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The "Two Leaps" and Chinese Agricultural Modernization

GUO Yue-jun*, SUN Jia-lu

School of Humanities and Social Science, Hebei Agricultural University, Baoding 071000, China

Abstract The "Two Leaps" put forward by Deng xiao-ping on agriculture are expounded in the paper. The first leap is from the people's commune to family land contract operation system. The weaknesses of people's commune and innovation of family land contract operation system are analyzed. It is pointed out that the family contact operation system is the expansion and development of collective economy. The second leap is to develop appropriate scale operation and collective economy. The shortages of family contract system are analyzed. It is put forward that realizing scale operation of agriculture is the necessary demand for production development and collective economy road is the inevitable way for realizing Chinese agricultural appropriate scale operation. "Two leaps" gives clear way of agricultural modernization: consolidating the thoughts of starting from the reality, insisting the guidance of the fundamental position of agriculture and further promoting agricultural development; persistently stabilizing and perfecting rural basic operation system and timely promote rural system innovation; stimulating the thought that science and technology is the prior productiveness and developing agricultural modernization in a better and faster way.

Key words "Two leaps", People's commune, Household contract responsibility system, Agricultural modernization, China

Since the late 1970s, Chinese has been performing reform and opening up policy. The establishment, consolidation and perfection of the household contract responsibility system have greatly facilitated the development of household contract responsibility system. But with the passing of time, the potential of household land contract system was almost explored completely and exhausted. After several years' rapid development, the agriculture entered a stable and lingering progress stage. And then, people began to think new ways for agriculture after realizing the household contract responsibility system. Certainly, the agricultural system which takes household contract responsibility system as the basis should be adhered to for a long time, but a new way that can further liberate and develop rural productivity and a new modern agricultural way that better fit Chinese basic situation should be explored.

In March, 1990, DENG Xiao-ping put forward the thought of "two leaps" in agricultural development, which answered the problem with reason. He pointed out that: "from the long-term perspective, the reform and development of Chinese socialist agriculture needs two leaps. The first leap is to abolish people's commune and implement household contract responsibility system. It is a great leap, which should be adhered to for a long term. The second leap is to suit the demand of scientific farming and production socialization to develop suitable scale of operation and develop collective economy. a great leap; certainly, a long progress^[1]. The "two leaps" of agriculture put forward by DENG Xiao-ping is an important part of DENG Xiao-ping developmental thought. It is the fruits of the combination of basic theory of Marxism and modern Chinese agricultural practice. The "two leaps" not only points out the long term estab-

lishment and existence of household contract responsibility system, but also the inevitable trend of future development of Chinese agriculture with scale operation. Besides, it reveals the contradiction and movement rule of rural productivity and productive relations and specifies the direction of rural reform and agricultural development.

1 The first leap: from people's commune to household contract responsibility system

From people's commune to household contract responsibility system is the major reform of Chinese rural productive mode. Rural economic system has experienced a leap in quality. Household contract responsibility system is to transfer the complete collection-owned and state-owned rural economic system into new public economy which combines incomplete rural individual household ownership, individual ownership and collective economy on the basis of rural individual household responsibility system. The core of household responsibility is to transfer former land collective operation into household operation. That is to say, the system divides ownership, operation right and use right, which has broken the inherent rural collective economy that can only implement the single production mode of "collective ownership, unified operation".

1.1 Weaknesses of people's commune system People's commune widely applies the distribution mode of equalitarianism, but the results are jointly produced by all the members, so equal distribution can be fully display the disparity of labor and people may lose their enthusiasm. To reduce the lazy behaviors is to supervise them, however, from the perspective of the features of agricultural production, there are so many uncertain factors (sunshine, precipitation, temperature, and so on) that it is hard and expensive to supervise the members, so the producers should have high responsibility. The supervision is not

so perfect, but the labor fruits are equally distributed according to People's commune system, that is to say, the losses caused by individual laziness should be born by the whole collection and the labors can not be appropriately evaluated. People's commune system has hindered the development of productivity and the progress of Chinese agriculture. The major reason that causes the failure of people's commune is the one-sided pursuit on political demand but neglect the economic interests of the masses.

1.2 The innovation of household contract operation system Household contract responsibility system has greatly changed Chinese rural economic system. It has liberated and developed rural productivity and greatly adjusted farmers' production enthusiasm. The system introduced farmers' individual ownership into collective ownership and changed the complete public ownership into the combination of complete individual ownership and public ownership, which has greatly changed the ownership system. Rural household contract responsibility system represents the innovation of three systems: firstly, under the prerequisite of public ownership of land production materials, the basic agricultural production form, which takes household as unit, affirms the position of rural households that separates ownership and use right. Rural household owns the self operation rights of land, and then they are more flexible in production and operation method. Secondly, the household contract responsibility system is to contract the collective land to individual households and take household operation to collective economy to form the two layer operation system of dispersed and unified operation. To a certain degree, Chinese ownership structure has changed. Thirdly, the household operation combines labor input of producers and labor interests, which breaks through the equalitarianism in distribution; realizes the principal of distribution according to labors and fully promotes farmers' enthusiasm on agricultural production.

1.3 Household contract responsibility system is the enrichment and development of collective economy Implementation of household contract responsibility system is an effective realization form of Chinese rural collective economy. It is not the damage to the traditional collective economic system but the enrichment and perfection of it. The system maintains the positive results (the public ownership of land and collective economy) of people's commune. The household dispersed operation and collective integrated operation are the two profile of Chinese Current economic system. They have the relations of inheritance and innovation and they are complementary. The most effective way of rural collective economy is to contract collective land to individual farmers to implement double layer operation. The double layer operation system is more flexible in unified specific forms and contents and it has the capacity of containing different productivity level and has large adaptability and vitality. The system is a great achievement created by Chinese farmers under the leadership of Chinese communist party and it is the self perfection and development of collective economy. The system is a long-term policy rather than a quick term and any hesitation and movement is not allowed.

2 The second leap: developing moderate scale operation and collective economy

As a new innovation system, although the "second leap" has solved the food and clothing problem of more than one billion people in China; liberated and developed rural productivity and promoted the development of Chinese economy, it has not completely finished the transformation from traditional agriculture to modern agriculture. It is a small production form on earth with the feature of natural economy, at that time, rural development is still backward and farmers' income increase is still very difficult. Therefore, in view of how to deepen rural reform and introduce household operation to scale collective production and confronts the plights in development, DENG Xiaoping, put forward the "second leap" of rural operation system. The second leap is to develop appropriate scale operation and collective economy.

2.1 The shortages of household contract responsibility system Household contract operation is the households contract the collective land to operate and the household is the basic unit. The direct target of household contract responsibility system is to solve the subsistence problems of people. Under the background of developing socialist and reform and opening up, individual household operation can not meet the demand of socialist market economy and its shortages began to appear. In the first place, in rural areas, most of them are individual operation with low production level. The household operation has low capability in resisting market risks and bad scale effects, which lead to the slow growth rate. Besides, due to the small scale and dispersed layout, agriculture can not have large scale income of modern technology. Farmers have limited advanced science and technology and low awareness on market, so they can not create benefits by appropriate scale operation.

2.2 Realizing scale operation of agriculture is the necessity for developing agricultural production It has necessary relations between appropriate scale operation and household contract responsibility system. It is not just a simple combination from dispersed small scale operation to land appropriate scale operation. It is the reform on the original operation way on the basis of the stable household contract responsibility system. Breaking through the small scale operation, implementing appropriate scale operation and promoting the socialized and specialized social division is the self development and perfection of household contract responsibility system.

The substance of scale operation is the rational distribution of productive elements and it can be materialized when the productivity has achieved certain degree. Therefore, the scale operation should have certain situations: in the first place, a large amount of farmers should be transferred to non-agricultural industries. In the second place, the secondary and tertiary industry should have certain development which can help farmers to get stable working opportunities and stable income in non-agricultural industries and let them willing to abandon the use rights of land. Thus, the land can be collected. And then, it should have good mechanized equipment, which is conducive to reaching agricultural mechanization and improving farmers' science

and technology cultural quality. What is more, the social service system should be provided to match agricultural production equipment, which can provide full service for agricultural production.

Transforming the dispersed operation of households to scale operation finds an effective way for solving the contradiction of small production and big market. Household contract operation and scale operation are the two stages for reform and development of Chinese agriculture. The scale operation is limited by many situations, so we must insist the basis of household contract responsibility system and the respect on local situation and farmers' willingness. Even in the area with perfect material situation, farmers' physical and mental demand should be taken into consideration. Just as DENG Xiao-ping said "this transformation is not the reform from top to bottom and not the administrative decree, but the demand put forward by the production development."

2.3 Chinese agriculture should take the path of collective economy to realize the appropriate scale economy The essence of "the second leap" is to integrate appropriate scale operation with developing collective economy to take socialist agriculture road and realize the modernization of agriculture. The basic feature of Chinese socialist system determines that we should develop collective economy, DENG Xiao-ping pointed out that: "our ultimate direction is to develop collective economy"^[2]. In the first place, in rural areas, "we should let farmers to operate scale operation"^[3]. In the second place, China has dense population and limited land and it implements the socialist system, so it must take the collective economy path to realize the scale operation and production socialization. However, developing collective economy should avoid equalitarianism. Farmers' interests should be fully paid attention to. The government should develop township enterprises to transfer farmers out of agriculture to create new employment opportunities and new way of increasing income for farmers to reach collective economy. Without the development of collective economy, the scale operation will lose the coherence. In return, if the scale operation suits the developmental demands of agricultural mechanization and market, the scale operation will be the consolidation and development of rural collective economy.

DENG Xiao-ping points out that the reform and development of Chinese socialist agriculture should go through two leaps; the first one is to implement household contract responsibility system; the second one is to develop the appropriate scale operation and develop collection economy. The "two leaps" contacts together which can not be surpassed and broken and it is a long historic process which should be adhered to for a long time. For one thing, the "two leaps" points out the basic direction and paths for Chinese agricultural development. For another thing, it points out the steps and methods for Chinese agricultural development.

3 The thought of "two leaps" paves way for Chinese agricultural modernization

The thought content of "two leaps" put forward by DENG

Xiao-ping has rich and deep meaning. It is of great significance in promoting agricultural modernization with Chinese distinct, facilitating the development of agricultural and rural economic development and improving socialist new village construction to learn the scientific connotation and features of the "two leaps" under new historic situation.

3.1 Consolidating and insisting the direction thought of proceeding from reality and the fundamental position of agriculture to promote the development of agriculture Agriculture is the basis for the survival of human being. DENG Xiao-ping always took "agriculture is root that can not be abandoned" as the basic starting point of Chinese reform and opening up and agricultural modernization. He had ever pointed out that developing agricultural production should take actions that suit local circumstances" developing what is suitable for developing, and not arbitrarily developing the improper thing"^[4]. He also pointed out that "the success of Chinese reform and opening up can not only rely on experience but on practice", which fully represented its materialism spirit on proceeding from reality and seeking truth from facts. HU Jing-tao pointed out in the report of the seventeenth National Congress of the CPC that: we should intensify the fundamental position of agriculture and take the road of modern agriculture with Chinese distinct; establish the mechanism of using industry to motivate agriculture and urban area to motivate rural area and form the new prospects of urban and rural social and economic integration. Therefore, in the process of establishing socialist new village, we should persevere with the thought pattern that agriculture is the foundation of national economy; respect the reality of dense population and limited land in Chinese rural areas; attach great importance to agricultural development; lay stress on developing modern agriculture and taking the road of modern agriculture with Chinese distinct, and continuously improve the comprehensive production capability of agriculture. According to the "two trends" put forward by President HU Jin-tao, we should insist that industry nurturing agriculture and intensify the support and input on urban areas and rural areas to provide great power for promoting the coordinating development of urban and rural areas.

3.2 Stabilizing and perfecting rural basic operation system and promoting the innovation of rural system The "two leaps" of agriculture of DENG Xiao-ping has deep connotation and its core is to develop productivity. Social production is an integral constituted by productivity and production mode. Productivity is the determinant of production development and production relation should suit the development of productivity. In the past, farmers in Xiaogang Village started from the actual productivity and broke through the restriction of highly collected people' commune and launched the household contract responsibility system, which greatly improved farmers' living standard. So far, Chinese agricultural production rate has been increased greatly and rural population was transferring gradually from rural areas to urban areas. The current land policy is the land transfer system. It is the innovation of rural land operation system to suit the continuous developmental level of rural productivity development. HU Jin-tao pointed out in the report of the seven-

teenth National Congress of the CPC that:" insisting on rural basic operation system, stabilizing and perfecting land contract system and perfect the land transfer market according to the principles of voluntary and compensatory. The areas with good situation can develop the proper and diversified scale operation. We should explore the effective way for realizing collective economy, developing farmers' cooperative organization and supporting the agricultural industrialization operation and the development of pillar enterprises".

3.3 Steadily believing that science and technology is the primary productivity and developing modern agriculture in a better and rapid way DENG Xiao-ping pays much attention to the position and functions of science and technology in agricultural production. He pointed out that" the development of agriculture relies on policy and science. Without modern science and technology, it is impossible to build modern agriculture". DENG Xiao-ping laid stress on science and technology, which has great significance in the construction of socialist new villages. The advancement of science and technology is the fundamental way out for agricultural development. In the past long time, Chinese agriculture still take the path of high input, high consumption, low efficiency and low output. The growth of Chinese agricultural economy is based on the expenses of low technology and high material input. The resource-extensive

production way will lead to resource shortage and environmental pollution, which is conducive to the sustainable development. No matter the experiences obtained from Chinese situation of dense population and limited land and other countries, the development of Chinese agriculture and modern agriculture rely on scientific development. We should firmly insist the thought of the first productivity and try to equip agriculture with modern industry and modern science and technology. We should let farmers who master advanced technology and management knowledge to undertake agriculture. The input on technology and promotion on science and technology should be intensified to realize the transformation from traditional agriculture to modern agriculture to well develop modern agriculture.

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and coordinating urban-rural development, the government should formulate and implement the relevant policies concerning the expansion of the agricultural industrial chain, and offer guidance in terms of policy support, industrial layout, resources allocation, information transmission, industrial extension, quality tracking, market expansion and so on; as for the policy, the government should offer support in terms of financial support, tax support, reduction of charges and credit services.

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