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Countermeasures and Investigation of Land Circulation in Less Developed Agricultural Area of Henan Province, China

LI Cong-guo*

College of Environment and Planning, Henan University, Kaifeng 475004, China

Abstract Some places in Henan Province are investigated by using sample surveys and interviews. Result shows that land circulation in less developed agricultural area of Henan Province has the characteristics of small scale, single form, short period, and circulation land in economic core region. Problems in land circulation are as follows: slow transfer of rural surplus labor force, hard implementation of fundamental land circulation, complicated mentality towards rural land circulation, many misgivings about land circulation, the unformed social service system of land circulation, and imperfect agricultural risk prevention mechanism for circulated land use. Based on the characteristics of land circulation, suggestions for promoting the land circulation of less developed agricultural areas are put forward in order to solve the problems in land circulation and to lay the foundation for effective implementation of land circulation, such as speeding up the development of urbanization, developing the circulation of collective land, effectively implementing the laws and regulations of rural collective land circulation, transferring land according to law, establishing market mechanism of agricultural land circulation, promoting the agricultural industrialization, establishing market mechanism of agricultural land circulation, promoting the agricultural industrialization, energetically readjusting rural industrial structure, and developing economy with local characteristics.

Key words Less developed area, Land circulation, Present situation investigation, Henan Province, China

Circulation of rural collective land and scale management of land are the requirements of reducing agricultural production cost, realizing land intensification and improving production efficiency. The *Law of the Peoples Republic of China on Land Contract in Rural Areas* clearly prescribes the circulation rights and methods of land contract management right, such as inheritance, income, share, subcontract, lease, exchange and transfer. Endowing farmers with a long-term and guaranteed right of rural land contract management right in the form of law is of great practical significance and far-reaching historical significance to protect the legitimate rights and interests of farmers, to further mobilize the enthusiasm of farmers, to promote the development of agriculture and rural economy, and to maintain the social stability in rural areas. Henan Province, located in the central China, lags behind the coastal areas in both scale and circulation degree. However, since Henan is the largest agricultural province with large population in China, an appropriate mode of land circulation is of great significance to Henan Province^[1].

1 Description of the questionnaire investigation

Some places in Henan Province are investigated by using sample surveys and interviews in order to actively explore the situation of land contract and transfer under current situation,

and to find new ways to improve the land circulation mechanism. A total of 200 questionnaires are sent out and 141 valid questionnaires are retrieved. The investigation area covers a total of 6 cities and 12 counties, which are all less developed agricultural areas of Henan Province. And the investigation content includes three aspects. The first aspect is the basic condition of peasant household, including demographic composition, income (agricultural income and non-agricultural income), situation of contract land (contract scale, and land size). The second aspect is the farmers' recognition of collective land contract and circulation, including the collective land contract system in rural areas at present, the investigation on contracted period, the attitudes toward land circulation, and the selection of circulation form. The third aspect is the typical case of current land. According to the statistical analysis of survey data, collective land circulation of rural areas in Henan Province has its own characteristics and disadvantages, compared with the situation of the whole China.

2 Characteristics and problems of land circulation in less developed rural areas of Henan Province

2.1 Characteristics of land circulation

2.1.1 Small scale of circulation. Land circulation scale and area in less developed rural areas of Henan Province are greatly smaller than those in economic developed areas. Besides, circulation degree of farmland is lower with the participation of a few of the peasant households in less developed rural areas of Henan Province. Henan Province has more people and less land in most of the areas with relatively many rural surplus labor

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* Corresponding author. E-mail: hdlcg@henu.edu.cn

forces. Family-oriented contract land has many blocks with a small area of each block. Rural land contract is basically distributed on average according to the population and the good, medium or poor level. Thus, problem of fragmented land shows up, causing low grain production and restricting the scale planting and management^[2]. Industrialization level of agriculture is low, which affects the regional layout of agricultural production and restricts the scale management of land. Among the 6 cities (districts) investigated, low level of rural economy and urbanization has led to the decline of development speed and efficiency of township enterprises. Farmers have earned a little from the township enterprises. Besides, migrant workers go back home due to the increasing pressure on urban employment. Thus, surplus labor force in rural areas increases and farmers' income is directly influenced. Scale management of land can hardly be realized, because a large amount of surplus labor forces are tied to the land, rely on the land contract management right and have misgivings about land circulation.

2.1.2 Single form of circulation. According to the characteristics of peasant households in circulation, circulation of farmland can be divided into two modes. One is the land circulation sponsored by peasant household, including transfer, independent subcontract, exchange and lease. The other is land circulation led by the collective, such as entrusting subcontract, land trust, stock system, and two fields system^[3]. Investigation shows that rural land circulation is carried out mainly among farmers in the form of spontaneous circulation. Few are carried out under the guidance of government, company, and intermediary. Land circulation is mainly in the forms of free transfer, lease and other low-level circulation modes. And the diversified circulation modes have not yet formed. According to statistics, 48% land in investigation area is circulated in the form of free transfer, and 34% is in the form of lease, in all accounting for 82% of the total investigated samples. Besides, 8% and 4% of the land are circulated in contracting and subcontract modes, respectively. Therefore, it can be seen that the number of circulation modes that make efficient use of land and protect the interests of farmers accounts for a small proportion in the current land circulation modes.

Table 1 Location, name and quantity of investigation area

Name of provincial-level cities	Location of Henan Province	Name of counties (cities)	Number of counties (cities)
Shangqiu	Eastern part	Yongcheng	1
Zhoukou	Eastern part	Luyi, shangshui	2
Nanyang	Southern part	Neixiang	1
Puyang	Northern part	Nanle	1
Kaifeng	Eastern part	Xijiao, Shuidaoxiang and so on	7
Jiyuan	Northern part	—	0

2.2.2 Complicated mentality towards rural land circulation and many misgivings about land circulation. Farmers have not clearly recognized the stability of household contract responsibility system. Some cadres and farmers combine the land circulation with household contract responsibility system, believing that land circulation is the readjustment of contract land. Thus, these areas dare not to carry out land circulation. Although em-

2.1.3 Circulation land in economic core region. Areas with relatively good economic condition, such as Jiyuan, Puyang and Nanyang, have relatively large-scale circulation of land and their output efficiency of land is relatively high. As for the location of land circulation, land close to developed area shows significant circulation trend and the scale of circulation is enlarging. For instance, in the outskirts of Kaifeng City, there is more land circulation than other areas, such as Lankao County.

2.1.4 Short period of circulation. Generally, circulation period of farmland is short, while that of non-farmland is long. Although the contract period has been prolonged for 30 years, a large number of farmers still prefer the equal allocation of land. Among the peasant households investigated, 56% believe that equal allocation of land is the best. As for the contract period, 15.04%, 32.74% and 52.21% peasant households prefer less than 5 years, 5 – 15 years, and more than 15 years, respectively, indicating that there is contradiction between fairness and efficiency among peasant households. Other land use in rural areas has relatively long term of circulation, such as barren hill and wasteland. But investigation on land circulation of barren hill and wasteland is relatively less in this research.

2.2 Problems in land circulation

2.2.1 Slow transfer of rural surplus labor force; and hard implementation of fundamental land circulation. Only when farmers have transferred to secondary and tertiary industries, can they circulate their original contracted land to achieve scale management of land. One major precondition for land circulation is the developed secondary and tertiary industries. However, secondary and tertiary industries in Henan Province still need further development. And the sample areas in the investigation belong to less developed agricultural areas. According to the investigation data, 81 people go out to work in the overall 615 people investigated, accounting for 13.17%. Farming peasants occupy 48.78% of the total population. Per capita income in investigation region is 1 332.70 yuan, among which, farming income accounts for 48.6% of the total income. Therefore, it can be seen that migrant workers in investigation region are few with low overall income level and single income form.

ployment of farmers shows a diversified trend, proportion of agricultural income is decreasing year by year. But under the current incomplete social security system in China, land is still the most reliable social security for farmers. Most farmers regard their land as a security of life. Leaving the land temporarily does not mean farmers give up land. Some farmers working outside would rather let their land barren, than circulate it to

others. Because they are afraid of losing their sources of income and they take land as their security^[4]. Due to these complicated mentality and misgivings, farmers are unwilling to circulate agricultural land even when they are unable to cultivate or their agricultural income is low. According to statistics, more than 80% peasant households take retaining a certain amount of land as the guarantee of rotation, the livelihood security and the old-age security.

2.2.3 The unformed social service system of land circulation. A perfect social service system is the basic guarantee of rural land circulation and scale management. Intermediaries of land circulation have not yet well developed; and township and village-level cadres mainly control the land circulation, causing the loss of efficiency and fairness during land circulation. For their self-interest and political performance, some rural cadres turn farmland into non-agricultural land, causing serious waste of land resources due to the lack of scientific proof and the poor management of owners. Some peasant households having obtained land through circulation change the land use for short-term benefit. Due to their predatory management, land after changing its use can not be what it used to be in short-term. Investigation shows that 30% peasant households are unwilling to cultivate the land, and as high as 86.2% of the circulated farmland is carried out in the form of unpaid subcontract and unprofitable subcontract.

At present, overall level of productivity is low in rural areas of Henan Province. Due to the lack of capital, technology, irrigation, tractor, agricultural processing and marketing support services, most farmers are unable to operate a relatively large area of land, leading to the weak demand for land. The six cities (districts) investigated have established neither the visible nor invisible markets for land circulation. There lacks information contact between the farmer's leasing land and the farmer's contracting land. Land circulation is carried out within a small range, which hinders the land circulation in a larger range and at a higher level. Subcontract cost and lease rent are determined under no market competition, lacking scientific basis. Effective assessment, counseling, notarization, arbitration and other intermediary services for land circulated have not yet established.

2.2.4 Imperfect agricultural risk prevention mechanism for circulated land use. Market risk has relatively great impact on contract land circulation of peasant households, which is not conducive to land transfer. Under market economy, agriculture is a weak industry having both natural risk and market risk, which is extremely significant when the agricultural base of Henan Province is still weak. Therefore, without a perfect risk prevention mechanism of agriculture, paid circulation of land can hardly be implemented due to the huge operation risk. And even implemented, paid circulation of land is difficult to achieve the intended purpose. In the investigation on "misgivings about scale management of peasant households", 55.32% and 24.82% peasant households worry about "natural disasters" and "policy change", respectively; and 30.50% and 28.37% peasant households are anxious about the "price rise of input" and "no profit", respectively, indicating that it is not conducive to land circulation when both natural and market risks have

great impact on contract land circulation of peasant households.

3 Suggestions for promoting the land circulation of less developed agricultural areas

3.1 Speeding up the development of urbanization; developing the circulation of collective land According to the actual situation, Henan Province is a large developing province with 70% people in rural areas, which is a major reason for the slow urbanization process of Henan Province and the root of the "Three Agricultural Problems" in Henan Province. Urbanization, land circulation and solving the problems of rural surplus labor force are interrelated with mutual promotion and common development^[5]. Development of urbanization will lead to the transfer of rural surplus labor force. Stability and development in rural areas is the decisive factor affecting economic development. Transfer of rural surplus labor force will be the dominant factor restricting the sustainable development of economy in Henan Province in the 21st century. And urbanization is the best way to achieve rural industrialization and to solve the transfer problem of rural surplus labor force, as well as the main channel for the transfer of rural surplus labor force. Therefore, we should grasp the opportunity of urbanization development with the development and construction of central plain cities as the core, actively promote the process of rural urbanization, improve the urban infrastructure, attract more rural population in urban areas, and speed up the population transfer from rural areas to urban areas. At the same time, we should vigorously develop the secondary and tertiary industries in rural areas, promote the recovery and development of township enterprises, increase income sources of farmers, expand the share of non-agricultural income in total income of farmers, and reduce farmers' dependence on land.

3.2 Effectively implementing the laws and regulations of rural collective land circulation; transferring land according to law Collective land circulation in rural areas should be conducted in strict observation with relevant laws and regulations, such as the *Law of the Peoples Republic of China on Land Contract in Rural Areas*, the *Notice of Use Right Transfer of Farmers' Contract Land by the CPC Central Committee*, and the *Decision of the CPC Central Committee on Several Major Issues Concerning the Promotion of Rural Reform and Development*. We should strengthen policy propaganda of contract land circulation, and publicize the significance of a new round of agricultural structural adjustment and contract land circulation, as well as their specific policies and operational approaches, in order to relieve the anxieties of peasant households. At the same time, we should straighten out the relationship between the two parties in an impartial and reasonable manner in line with the principles of conducting consultations on an equal footing, let farmers understand their rights and obligations through advocacy, further clarify the main body of collective land ownership, the main body of contracted management right, the operating manager and their relationships, make clear the scope and main body of collective land transfer, and the status, duty and

role of local government in collective land circulation.

3.3 Establishing market mechanism of agricultural land circulation; promoting the agricultural industrialization Agricultural land circulation belongs to a kind of paid market transaction behavior, and should follow the principle of equivalent exchange. Classification, gradation and price evaluation of agricultural land should be strengthened in order to provide a reasonable reference for fair trade of farmland circulation, and to reduce the arbitrary and unreasonable determination of price. We should develop intermediary service organizations for land circulation, establish corresponding land circulation market, information and consulting service system, investigate, analyze and forecast the supply, demand and market price information of farmland circulation through various channels, offer accurate and reliable information for peasant households on time, strengthen the connection between supply and demand, draw up the guiding price for land circulation, coordinate the allocation of land resources, assist with land transfer procedures, and create conditions for the achievement of land circulation as early as possible.

Moreover, we should vigorously promote the industrialization of agriculture, actively develop "company + farmer", "owner + farmer", "market + farmer", "leading industry + base + farmer" and other organization forms, continuously improve the level of agricultural industrialization, and promote the regional distribution, specialized production, intensive management, and market running mechanism of agriculture and land scale management in Henan Province^[6]. Improvement of agricultural industrialization level must be accompanied by land annexation. Concentration of land in management talent will help to increase the technology and capital investment in land, to carry out the adjustment of agricultural structure, and to develop high-quality, high-yield and high-efficiency agriculture, to come over the disadvantages of small scale and household operation, to improve the labor productivity and the output rate of the land, to increase the efficiency of agricultural land, and to enhance the land attractiveness to owners.

3.4 Improving the rural service and social security system; promoting the healthy and orderly circulation of land Rural health care, retirement, unemployment, insurance and other social security systems should be established and improved in order to reduce farmers' dependence on the land. Without a sound social security system, we can not fundamentally strengthen farmers' sense of security after leaving farmland, as well as their ability to adapt to market risk, which severely hinders the development of the rural land market. Therefore, we should establish a multi-level rural social security system, including rural social insurance, social relief, social welfare, social preferential treatment and social mutual aid, develop and improve rural cooperative medical system, gradually weaken the land benefits and social insurance functions, and resolve actual difficulties of farmers after land circulation^[7-8]. Collective economic organization should take effective measures to ensure the stable variety, quantity and price of basal ration, which is an effective way to make farmers transfer their ration farming fields.

3.5 Energetically readjusting rural industrial structure; developing economy with local characteristics Reasonable adjustment and optimization of production structure is the objective requirement of market to achieve diversification and high quality of agricultural products, as well as a necessary requirement of agricultural economy to realize the harmonized and healthy development between quantity and quality and between speed and efficiency, and the fundamental way to improve the operating efficiency of agriculture, to increase farmers' income, and to solve the problem of peasants' abandonment of farmland. Adjustment of agricultural production structure should adhere to the key link of quality and effectiveness improvement, transform agriculture by market, produce readily marketable products according to the market demand, form special industries and products, increase investment in agriculture, develop green agriculture, produce pollution-free and green food, and improve the competitiveness of agricultural products in both domestic and international markets. On the one hand, government should offer timely and efficient market information for farmers, and help farmers to develop market-oriented characteristic industry by depending on their own resources advantages. On the other hand, government should give more science and technology support, turn science and technology into real productivity, improve the quality of agricultural products and the productivity of land, enhance the comparative benefit of agriculture, arouse the farmers' initiative in farming, and augment the driving force of land circulation.

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