The Economic Role of Government in China: the diverging path of agriculture

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As a major means of developing China’s economy, structures that govern it have undergone substantial reform over the post-1978 era. This paper is particularly concerned with the reform and role of government, which varies by economic sector. In the case of agriculture, government plays a pervasive role for several reasons: on a horizontal level, the Ministry of Agriculture is one of the few “specialised economic” departments to have survived government reform measures; and on a vertical level, localities with an agricultural base remain relatively dependant on higher levels of government. Furthermore, the boundaries between the government, semi-government and non-government sectors are fuzzy. The reach of government agencies in agriculture extends beyond enterprises and economic associations to include service providers, local groups (including co-operatives) and farmers. Partly through design and partly because of the nature of the sector, China’s reform process in agriculture appears to be taking a path divergent to that of the broader economy.