



**AgEcon** SEARCH  
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search  
<http://ageconsearch.umn.edu>  
[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

# The Ten Relationships in Rural Land Circulation

CAI Zhi-rong<sup>1\*</sup>, REN Shuo<sup>2</sup>, ZHANG Zhi-gang<sup>3</sup>

1. Department of Management, Baoding University, Baoding 071000, China; 2. Department of Politics and Law, Baoding University, Baoding 071000, China; 3. Baoding Agriculture Bureau, Baoding 071000, China

**Abstract** The ten relationships during land circulation are discussed. Among them, the relationship between peasant household and government indicates that government should only carry out its service and regulatory functions and farmers should be the main body of land circulation, because peasants usually have no discourse power during land circulation. In the relationship between land ownership and contracting management right, we mainly discuss the transfer of land contracting management right and point out that land contracting management right within a certain period is the object of land circulation. In the relationship between land circulation and deepening reform, land circulation is only an approach to develop scale management and to deepen the reform. Land circulation can be accelerated only by vigorously developing secondary and tertiary industries and speeding up the transfer of rural surplus labor force. In the relationship between land circulation and land reform, it is pointed out that China at present is not suitable for a new land reform. In the relationship between the land contract with time limit and the contract system and private ownership system, contract system and private ownership system are unsuitable for China at present; and we should continue to insist on the land contract with time limit. In the relationship between land circulation and economic development, land circulation is a natural process without enforceability. Otherwise, it may hinder the development of rural economy. In the relationship between enterprise and peasant household, land circulation should be held among peasants and companies and enterprises can participate in it. The relationship between land circulation and agriculture business performance points out that land circulation should adapt to the local situation. Relationship between land circulation and land loss and annexation shows that land circulation must adhere to the moderate principle and prevent land loss of peasants into a handful of persons. And the relationship between small peasant economy and agricultural modernization indicates that economic model of small peasant economy may not be an obstacle to the modernization of agriculture.

**Key words** Land circulation; Permanent contract of land; Institutional transition; China

At present, there are many problems about land circulation left to be solved. Among them, top ten issues which are most prominent are selected, involving ten relationships. Therefore, correct understanding and treatment of the ten relationships are essential to the practice of land circulation and the change of agricultural operation mode in future.

## 1 Peasant households and government

Determination of the relationship between government and peasant household during land circulation involves the main body of land circulation. And the determination of subject relates to the vital interests of peasants. The central government has repeatedly stressed that the subject of land circulation is peasant household and the circulation of land-use rights must be established on voluntary basis. Within the expiration of a contract, peasant household has the use right, income right and circulation right of contracted land according to the law. However, the fact is that government usually determines the circulation of land in some areas, but not the peasant household. There are two extreme behaviors of government during land circulation. One is the worry of problems and responsibilities, which suppress the land circulation of peasants. The other is the consideration of their own benefits, which forces peasants to carry out land circulation. The latter has aroused some issues that can not be ignored during rural land circulation.

Firstly, some rural cadres have ignored the main body position of peasant households during land circulation, having damaged the interests of peasants and the relationship between cadres and masses by appropriating circulation revenue. Secondly, some village political organizations randomly change or cancel the contract with peasant households in order to force peasants to transfer land, so as to invite foreign investment, which affects the stability of rural land contract relationship. Thirdly, some local governments bypass the relevant laws and regulations to occupy a large area of land and to change the agricultural use of rural land at will, which reduces the area of cultivated land. Viewing from legal principle, collective, the owner of rural land, is a virtual concept, having no significance of legal entity. Therefore, some of the rural cadres usually use the policy loophole and village rules to realize their control over collective land and their administrative power over land. Circulation of the management right of land contract is essentially a market behavior, an issue of rational allocation of production factors. Because peasant is the subject of circulation, the will of peasants should be respected, regardless whether or not transfer the land and how to transfer the land; and any organization or individual shall not force or impede the circulation of land. Government should be a provider of public service and a supervisor of market. We should make full play of the fundamental role of market mechanism, and accommodate to the requirements of agriculture and rural economic development in accordance with their characteristics, offering guidance but no interference, providing service but no monopolization, and allowing flexibility but no indulgence<sup>[1]</sup>.

Received: October 9, 2009 Accepted: October 23, 2009

Supported by the 2009 Social Science Fund Project of Hebei Province (HB09BYJ002).

\* Corresponding author. E-mail: czr2002@sina.com

## 2 Land ownership and contracting management right

Discussion on the relationship between land ownership and contracting management right is to determine the object of land circulation, which requires us to firstly analyze the land ownership. Land ownership refers to the right branch of possession right, use right, disposition right, income right, assignment right, mortgage right and lease right derived from the ultimate ownership and ownership<sup>[2]</sup>. After the foundation of China, property right of land has experienced four stages of individual ownership, private management-individual ownership, unified management-collective ownership, collective management-collective ownership, household management. After the year 1980, agricultural land system has turned to the collective ownership and household management in China. Under this system, land property can be divided into two parts: land ownership and contracting management right. Land ownership belongs to collective economic organization, that is, the collective land ownership system in China. While contracting management right belongs to peasant households, that is, the household contract responsibility system. *The Law on Land Contract* points out that land circulation refers to the circulation of land contracting management right, but not the circulation of land ownership. There are two ways to transfer the land contracting management right. One is that peasants transfer their use right, keeping back contracting right and carrying out the rights and obligations of land contract. The other is that peasants transfer both of their contracting right and land use right, relieve the contracting relationship with collective within the appointed transfer period. However, in practice, due to the lack of the subject of land use right, peasants think that they are the owner of land, and land circulation is the transference of land ownership. They also think that after circulation, they have nothing to do with the land. But in fact, peasants only have the contracting management right within a certain period of time. Once contract expires, this right will no longer exist. Correspondingly, peasants only transfer a certain period of right, including contracting right and management right. When the contract expires, this circulation becomes ineffective. Therefore, the object of land circulation is the contracting management right within a certain period.

## 3 Land circulation and deepening reform

Once talking about deepening rural reform and developing scale management, many government officials will necessarily speed up the circulation of rural land; and some local governments take the scale of land circulation as an index of official performance. In fact, land circulation of contracting management right is one of the ways to develop scale management. China has vast population, limited farmland and vast rural population, so the state should organize the peasants together, improve the degree of organization, and develop various forms of cooperation, especially the development of professional cooperation. Development of scale management is a long-term process. Scale management is more than the concentrated management of land, which can neither pursue scale management without considering the reality, nor violate the will of peasants to promote the circulation of land contracting management

right by force<sup>[1]</sup>. Some scholars believe that land circulation is a method to solve all the problems. They think that large area of land circulation can deepen the rural reform. But in fact, development of secondary and tertiary industries in rural areas will promote the level of urbanization and the transfer of rural population. Thus, land use right can be transferred and concentrated naturally. If the rural surplus labor force is not appropriately arranged and land has been concentrated in the hands of a few individuals or enterprises, land circulation turns into land annexation. Excessive concentration of land affects the social stability, because most peasants lose their lands but have no stable income.

## 4 Land circulation and land reform

Some scholars argue that land circulation is a new round of land reform and will even cause the third land revolution since the foundation of new China. Legal and policy in China have always emphasized the nature of land circulation, that is, the household contract responsibility system for long term. They believe that even if land circulation belongs to a kind of institutional change, it is only a spontaneous evolution based on individual decentralized decision-making, but not a rational design based on group decision-making, because the subject of land circulation is the peasant household, but not the government. To be more specific, land circulation at present has not changed the original design of the system. Therefore, it is a marginal self-adjustment of property right relationship within the framework of system, as well as a fine adjustment of realization mode under current system.

Land reform is a top-down, government-led and mandatory fundamental change of land system all over China; while land revolution is the establishment of a new land system based on destruction of the old one. Both land reform and revolution belong to mandatory institutional change<sup>[3]</sup>, which is apparently inconsistent with the reality of land circulation in China. Moreover, all the reforms and revolutions involve the adjustment of interests, causing loss of interests. But land circulation is a win-win policy, which respects the will of peasants with neither mandatory nor predatory characteristics. Present situation of China is also not suitable for a new land reform. Frequent reform of land property system will only result in the uncertainty of psychological expectation of peasants. According to the current economic development status, stability is better than change. Otherwise, new uncertainty and anxiety will be created.

## 5 The land contract with time limit and the contract system and private ownership system

Some scholars argue that permanent contract system of land should be implemented as soon as possible. And some scholars even suggest the private ownership of land. The so-called "permanent contract system" means that land ownership still belongs to the collective and the land contracting management right is given to the peasants for indefinite period of time; while private ownership means that the ultimate ownership and all the rights derived belong to individual peasant. There are several reasons for these scholars to implement permanent contract system or private ownership. If land property completely belongs to peasants, there would be no problem in prop-

erty right during land circulation. And at present, peasants' property right of agricultural land is incomplete, which hinders the circulation of agricultural land. Collective land ownership of land results in the unclear definition of "collective" and the aggression upon the peasants' land right by administrative power, which directly reflects in the land circulation with policy nature and land expropriation by administrative means. Thus, some scholars think that private ownership of land can realize the protection of agricultural land. These recognitions are reasonable from certain angle. But how to embody and implement the "permanent contract system" is an issue needed to be studied. Besides, there is a possibility of the "permanent contract system" turning into private ownership. If we implement the private ownership of land, peasants could change the agricultural use of land arbitrarily without considering the regulation of government. They might sell their land for short-term interest and have nothing to live on. But government could do nothing to help. Under the land contract with time limit, peasants have the opportunity to sign land contract again after selling the management right of land. However, under private ownership, once land ownership transferred out, peasants would lose their land forever, which is their basis for survival. This would cause inestimable social impact. Therefore, under the current level of economic development and peasant quality, the existing land ownership arrangement should not be changed.

## 6 Land circulation and economic development

Land circulation is the inevitable result of the development of rural economy and the transfer of rural labor force. Under the premise of developed secondary and tertiary industries, large area of land circulation can be realized and moderate scale of management can be developed, because most peasants can realize non-agricultural employment and have stable jobs and sources of income. But in general, most rural areas in China have no such condition at present. Therefore, circulation of land use right must adhere to its principles and can not be implemented by force. The real reason for insufficient land circulation is the instability of non-agricultural jobs, but not the instability of land contracting relationship or the incompleteness of land ownership. Process of land circulation has close correlation with several factors. The first is the industrialization and urbanization level, which has positive correlation with the scale of rural land circulation in a region. This is because that the non-agricultural employment of peasants and the townspeople are the prerequisite for the transfer of land. The second is agricultural development degree. After improving the agricultural mechanization level and production rate, a large number of rural laborers are released. Under the continuous expansion of agricultural production, speed of land circulation is accelerated. The third is the education degree of peasants. Enhancement of the comprehensive quality of the peasants, as well as the strengthening of democratic consciousness of self-protection ability, can better ensure the orderly and fair conduction of land circulation. The fourth factor is the agricultural investment and industrialization degree. When various kinds of capitals flowing into the agricultural field, process of agricultural modernization and industrialization is promoted and the agricultural service is

enlarged. A large number of labor forces are absorbed due to the development of agricultural products processing, storage and distribution, which enhance the circulation of land. Therefore, land circulation is a natural process. Blind extension of land circulation will cause a series of negative consequences.

## 7 Enterprise and peasant households in land circulation

Rural land circulation should be conducted among peasants. With the development of rural secondary and tertiary industries and the acceleration of urbanization pace, more and more peasants will leave their lands accordingly. In this case, the land they vacated should be operated by those who mainly engaged in agricultural production, so as to enlarge their management scale, to increase agricultural income, to solve human-land contradiction, and to protect the cultivated land. Industrial and commercial enterprises that invest in agriculture should mainly develop "four kinds of barren resources" and be engaged in services after and before production. They should adopt the modes of "enterprises + peasant households" and "order agriculture" in order to promote the industrialization management of household development. During agricultural industrialization management, company should guide, but not substitute for, the peasant households.

The regulations mentioned above have defined two kinds of issues. One is that use right circulation of agricultural land should be carried out among peasant households, which is the objective requirement of gradually expansion of agricultural management scale without damaging the basis of social structure in rural areas. The other is that companies and enterprises are only allowed to enter the operating service field of agriculture before and after production, having no right to participate in the direct production field. We should support the agricultural industrialization, extend superior varieties, advanced technology, market information, and agricultural products purchase and sale to peasants in the mode of "company leading peasant households" and "order agriculture", accelerate technological advances in agriculture, and improve the organization degree for peasants entering the market. Meanwhile, we should neither fight over interests with peasants, nor encourage companies to rent a large area of land to participate in the management of agricultural direct production field. And companies and enterprises should be encouraged to develop agricultural resources having not been fully used.

## 8 Land circulation and agricultural management performance

Based on theoretical analysis, land circulation has promoted the concentration of land, so that agricultural production can form a certain scale, which may increase the capital investment. Agricultural management performance and total income of peasants can be enhanced by using modern farm implements, and by introducing improved varieties and advanced technology. Empirical analyses on rural land circulation show that land circulation market has positive impact on both agricultural productivity and peasants' income. Firstly, land circulation

market can help to realize the equalization of land marginal productivity of peasant households with different land-labor endowment ratios, so as to improve the allocative efficiency and agricultural productivity. Secondly, land circulation market can expand the production scale of large agricultural households, conduct specialized production, and increase agricultural income. Meanwhile, it can encourage peasant households to engage in non-agricultural production, to obtain the rent of land, and to increase the total income.

However, investigation on some scholars also shows that agricultural land circulation can not improve the agricultural performance, except that new production factors are added or original production factors have qualitative improvement after circulation. There are also some empirical analyses on the relationship between rural land circulation right and land output ratio. Result shows that whether peasant households have land circulation right or not has no significant impact on land output ratio. Other scholars have analyzed the effect of stability of land property rights on soil fertility and output ratio of farm land. Result indicates that stable land right helps to improve the long-term fertility of soil, but has no significant positive effect on land output ratio.

In a word, land circulation should adapt to local conditions. Since the land status, economic development and human environment in China are various and complex, forms of land property rights should also have the characteristics of flexibility and variability. In the developed eastern area, economic cost of land cultivation is high with relatively low comparative benefit. Besides, peasants have more opportunities to engage in non-agricultural industries. Thus, land circulation becomes large in scale and various in form. However, in the midwest China with poor soil and narrow channels of non-agricultural employment, land is the only resource that peasants can live on. Promoting land circulation by force will lead to the deterioration of the lives of some peasants. Therefore, it is better to maintain the household contract responsibility system, to develop agricultural cooperation, and to find the way for agricultural modernization and industrialization under current land system.

## 9 Land circulation and land loss and annexation

Land circulation in this paper refers to the loss of agricultural land and the decrease of cultivated land. *Measures for the Administration of Circulation of Rural Land Contracted Management Right* has clearly defined that circulation of rural land contracted management right shall not change the agricultural use of contracted land; circulation period shall not exceed the remaining duration of contracted period; land circulation shall not damage the legal rights of interested person and rural collective economic organization; the assignee shall protect land in accordance with relevant laws and regulations; the agricultural use of land shall never be changed. But in fact, agricultural land easily turns to non-agricultural use due to the lack of supervision during and after land circulation of governments at all levels. Some areas even borrow rural land for circulation and

change the agricultural use of a large area of land. Moreover, some peasant households also change their agricultural land into homestead, although Chinese government has always stressed the implementation of the most stringent farmland protection system. Land circulation has accelerated the land loss due to the lack of regulation and supervision of land circulation. Besides, since the rich usually has the ability to buy the contracting management right of land, we should be aware that land circulation becomes the "enclosure movement" of the rich. The purpose of land circulation should be the integration of the limited cultivated land resources. But if land operation control right belongs to the minority after integration, it is impossible for the minority to assume the social responsibility of ensuring the survival and development of the majority. And land circulation should not be a legitimate coat for the land concentration of the few rich. Under current economic development and social security, most of the peasants need to rely on land to make a living. Therefore, we should take into account both the economic function and security function of land. Land circulation and scale management should adhere to the principles of legality and moderate degree, respectively.

## 10 Small peasant economy and agricultural modernization

Household contract responsibility system regulates a common shared land with household as the unit, which results in the small production mode of household management. This agricultural small-scale production is a kind of institutional inertia, which has inherited the inherent management mode of small agriculture for thousands of years. And the institutional inertia and the conservative thinking inertia with strong country flavor together offer the existence condition for the small peasant economy. At the same time, the family-pattern occupation of land and the family-pattern management have inherent historical logicity and perfect system compatibility. Therefore, the mainstream of China's agricultural management has been family-pattern small-scale agriculture for a long time. Land and peasant should be closely combined, and small peasant economy will exist for a long time. Agricultural production has the characteristics of high supervision cost and low incentive effect. Therefore, small peasant economy should be high efficient. On the one hand, household management saves the supervision, coordination and incentive costs; on the other hand, it has realized the full use and fine workmanship of land resources. And the most important is that small peasant economy best conforms to the realities of economic and social development in China. Therefore, according to institutional economics, household management has its own inherent advantages. And small peasant management may not be the inevitable obstacle to agricultural modernization and industrialization; and scale management may not achieve scale benefit.

## 11 Conclusion

The ten pairs of relationships mentioned above are not ten contradictions. In the theory and practice of land circulation,

there are usually some misunderstandings about these relationships. Without correct understanding of these relationships, performance of land circulation would be affected, which may even lead to a series of contradictions and problems that affect the economic development and social stability.

## References

[1] Ministry of Agriculture of the People's Republic of China. Four pairs of relations should be dealt with in land circulation process [N].

People's Daily, 2009-08-04. (in Chinese).

- [2] WANG F. Marx's theory on land property rights and the relations of land rights in traditional Chinese society [J]. *Theory Front*, 2008 (15): 20-21. (in Chinese).
- [3] LIN YF. An economic theory of institutional change: induced and imposed change [C]//COASE R, ALCHAIN A, NORTH D. Property rights and institutional change. Shanghai: Shanghai Joint Publishing Company & Shanghai People's Publishing House, 1994. (in Chinese).

## 农村土地流转中的十大关系探讨

蔡志荣<sup>1</sup>, 任蒯<sup>2</sup>, 张志刚<sup>3</sup> (1. 保定学院管理系, 河北保定 071000; 2. 保定学院政法系, 河北保定 071000; 3. 保定市农业局, 河北保定 071000)

**摘要** 探讨了土地流转的十大关系。其中, 在农户与政府关系中指出, 由于农民在土地流转中往往没有话语权, 提出应以农民为土地流转的主体, 政府只应履行其服务和监管职能; 在土地所有权和承包经营权关系中, 侧重于探讨土地承包经营权的流转, 并指出土地流转的客体就是—定期限的土地承包经营权; 在土地流转和深化改革关系中指出, 土地流转只是发展规模经营和深化农村改革的一个途径, 只有大力发展二、三产业、加快农村剩余劳动力转移, 才能加快土地流转; 在土地流转和土地改革中指出, 现阶段我国不适于进行新土改; 在附期限的土地承包与承包制、私有制关系中指出, 承包制、私有制不适合我国国情, 应该继续坚持附期限的土地承包方式; 在土地流转与经济发张关系中指出, 土地流转是自然过程, 不应带有强制性, 否则将不利于农村经济的发展; 在企业与农户关系中指出, 土地流转应在农户之间进行, 公司和企业可以参与其中; 在土地流转与农业经营绩效关系中指出, 土地流转应因地制宜; 在土地流转与土地兼并、流失关系中指出, 土地流转必须坚持合法原则, 规模经营必须坚持适度原则, 防止土地流失到少数人手中; 在小农经济和农业现代化关系中指出, 小农经济的家庭经济模式未必成为农业现代化的障碍。

**关键词** 土地流转; 承包制; 制度变迁

(From page 33)

- [6] XU ZM, ZHANG ZQ, CHENG GD. The calculation and analysis of ecological footprints of Gansu Province [J]. *Acta Geographica Sinica*, 2000, 55(5): 607-616. (in Chinese).
- [7] XU ZM, CHEN DJ. Calculation and analysis on ecological footprints of China [J]. *Acta Pedologica Sinica*, 2002, 39(3): 441-445. (in Chinese).
- [8] CHEN DJ, XU ZM, CHENG GD, *et al.* Ecological footprint in Northwest China [J]. *Journal of Glaciology and Geocryology*, 2001, 23(2): 164-169. (in Chinese).
- [9] ZHANG ZQ, XU ZM, CHENG GD, *et al.* The ecological footprints of the 12 provinces of West China in 1999 [J]. *Acta Geographica Sinica*, 2001, 56(5): 599-610. (in Chinese).
- [10] WANG SH, MAO HY, WANG ZJ. Progress in research of ecological footprint all over the world [J]. *Journal of Natural Resources*, 2002, 17(6): 776-781. (in Chinese).

- [11] HU MC, ZHANG RC, MIAO XB, *et al.* Preliminary study on ecological footprint in Bashang region of Zhangjiakou City [J]. *Chinese Journal of Applied Ecology*, 2003, 14(2): 317-320. (in Chinese).
- [12] GUO XR, YANG JR, MAO XQ. Calculation and analysis of urban ecological footprint: a case study of Guangzhou [J]. *Geographical Research*, 2003, 22(5): 654-662. (in Chinese).
- [13] XIE HX, REN ZY, MO HW. Calculation and analysis of the urban ecological footprints—a case study in Xi'an City [J]. *Arid Land Geography*, 2005, 28(2): 215-218. (in Chinese).
- [14] PU JY, YAO XY, WANG LK. Study on ecological footprint and ecological capacity in Tianshui City [J]. *Journal of Anhui Agricultural Sciences*, 2009, 37(22): 10575-10577. (in Chinese).
- [15] WU ZZ, GU W, XU YJ, *et al.* Analysis of ecological capacity based on ecological footprint model in Cangzhou [J]. *Journal of Anhui Agricultural Sciences*, 2009, 37(22): 10608-10610. (in Chinese).

## 广州市花都区土地消费性功能供需差异研究

郑德本<sup>1</sup>, 赵冠伟<sup>2</sup> (1. 中国科学院广州地球化学研究所, 广东广州 510640; 2. 广州大学地理科学学院, 广东广州 510006)

**摘要** 简述了生态足迹方法, 对生物资源消费帐户和化石能源消费帐户的涵盖范围进行了界定。根据1990~2005年广东省广州市花都区土地利用及生态环境的相关数据, 利用生态足迹分析方法, 研究了广州市花都区土地消费性功能的需求、供给及供需差异变化情况。结果表明, 1990~2005年, 人均生态足迹与生态足迹总量均呈迅速增长的趋势, 生物资源消费所占比例较化石能源存在绝对优势, 化石能源足迹增长速度快于生物资源足迹, 但生态足迹总量的结构并未发生明显变化; 花都区土地消费性功能的需求远远超出了该区的生态承载力, 但其土地利用强度并未超出支撑土地利用系统消费性功能持续产出的生态环境阈值, 从而说明花都区生态环境系统仍然是比较安全的。

**关键词** 关键词 花都区; 土地消费性功能; 生态足迹; 生态赤字; 生态承载力