

# New Changes in Rural Order Following the Implementation of Rent and Interest Reduction Policies in the Shaanxi-Gansu-Ningxia Border Region

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## Abstract

During the War of Resistance, the rent and interest reduction policy in the Shaanxi-Gansu-Ningxia Border Region represented a significant practice by the Chinese Communist Party to adjust rural production relations and drive social transformation. This paper examines the reshaping of the social structure in the base areas following the policy's implementation, focusing on the evolution of rural order. Through the gradual transfer of land rights, the policy facilitated the flow of land from landlords to poor peasants and farm laborers, expanded the middle peasantry, and shifted the class structure from a "pyramid" to an "olive" shape. Mass organizations like farmers' associations proliferated, dismantling landlord monopolies and reconstructing rural governance systems. Party organizations recruited activists and trained cadres through rent reduction efforts, achieving mass mobilization and organizational penetration. Traditional clan-based authority gave way to a new political authority grounded in class identity. The rent and interest reduction campaign achieved rural social integration on both economic and political levels, laying the foundation for subsequent land reform and regime consolidation. This process remains instructive for contemporary rural reform and rural revitalization.

## Keywords

Rent and interest reduction; Shaanxi-Gansu-Ningxia Border Region; rural order; land tenure structure; mass organizations.

## 1. Introduction

Agriculture is the foundation of the nation, and no task is more important. China's agrarian civilization is ancient, and its agricultural scale is vast. Its role in strengthening the foundation, supporting governance, and ensuring the well-being of the people has always been crucial. The peasant question has been a fundamental issue in modern China, essentially a land issue. Since its founding, the Communist Party of China has prioritized the land rights of peasants, and its proper resolution has been closely linked to the success of the Chinese revolution. General Secretary Xi Jinping has emphasized that the Party has always regarded securing the well-being of farmers as a vital mission. Both the 20th National Congress of the CPC and recent Central Document No. 1 have stressed the need to deepen rural land reform, strengthen the agricultural foundation, and prioritize work concerning agriculture, rural areas, and farmers. This underscores that rural areas remain a challenging frontier in modernization, facing numerous unresolved issues that call for in-depth interdisciplinary research.

In the CPC's exploration of solutions to the peasant land problem, the rent and interest reduction policy implemented during the War of Resistance Against Japan was particularly distinctive. This policy flexibly reconciled the demands of the war effort with the goals of the land revolution, adjusted the distribution of resources between peasants and landlords,

boosted peasant motivation, weakened feudal economic relations, and strengthened the united front against Japanese aggression, making significant contributions to the victory in the War of Resistance. As the revolutionary rear base during the War of Resistance and the early stages of the Liberation War, the Shaanxi-Gansu-Ningxia Border Region provided crucial experience for the nationwide implementation of rent and interest reduction policies. While existing research has extensively examined rent and interest reduction policies across various regions, further exploration is warranted from the perspective of rural order transformation. Building upon prior studies, this paper attempts to reexamine historical materials through a new lens, conduct an in-depth analysis of the policy, and explore its implications for contemporary land policies. It is hoped that this work may offer modest insights for current historical research and rural revitalization practices.

## **2. Weaken Feudal Elements in The Countryside and Alter The Class Structure of Land Ownership**

Approximately 40% of the land in the Shaanxi-Gansu-Ningxia Border Region had not undergone land reform. In these areas, land was highly concentrated among the landlord class detached from productive labor. Although the degree of land concentration varied regionally, feudal land ownership constituted their common foundation. A minority of landlords maintained their long-term economic dominance through monopolizing land, the core means of production. Landless or severely land-deprived poor peasants and some middle peasants were trapped in deep poverty. To survive, they had no choice but to lease land from landlords, enduring the heavy exploitation of exorbitant rents and facing extremely severe economic burdens. The comprehensive implementation of the rent and interest reduction policy led by the Communist Party of China effectively reversed this situation. Landlords were not only required by law to guarantee tenants' rights but also to reduce exorbitant rents to statutory levels, prohibiting arbitrary evictions or additional demands. During this process, many landlords proactively sold land due to uncertainty about future policy directions, creating opportunities for farmers to purchase. This transfer of land rights based on new tenant-landlord relationships accelerated the shift from concentrated to dispersed land ownership. As a result, large numbers of poor and middle peasants gained land ownership, significantly elevating their economic status. This led to profound structural transformations in rural land ownership patterns, tenant-landlord relationships, and class structures.

### **2.1. Landlords Extensively Transferred Land Rights, Leading to a Healthy Development of the Land Tenure Structure**

As noted in a September 1946 report on rent reduction efforts in the Border Region, "In areas where land has not yet been redistributed, nearly half of the land concentrated in the hands of landlords has gradually transferred to farmers over the past few years due to the implementation of rent reduction policies." [1] This transfer of land ownership was not achieved through violent expropriation, but rather through gradual adjustments guided by policy and the progressive improvement of farmers' economic status. Some landlords, fearing potential loss of land rights in subsequent land reforms, proactively sold their holdings to protect themselves. Others, anticipating diminished profitability during rent reduction settlements, used land as collateral for lease terminations or outright sales. Still others divested to pursue more lucrative industrial or commercial ventures. Peasants, meanwhile, accumulated capital through rent reductions or leveraged support from agricultural associations to purchase land, creating a relatively peaceful transition pathway. This non-confrontational approach avoided severe social upheaval while effectively dismantling the feudal landholding system. It brought means of production closer to actual cultivators, boosting agricultural productivity. Simultaneously, shifts in land tenure further weakened the control of traditional patriarchal

relationships over rural society. This empowered individual farming households to become independent economic entities, enhancing their identification with and allegiance to the Communist regime.

Overall, land transfers under the rent reduction policy took four forms: liquidation to offset rent, land sales, pawn transactions, and redemption of mortgaged land, with landlords voluntarily relinquishing ownership and peasants actively purchasing it. As the rent and interest reduction campaign deepened, this trend of transfer not only persisted but “gained momentum” [2]. Between 1940 and 1945, approximately 20–30% of land shifted from landlords to peasants, with proportions reaching as high as 50–80%[3] in certain local areas. The CPC Central Committee regarded this phenomenon as a result of feudal economic weakening and improved peasant economic conditions following rent reduction, explicitly implementing supportive policies to leverage this situation and “assist peasants in acquiring land.” In terms of specific policies, the CPC Central Committee guaranteed tenant farmers' priority rights to purchase land, further standardized mortgage contracts, encouraged long-term leases exceeding three years, and differentiated the handling of redeemed mortgaged land. Efforts were made to support farmers in retaining their land rather than mortgaging it to landlords, while maintaining the status quo for landlords' mortgaged land whenever possible [4]. This restructuring of land tenure triggered profound transformations in China's millennia-old land system: the traditional tenant-farming economy gradually disintegrated, some landlords transitioned into commercial landlords or wealthy peasants, and the economies of middle peasants and newly wealthy peasants emerged as the backbone of rural life. Through non-coercive land tenure transfer mechanisms, the traditional pattern of wealth distribution in rural areas underwent a fundamental shift.

## **2.2. The Peasantry Has Significantly Expanded, and the Class Structure Has Been Optimized**

Following the comprehensive implementation of the rent and interest reduction policy, the ownership structure of rural land underwent significant changes. This policy effectively curbed the burdens of high rents and usury, facilitating the gradual redistribution of land from landlords and wealthy peasants to the broader masses of poor peasants and farm laborers. Consequently, the proportion of poor peasants declined markedly, and the overall rural class structure exhibited a flattening trend. Capital accumulated by poor peasants through rent reductions was invested in reproduction, enabling them to gradually acquire land and improve farming tools, thereby smoothing their path to transition into the middle peasant class. Simultaneously, existing middle peasants, benefiting from reduced burdens and increased income, further developed into affluent middle peasants. A large number of formerly landless or land-poor peasants and farm laborers gradually transformed into new middle peasants through rent reduction gains and land purchases, significantly enhancing social mobility within rural society. This policy not only eroded the exploitative foundation of the landlord class economically by drastically reducing their rent and usury income but also delivered tangible economic benefits to peasants, particularly the landless and land-poor. Consequently, the rural class structure gradually shifted from the traditional pyramid shape (a small elite at the top and a large base of landless and land-poor peasants) to an “olive-shaped” structure dominated by farmers of moderate economic standing.

The so-called “olive-shaped” structure is characterized by “narrow ends and a broad middle.” In this social structure, the middle-income group constitutes the vast majority of the population, forming the social core, while the very high-income and low-income groups occupy the two extremes of society, representing relatively smaller proportions[5]. When the middle class becomes the dominant social force, its generally stable economic foundation and high level of identification with the existing social order tend to promote overall societal stability. This

group often holds strong identify with core social values, serving as a crucial buffer against social tensions. It can effectively mitigate class antagonism and structural conflicts [6].

The Rent and Interest Reduction Campaign restructured the long-standing rural resource allocation model through relatively peaceful and gradual means. It dismantled the pattern of highly concentrated land ownership, shifting land ownership and usage rights from concentration to dispersion. This triggered profound changes in the class structure, transforming the base area villages into societies dominated by lower-middle and middle peasants. Within this new structure, the middle peasants not only held a dominant position economically but also became a significant revolutionary force politically. Having tangibly benefited from rent and interest reductions, the broad masses of middle peasants consciously supported the base area governments. They actively responded to calls for military service, combat participation, and political engagement, providing crucial support for consolidating the base areas and ultimately securing victory in the War of Resistance.

### **3. Fully Mobilize Rural Communities to Break Through The Old Power Structures**

In regions where land reform had not yet been implemented, the landlord class continued to dominate the grassroots governance system. Particularly after the Chinese Communist Party introduced the “three-thirds system” governance structure, the ruling position of such landlords in rural society became even more entrenched. To preserve the Anti-Japanese National United Front, the CPC weakened landlords' economic privileges and political influence through rent and interest reduction policies, while simultaneously organizing peasants to launch struggles against landlords. To counter government monopolization during the rent reduction movement, grassroots organizations independent of district and township administrative systems were established (such as farmers' associations, rent reduction committees, and tenant associations). Their core function was to mobilize the masses and independently lead the rent reduction movement. During the operation of these organizations, politically conscious rural activists were mobilized and identified. Grassroots Party organizations, while leading the struggles, not only forged their own character but also absorbed emerging activists from the countryside, thereby enhancing both their quantity and quality. This marked the structural disintegration of traditional landlord authority and the construction of the CPC's new rural power system. As Mark Seldon observed: “The process of mass struggle is the process of local leadership emerging. Each time the local landlords are challenged, people sever another layer of the old power structure's constraints and reduce their dependence on entrenched landlord forces.”[7] The fundamental driving force propelling peasants to challenge the traditional order was precisely the practical outcome of the systematic operation of the CPC's grassroots organizations.

#### **3.1. Leverage Society to Establish Various Grassroots Organizations in Rural Areas**

Various rent reduction organizations essentially consolidated scattered individual farmers into an organized political force through institutionalized channels. These organizations not only served as the operational vehicles for rent reduction struggles but also played a pivotal role in mediating tenant-landlord disputes, overseeing policy implementation, and cultivating grassroots cadres. This substantially weakened the traditional gentry's monopoly over local affairs.

Grassroots Party and government organs attached great importance to such organizations, deeply engaging in their construction to ensure that popular forces remained under Party leadership. For example, the Rent Reduction and Payment Inspection Committee in

Shuanghuyu, Suide County, was composed of one representative each from the district Party committee and district government, joined by representatives elected from each township—including charcoal workers, landlords, middle peasants, hired laborers, and small merchants [8]. In Ziniu Gou Village, Dian Town District, Jiaxian County, the Rent Reduction Association was formed by Township Chief Zhang Muyu and Party Secretary Zhang Deyou, alongside worker Yan Pengyao, poor peasant Zhang Muhan, and tenant farmer Zhang Mudie, with Zhang Muyu serving as director. The Party organization's involvement enabled these bodies to effectively implement the Party's directives and advance rural social transformation. The Party demanded that mass organizations not only serve as the core force of the rent reduction movement but also evolve into vital vehicles for mobilizing the populace. Thus, rent reduction organizations composed of activists not only safeguarded tenant farmers' rights but also played a pivotal role in rebuilding rural society, gradually transforming into new centers of power in the countryside. Regarding specific duties, the five-member Rent Reduction Committee of ZiNiu Gou Village was organized as follows: aside from the village chief (who also served as director), the remaining members were responsible for managing the labor exchange team's production, handling accounts and grain loans, reclaiming graveyard land, conducting household censuses, and assisting factories. Beyond his primary role, the village chief oversaw the overall operations. Following the committee's establishment, all major and minor affairs within the township were jointly handled by its members and the township chief. To ensure the timely and high-quality completion of tasks such as mobilizing the self-defense militia, verifying household registrations, and storing public grain, they often worked through the night. Leveraging their prestige among the masses, the Rent Reduction Committee effectively supported the Party organization's work. It is no wonder that the Party branch secretary of Ziniu Gou Village candidly admitted that working in the village had previously been extremely difficult, but after the committee's establishment, the Party organization gained a capable assistant, making the advancement of official duties much smoother [9]. In areas where landlords controlled the township government, tenant associations received special support from the Party organization, and their actual power sometimes surpassed that of traditional rural administrative bodies.

Overall, grassroots Party and government organs achieved mutual reinforcement of organizational penetration and mass mobilization through the practical forging of rent reduction struggles. Peasants gradually broke psychological dependence on landlord authority through participation, forming new political consciousness grounded in class identity. This transformation—from economic rights demands to political subjectivity—provided a deep social foundation for the base area governments.

### **3.2. Forging Quality, Enhancing the Quantity and Quality of the Party Member Corps**

In the practice of rent reduction, grassroots Party organizations strengthened their control over rural society by selecting activists to join various mass organizations. This process also honed the political competence and mass work capabilities of the cadre corps. These emerging power entities gained credibility through policy implementation, gradually supplanting the traditional authority of landlords and gentry to become the core force in rural governance. Serving both as policy implementers and representatives of peasant interests, their dual roles enabled them to demonstrate remarkable effectiveness in mediating disputes, organizing production, and mobilizing support for the war effort. Having proven themselves through these tasks, they were prioritized for admission into the Party organization, significantly expanding the sources and numbers of Party members. Furthermore, the grassroots Party organizations themselves saw a marked improvement in their quality and capabilities during the struggle against landlords. Faced with complex situations, Party members and cadres learned to flexibly apply policies and

strategies, adhering to principles while emphasizing methodology. They accumulated valuable experience in mass mobilization, organizational coordination, and conflict resolution. Through practical training, they not only strengthened their skills in mass work but also deepened their understanding of rural social structures, gradually evolving into core forces familiar with local conditions, adept at struggle, and capable of shouldering heavy responsibilities. These capabilities, forged in real struggles, laid a solid foundation for advancing broader social reforms and cultivated deep roots for the Party's long-term governance in rural areas.

In terms of expanding the ranks of Party members, regions where rent reduction policies were thoroughly implemented witnessed a significant shift in the power dynamics between landlords and peasants. The peasantry gained partial liberation from landlord oppression. With improved economic conditions, they no longer feared landlord influence, leading to heightened trust in the Party and government. Their enthusiasm for production and political participation markedly increased. Simultaneously, the feudal exploitation of peasants by landlords weakened, and their traditional authority gradually disintegrated or vanished. Landlords not only lost the capacity to coerce peasants but were compelled to actively seek reconciliation with them[10]. This restructuring of power dynamics fundamentally reshaped rural social order, during which numerous activists emerged from grassroots practice. For instance, Zhang Zhixiao from Township 1, District 2, Chishui County emerged entirely from the grassroots as a farmers' association leader. He guided local peasants in establishing the association from scratch, not only achieving high-quality rent reduction but also playing a pivotal role in subsequent production campaigns. Other cases include Luo Zhisheng from District 2, Chishui, who spearheaded tenant meetings to renegotiate leases, vigorously advocating for tenants' rights at these gatherings [11]; Xu Shangxian, a labor hero from Township 2, District 2, Heshui County, distinguished himself in the rent reduction struggle and was elected as a rent reduction committee member. He not only actively promoted rent reduction and tenant protection but also led the masses in reclaiming wasteland, clearing several mountain slopes in three days and cultivating over six hectares in a single year, significantly boosting local agricultural production[12]. Through practical experience, the activists who emerged during the rent reduction movement were regarded by the Party organization as "ideal candidates for Party membership development." [13] With the end of the landlord class's rural rule, this new generation of rural backbone not only provided key personnel for grassroots Party organizations but also became the core force for the CPC's future governance of rural society.

Regarding the quality development of the Party membership, grassroots Party members led the masses in rent reduction struggles, extensively employing various strategies within complex practical contexts, demonstrating tangible achievements in team building. First, during the investigation of tenant-landlord relations, a strategy combining direct engagement with indirect inquiries, unifying principles with flexibility, and advancing incrementally while achieving breakthroughs at critical junctures was adopted. This approach focused on cultivating activists and leveraging the mobilization potential of kinship networks. Second, during policy publicity and mobilization, Party cells enabled granular organizational operations. By securing support from groups surrounding peasant Party members and employing concrete, everyday language to explain policies, they effectively enhanced the masses' policy comprehension and voluntary participation. Third, during the rent reduction meetings, precisely calibrated policy implementation standards, provided differentiated assistance to struggling tenants, stimulated grassroots agency to dynamically navigate complex situations, and effectively controlled the pace and direction of the struggle; Fourth, in post-meeting follow-up work, deepened ideological education through case studies, reinforced collective will through ceremonial celebrations, safeguarded tenant rights through measures like lease renewal agreements, and coordinated diverse interests using class analysis. These practical explorations fully demonstrate that grassroots Party members and cadres, navigating the

complex ecosystem of rent and interest reduction efforts, have continuously honed comprehensive capabilities spanning social mobilization, organizational coordination, and conflict resolution. This not only effectively advanced the implementation of rent reduction policies but also significantly elevated the overall quality of the Party member cadre through practical refinement[14].

#### 4. Conclusions

The rent reduction movement initiated by the Communist Party of China was essentially a process of restructuring the socioeconomic and political order in rural areas of the base regions. It primarily “swept away landlords' control over the rural economy and society through organized peasantry”, leading to multifaceted transformations in the social fabric of these rural areas. This movement not only reshaped land tenure relations but also profoundly altered the rural power structure. During the rent reduction campaign, peasants actively participated through organizations like agricultural associations to settle old rents and terminate leasehold tenancies. Faced with mounting pressure, landlords gradually relinquished land holdings while safeguarding tenant rights, redirecting capital toward industries like commerce and manufacturing. As peasants gained access to land, rural land tenure, tenant-landlord relations, and class dynamics entered a new phase. The economic foundation of the landlord class gradually weakened, leading to the disintegration of traditional gentry authority. Many landlords who once controlled rural affairs lost their influence over grassroots governance. Simultaneously, impoverished peasants elevated their political standing through rent reduction struggles, gradually supplanting landlords and gentry as the dominant force in rural affairs. This bottom-up transfer of power dismantled the traditional governance system centered on clan and land rights. The legitimacy of the new grassroots governments was established on the foundation of mass mobilization and redistribution of interests, thereby providing a solid social foundation for consolidating the base area governments.

The rent reduction movement also strengthened the CPC's capacity to penetrate rural society. Through organizations like farmers' associations, the Party's policies were directly transmitted to the grassroots level, enhancing farmers' identification with the Party as they gained economic benefits. This model, combining top-down mobilization with bottom-up participation, not only elevated the ideological awareness, technical skills, and political consciousness of grassroots Party members and farmers but also gradually integrated rural governance into the Party's organizational framework. This fostered a new order centered on the Party, with mass organizations serving as the connecting link. In this process, the class structure of rural society was redefined. Peasants ceased to be passive recipients of policy but became the primary agents of change. Through the struggle for rent and interest reductions, they not only gained tangible economic benefits but also developed a sense of identification and belonging to the new regime through political participation. This dual incentive—based on realized interests and awakened rights—granted Party policies a deep grassroots foundation. Rural order thus underwent a transformation from traditional rule by man to modern organizational governance. State power became embedded in the rural social structure at an unprecedented depth, forming a new governance paradigm centered on class mobilization and guided by the mass line. This transformation not only reshaped rural social order but also laid the social foundation for the CPC's long-term governance in the countryside. It solidified the Party's political authority at the grassroots level and provided replicable organizational experience and institutional frameworks for subsequent land reform. Drawing lessons from history, we must steadfastly uphold the leadership of the Communist Party of China in the new era, build robust rural Party organizations, and simultaneously cultivate diverse governance actors to enhance the synergy

of rural governance. Ultimately, we must advance relentlessly toward the goals of comprehensive rural revitalization and building a strong agricultural nation.

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