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# On the Government's Responsibility in China's Rural Land Transfer

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**Abstract** There is an urgent need for China's rural land transfer in order to develop modern agriculture, ensure food security, transfer rural population, and accelerate industrialization and urbanization. At present, there is still disordered transfer of rural land in China, making the interests of the transferors and transferees difficult to be effectively guaranteed; there is inefficient transfer, leading to decline in actual agricultural production level after transfer; there is jobless transfer, leading to difficult placement for rural surplus labor after transfer, seriously restricting rural land transfer. Therefore, the Chinese government's legal responsibility, economic responsibility and social responsibility in rural land transfer should be further strengthened.

**Key words** China, Rural land transfer, Government's responsibility

## 1 Introduction

The acceleration of industrialization and urbanization, economic restructuring and rural labor transfer has promoted the rural land transfer to be extensively carried out nationwide. Rural land transfer has increasingly become an important economic and social phenomenon attracting widespread attention in recent years. The contradiction, between low incidence of rural land transfer and large-scale land management needs, is increasingly becoming a major obstacle to resolving issues concerning agriculture, countryside and farmers, and promoting coordinated development of new urbanization, new industrialization, and new agricultural modernization. Further improving the speed and scale of rural land transfer is becoming an effective way for the central and local government to deepen the reform of rural land system. As the promoters and regulators of rural land transfer, all levels of governments' responsibility fulfillment on rural land transfer is directly related to the direction, power and effectiveness of land transfer. This paper analyzes the role and responsibility of government in land transfer so as to clearly define role, strengthen the government's responsibility, bring forward viable policy recommendations for rural land transfer, and promote active and orderly land transfer.

## 2 Necessity of rural land transfer in China

**2.1 Urgent need for developing modern agriculture to ensure food security** According to statistics, at the end of 2009, China's per capita arable land area was 2.26 mu; the per capita arable land area was only 1.5 mu in Henan, Shandong and Hubei; the per capita arable land area was less than 1 mu in southeast coastal provinces, and the arable land per household was in different plots. The small scale rural land operation, and inefficient transfer, have posed a serious impediment to the development of modern agriculture in China. Without changing the collective ownership nature of rural land, rural land transfer fundamentally breaks the fragmentation of land use rights, revitalizes the stock of land, and improves

intensive management of rural land and large-scale production levels, thereby increasing agricultural productivity, and ensuring agricultural production and efficiency. Therefore, promoting a new round of reasonable transfer of rural land should become a strategic choice of accelerating the transformation of traditional agriculture, developing modern agriculture and ensuring food security.

**2.2 Urgent need for transferring rural population and accelerating industrialization and urbanization** World history of development shows that China's modernization should be the modernization based on the developed industrial civilization and urban civilization. Only by accelerating urbanization can the occupation of considerable land due to scattered living be changed, thereby increasing effective supply of land and achieving intensive use of land. Accelerating land transfer can help to free large numbers of people shackled by rural land by relying on institutional innovation in large-scale land operation under the conditions of maintaining stability of social relations in rural areas, to provide strong human resources support for industrialization and urbanization.

## 3 Main problems in China's rural land transfer

**3.1 Disorderly transfer makes the interests of the transferors and transferees difficult to be effectively guaranteed** Affected by the lack of the legal system, weak awareness of legal concept and other factors, the current rural land transfer in many places is often completed among the folks in verbal agreement form, and the rights and obligations are not defined by valid laws, but determined by feelings and trust, with great arbitrariness. Once there are conflicts and disputes after the transfer, it is often difficult to resolve through legal channels, which makes the interests of transferors and transferees always in an unstable state, and brings a great hidden peril to the social order.

**3.2 Inefficient transfer leads to decline in actual agricultural production level after transfer** The comparative benefit from farming operation and especially grain production is relatively low. After the land is transferred for building industrial parks, farms, agricultural sightseeing parks, or is changed into construction land, there may be greater benefits or administrative achieve-

ments. Some people or local governments have strong desire to occupy arable land through rural land transfer. The "non-agricultural trend" of land use not only poses a potentially serious threat to the national food security, but also undermines the sustainable use of agricultural land resources.

**3.3 Jobless transfer leads to difficult placement for rural surplus labor after transfer** By changing farmers' production or employment pattern, rural land transfer is scientific practice of making farmers voluntarily transfer land use rights without relying on the land for a living. However, the industrialization and urbanization development is hard to provide enough jobs, and especially landless farmers and rural surplus labor forces are not well-educated or skilled. In the context of rapid shift in economic development mode and declining demand for labor, the landless farmers and rural surplus labor forces will find it more and more difficult to find a job, and unemployment and underemployment will be bound to jeopardize social stability in urban and rural areas.

## 4 Government's responsibility in China's rural land transfer

**4.1 Legal responsibility** China's current land transfer is mainly based on *Rural Land Contract Law of People's Republic of China* and *Measures for the Administration of Circulation of Rural Land Contracted Management Right*. These two laws define the relevant stakeholders of transfer, specific content and legal effect of transfer, signing and management of transfer contract. In addition, Chapter XI, Part III of *Real Right Law of the People's Republic of China* also clearly defines the transfer mode, prohibiting stipulation, and exchange mode of land contracting right. *Agricultural Law of People's Republic of China* also makes general provision on the transfer of rural land contract management rights. The above legal system and specific legal norms provide a pattern of behavior sanctioned by law for transfer of rural land contract management rights. In agricultural production and operation area where "market failure" is widespread, it is undoubtedly a rational choice to legalize the regulating and promoting role of national public authorities and collective organizations, and use the minimal cost of legislation to promote agricultural modernization.

**4.2 Economic responsibility** Optimizing resource allocation, adjusting income distribution, and promoting the steady growth of the rural economy, is the primary economic responsibility that China's rural grass-roots government must now bear. From the perspective of the land transfer, the government should deal with the following issues. (i) Promoting the rational allocation of land resources. The biggest problem facing China's current land transfer is property rights, and scientific system of property rights can reduce transaction costs and improve market efficiency. (ii) Adjusting income distribution. Reasonable income distribution system can ensure the smooth implementation of reform, and is one of the objectives of China's reform and development. From the current situation in rural areas, the land allocation in the early period of household contract caused a large amount of factors hindering

China's land transfer. The basic principle of distribution is the efficiency based on equity, and how to find the balance point in government and market is a problem to be urgently solved by the government. (iii) Promoting stable economic growth. To continue to strengthen the foundation of agriculture, it requires governments at all levels to increase investment in agriculture, improve the level of agricultural science and technology, increase cultivated area, and increase agricultural subsidies.

**4.3 Social responsibility** In terms of the government's social responsibility in rural land transfer, the government should deal with the following issues. (i) Well handling efficiency and equity issues in land transfer. In promoting rural land transfer, it is necessary to protect the legitimate rights and interests of transferors and transferees and other members of society. (ii) Properly handling social stability issues. Under existing conditions of China, without the help of external forces, farmers alone can not establish a sound social security system that can provide many functions of risk prevention. There is a need to continue to increase efforts to offer security for the landless farmers, and provide more favorable conditions for the landless farmers' employment, to improve the landless farmers' living standards with the rising level of social development. (iii) Strengthening food security. There is a need to further strengthen the responsibility of governments at all levels for ensuring national food security, do everything possible to protect the basic farmland, and increase food production through large-scale, intensive agricultural management, so as to provide adequate food supply for the society.

## 5 Conclusions

The core of China's rural land transfer is to realize rational flow and optimal allocation of land resources with the family as the basic unit of production under the conditions of keeping land ownership unchanged. As a major reform of China's land system, rural land transfer aims to promote rural economic development, increase agricultural efficiency and farmers' income, and promote social harmony and stability. However, this reform will inevitably bring benefit adjustment and cause a number of new social problems, which requires governments at all levels to strengthen responsibility and improve social and economic functions. In the current new round of land transfer process, there is a need to more scientifically, reasonably and clearly define government responsibility.

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