtues of the Chinese people. This case study applies stakeholder theory and self-governance theory to conduct a multi-level analysis of the mutual aid farm model. It proposes targeted and feasible recommendations and suggestions, such as redefining rights boundaries, optimizing organizational design, improving laws and regulations, strengthening village residents' training, leveraging the role of "rural elites" as leaders, and enhancing residents' supervisory awareness. The objective is to further improve and promote the mutual aid farm model, providing valuable references and insights for poverty alleviation and wealth creation practices in other regions.

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