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Research on Rural Development Pathways Driven by External Projects: A Case Study of Village S

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ABSTRACT

Against the backdrop of China's rural revitalization strategy, attracting external capital through project recruitment has become a common model for promoting rural industrial development. Taking Village S in City N, Province S as a case study, this paper analyzes the process of integrating government-led external capital, technology, and local rural resources. The study finds that Village S achieved short-term industrial upgrading and increased farmers' incomes through mechanisms such as "government bridging, resource coupling, contractual integration, and limited spillover." However, problems also emerged, including low levels of farmer participation, weak benefit-linking mechanisms, and insufficient endogenous momentum. The research shows that while the project recruitment model yields quick results, it also faces sustainability challenges. In the future, alongside project introduction, greater attention should be paid to safeguarding farmers' principal status, improving benefit distribution mechanisms, and enhancing villages' self-development capacity, so as to achieve the transition from "external blood transfusion" to "internal hematopoiesis."

KEYWORDS

Rural Revitalization; Project Recruitment; Resource Integration; Endogenous Development.

1. PROBLEM STATEMENT

Industrial revitalization is central to rural revitalization. At present, many rural areas face challenges such as capital shortages, outdated technology, and poor market access, making it difficult to develop industries through their own efforts. To address this, local governments commonly adopt "investment attraction" to bring in external enterprises, hoping to achieve "project-driven industry, industry-driven income growth." This model has achieved notable success in many places, but problems have also arisen, such as enterprises playing the "leading role" while farmers play "supporting roles," and even issues with projects being "difficult to implement" or "unable to stay."

Thus, a question worth considering is: How exactly do government-recruited projects operate and take root in villages? What changes do they bring to villages? While promoting economic growth, do they truly stimulate the village's own development capacity? These questions are directly related to the sustainability of rural revitalization. Taking Village S in City N, Province S as an example, this paper analyzes its rapid development process through the successive introduction of agricultural and tourism projects, examines the internal mechanisms and potential problems of this model, and provides references for similar villages.

2. CASE OVERVIEW: THE DEVELOPMENT PATH OF VILLAGE S

Village S is located in City N, Province S, close to the county seat, with convenient transportation and relatively superior natural conditions. Before 2010, Village S relied mainly on traditional farming, with a large number of young and middle-aged laborers migrating to work in cities, leaving the village lacking vitality. After 2010, driven by the local government's goal of building "China's First Organic Ecological Cycle Village," Village S embarked on a development path centered on project recruitment.

During the foundational preparation phase from 2009 to 2010, the village collective facilitated the centralized transfer of over 4,000 mu of land and established professional cooperatives, laying a solid foundation for large-scale operations. Meanwhile, the government invested in building roads, water conservancy, and other infrastructure, significantly improving production and living conditions. From 2010 to 2013, during the agricultural project introduction phase, with government mediation, Village S introduced the "Taiwan Organic Ecological Agriculture" project. Relying on external capital, new varieties, and cultivation techniques, it developed characteristic agriculture including a thousand-mu rose garden and ten-thousand-plant cherry blossom forest. Products obtained national organic certification, and the "organic ecology" brand quickly gained recognition, initially forming the basic model of "government setting the stage, enterprise operating, village coordination, and farmers receiving rent and wages." From 2014 to the present, during the deepening phase of agricultural-tourism integration, Village S successively introduced renowned agricultural enterprises that brought modern agricultural technologies such as drip irrigation and drones to promote agricultural standardization and branding, as well as Hong Kong Changsheng Group, which invested in the "Pastoral Impression" resort hotel. This achieved the transition from single-sector agriculture to an "agriculture + tourism" model, ultimately forming a development pattern involving government, enterprises, village collectives, and farmers. The village now receives over 100,000 tourists annually, with significant increases in per capita net income of farmers, and has been designated as a provincial-level demonstration village for rural revitalization.

3. OPERATIONAL MECHANISMS OF PROJECT IMPLEMENTATION

The success of the Village S model is attributable to the following mechanisms:

(1) Government "Bridging" and Facilitation

Local government played a critical role in the projects. First, it established a high-level plan clarifying the village's development direction. Second, it used government credibility to endorse enterprises, reducing their investment risks. Third, it improved infrastructure in advance and assisted in completing large-scale land transfer, removing major obstacles to project implementation. Fourth, it introduced preferential policies to enhance project attractiveness. This deep and comprehensive involvement effectively bridged, in a short time, the institutional and cultural gaps between external capital and rural society, accomplishing the "leap of faith" necessary for development. It can be said that without strong government push, Village S could not have introduced multiple large-scale projects in such a short period. However, this "strong government" role is a double-edged sword: while facilitating rapid project implementation, it may also inadvertently reinforce enterprises' dependence on administrative resources and lay the groundwork for excessive extension of administrative power in subsequent governance structures.

(2) "Matching" External Factors with Local Resources

The successful implementation of projects depends on the precise matching and combination of externally introduced high-energy factors with existing local resources-i.e., "selective coupling." In Village S's practice, this coupling exhibited a high degree of strategicity and imbalance. On one hand, external capital, modern agricultural technologies, and resort hotel management concepts were efficiently combined with Village S's fertile and contiguous land, unique landscape and ecological scenery, and relatively inexpensive surplus labor. This coupling quickly generated competitive organic agricultural products and tourism services, forming the direct material foundation for Village S's economic rise. On the other hand, this coupling was "selective," occurring mainly at the level of material resources that are easily priced and controlled[1]. In contrast, the external factors' reach and activation of deeper social capital within the village (such as trust networks and mutual aid norms based on kinship and locality), complex local knowledge (such as traditional farming experience and ecological wisdom), and potential community innovation capacity were relatively limited. Enterprises tend to establish standardized, replicable new rules rather than deeply integrating into and upgrading the existing socio-cultural system, leaving the "coupling" to some extent at the level of instrumental rationality.

(3) Contractual Management and Standardized Operation

To manage thousands of mu of transferred land and hundreds of local employees, Village S's development model naturally moved toward "rigid integration" centered on formal contracts and bureaucratic management. In land consolidation, unified transfer contracts replaced scattered farmer decision-making. In labor management, clear employment contracts and regulations replaced traditional labor exchange and mutual assistance. The cooperative established by the village collective, after completing the initial phase of land resource integration, gradually shifted its role from a "market entity" representing farmers' interests in negotiations to an "administrative service intermediary" that cooperates with enterprise needs and executes specific tasks[2]. This integration model, with its clear rights and responsibilities, efficient management, and reduced transaction costs, ensured the basic order of large-scale agriculture and hotel operations. However, its "rigid" nature also brought significant side effects: it may suppress the vitality of "organic integration" based on trust, reputation, and reciprocity within rural society, reducing rich social relationships to cold contractual clauses, thereby making it difficult for the community's capacity for self-organization, coordination, and problem-solving to be exercised and enhanced through market-oriented practice.

(4) Employment Generation and Skill Improvement

Enterprise development provided the most direct and visible benefit channel for local villagers-employment opportunities-and generated a "capacity spillover" effect. As farmers became agricultural industrial workers or hotel service staff, they acquired standardized skills such as specific organic cultivation procedures and basic tourism service etiquette through "learning by doing." Some enterprising villagers also took advantage of the location to open supporting businesses such as farm stays and small shops. This spillover indeed improved some villagers' vocational skills and market awareness. However, this capacity spillover is partial and superficial. The knowledge and skills that spill over are mainly concentrated at the execution and operational levels of the industrial chain, while invisible barriers form around core knowledge and capabilities at the high end of the value chain, such as variety R&D, branding, market strategy, and capital operation. Farmers are generally "locked" into supporting and subordinate positions in the industrial chain, making it difficult for them to grow into modern business entities capable of independently navigating markets and leading industrial upgrading. The community's overall endogenous capacity to respond to market risks and seize development opportunities has not been fundamentally strengthened.

4. DEVELOPMENT OUTCOMES AND POTENTIAL PROBLEMS

Village S achieved rapid development through project recruitment, but also revealed certain problems that require attention.

(1) Significant Economic Achievements, but Risk of Dependency

From explicit indicators, Village S has undoubtedly succeeded: industry has upgraded from traditional farming to organic agriculture and rural tourism, with considerable annual sales and tourism revenue, and farmers have achieved absolute income growth through land rent and wages. However, beneath the impressive figures lies structural fragility. First, the village economy exhibits a high degree of industrial dependency. Core technologies, varieties, management, and market channels are all controlled by a few external enterprises, and the local industry lacks the internal capacity for self-renewal and innovation. Once core enterprises withdraw due to market fluctuations or strategic adjustments, Village S's characteristic industries may rapidly "hollow out." Second, there is obvious benefit leakage and concerns about inclusiveness. Currently, farmers mainly receive fixed land rent and wage income as laborers, while the bulk of industrial value-added profits is captured by enterprises. Although there is a "company + cooperative" form, the mechanisms for farmers to substantively share in development dividends through equity are often inadequate and involve low proportions[3]. This distribution pattern-where "the enterprise enjoys the prosperity while farmers get only a fraction"-not only affects the fairness and inclusiveness of development but also weakens farmers' intrinsic incentives to closely link their own development with the long-term fate of the village industry.

(2) Weak Benefit Linkages and Limited Farmer Sharing

Project recruitment has profoundly reshaped Village S's power structure and governance logic. In practice, a governance pattern of "enterprise-led, government-supported, village-executed" has emerged. In major industrial decisions, investing enterprises possess absolute decision-making power; local government focuses on ensuring the business environment and macro-coordination; and the functions of the village "two committees" and cooperative have shifted from being "heads of household" leading community development to "coordinators" serving enterprise implementation and "mediators" handling specific conflicts. This shift has caused a deviation in community public agendas, with the goals, pace, and content of village development largely shaped by enterprise business plans, while issues closely related to villagers' immediate concerns-such as public services, cultural preservation, and ecological protection-may be marginalized. Villagers' participation in and influence over major community affairs have declined, with their role shifting from "subject" to "object," from "participant" to "affected party," and the community's inherent collective identity and autonomous development capacity face the risk of erosion[4].

(3) Transformation of Village Governance Roles and Weakening of Subjectivity

Development projects have brought profound and subtle changes to Village S's social structure and social relations. On one hand, traditional rural society-based on kinship, locality, and relational ethics-has been strongly impacted by market-economy contractual relations and bureaucratic rules. Mutual assistance among neighbors may be replaced by clearly priced labor relations, partially stripping away the warm veil of rural society. On the other hand, new economic activities have given rise to new social stratification. Around enterprise development opportunities, new elite groups may form, including cooperative leaders who successfully interface with enterprises, locals who obtain stable management positions, and successful operators of supporting service businesses[5]. Income and social gaps between them and ordinary agricultural workers and temporary employees may widen. The previously relatively homogeneous social structure has been disrupted, with new contradictions and tensions brewing around benefit distribution and employment opportunities, and community integration and social capital face new tests.

(4) New Social and Ecological Challenges

The costs of economic growth are also reflected in ecological and cultural dimensions. Ecologically, large-scale monoculture landscape agriculture may bring risks such as reduced biodiversity, soil nutrient imbalance, and concentrated pest outbreaks. Tourism development inevitably increases pressure from wastewater and waste disposal, posing long-term challenges to local water resources and the natural environment. Culturally, rural culture faces the risk of being "staged" and "commodified." To cater to tourists' curiosity, authentic rural life, festivals and customs, and handicrafts may be simplified and packaged into consumable performances, stripping away their original life connotations, social functions, and emotional values. This "for-the-tourist" cultural display may lead to cultural inauthenticity and the depletion of inner vitality, causing villages to lose their unique spiritual identity and soul even as they become "wealthier."

5. CONCLUSION AND IMPLICATIONS

In summary, the case of Village S profoundly reveals the dual and phased nature of the "project recruitment" development model. With its efficient resource mobilization and integration capabilities, this model has played an important historical role in breaking through initial development bottlenecks and achieving rapid industrial "leapfrogging from nothing to something and from something to excellence," and its short-term efficiency deserves recognition. However, this study also clearly shows that this model-highly dependent on external factor-driven and bureaucratic management-has structural internal tensions in terms of systematic cultivation of endogenous development capacity, optimization of community governance structures, and inclusive sharing of development outcomes. It functions more like a "stimulant" that works quickly but fails to simultaneously cultivate the village's own sustainable "hematopoietic" function, with long-term development facing multiple challenges including industrial dependency, governance imbalance, social alienation, and ecological-cultural concerns.

Therefore, to promote truly sustainable rural revitalization, thinking must shift from simply pursuing scale and speed through "project recruitment" to "empowerment-oriented embedding" that emphasizes quality and sustainability. Future policies and practices should aim to introduce external factors while simultaneously constructing institutional arrangements that effectively stimulate and cultivate endogenous momentum. Specifically: First, restructure benefit-linking mechanisms, exploring various forms such as land equity participation and profit dividends, so that farmers can deeply participate in and fairly share industrial value-added benefits, building a community of shared interests. Second, strengthen community subjectivity building, ensuring through institutional design that village collectives and cooperatives have decision-making, supervisory, and benefit rights in industrial development, and vigorously cultivate local management talent and entrepreneurs. Third, promote corporate social responsibility and local integration, guiding enterprises to go beyond simple resource utilization and assume more responsibilities in technology transfer, local procurement, and cultural respect, becoming long-term partners in community development. Fourth, improve macro-institutional design, simultaneously assessing and planning the driving effects of project introduction and evaluation on local capacity building, ecological protection, and cultural inheritance, achieving an organic balance between external drive and endogenous cultivation.

The practice of Village S is a microcosm of the development pathways explored by numerous rural communities in China during their modernization process. Its experiences and lessons indicate that the core issue in rural development is not whether to introduce external resources, but how, through ingenious institutional design and social interaction, to transform the introduction of external resources into an opportunity to activate and strengthen-rather than replace-internal forces. Only by carefully nurturing the seed of endogenous development that concerns the long-term future while enjoying the growth dividends brought by external factors, can we forge a path of rural revitalization that is both efficient and vibrant, and more importantly, sustainable. This is not only a challenge facing Village S but also a historic issue that China must address in comprehensively advancing rural revitalization.

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