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# THE RURAL LAND CIRCULATION POLICY AND THE PROTECTION OF FARMERS' INTERESTS OF ALL STRATA

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## Abstract

The rural farmland circulation is the substitute of household contract responsibility system to adapt to the social and economic development, not only did it relate to the overall structure of land supply and its changes, the protection and utilization of farmland as well as the national and regional food security, but also it related to the process of urbanization and industrialization. This paper analyzes the factors that affect the farmers' willingness to transfer farmland, and based on the field research findings of scholars, the author divides the peasant stratum into land detachment stratum, concurrent business stratum, and pure farmer stratum from the perspective of sociology. The results showed that the formulation of rural farmland circulation policy must be aimed to protect farmers' interests and food security. Rural farmland circulation is not only an economic issue, but also a social problem.

**Keywords:** Rural farmland circulation, the peasant stratum, the land circulation policy, economic interests

## 1. INTRODUCTION

Rural farmland circulation is an important socioeconomic phenomenon in China's rural area. It is related to the overall structure of land supply and its changes, but also the process of urbanization and industrialization. More importantly, it is related to the protection and utilization of farmland, thus related to national and regional food security[1]. Farmland Circulation is a effective way to solve the current China's rural land issues such as fragmentation, fallow, and unused. It has important implications on optimizing land allocation, improving land using efficiency, accelerating the rural economic development and the increasing of farmers' income, and promoting the development of modern agriculture[2]. At the same time, it is also one of the prerequisites to make the appropriate scale operation of farmland and the improvement of agricultural productivity come true. However, the development of farmland transfer policy must be aimed to protect farmers' interests and food security as the basic purpose.

Scholars in China did some empirical survey researches respectively across the country. What they analyzed and discussed mainly includes land circulation motivation and influential factors, land transfer status, characteristics and



problems, the role and significance of land transfer, the introduction and the selection of land circulation mode, the wishes and conduct of farmers in land transfer[1][2][3][4]. The farmer who owns the right to land contract and management is the major participation and stakeholder in the land transfer market, in the process of land circulation and development of programs, the decision makers must take the wishes of farmers themselves into account, and avoid the forcing execution to harm farmers' interests. In addition, farmers' decisions in the farmland transfer are the results of rational choice based on the cognitive measure. Farmers in different stratum will have different considerations due to the different interests, and some vulnerable sectors would tend to refuse the land circulation policy, and become the so-called restricting factors in land transfer process.

Farmland circulation in rural area is not only an economic issue, but also a social problem, the author realize that it is necessary to analyze farmers' interests and reasons deeply from different stratum to develop a series of better practical farmland transfer policies, and avoid damaging the interests of vulnerable sectors, and then achieve the real purpose of farmland transfer.

## **2. THE HISTORICAL EVOLUTION OF FARMLAND TRANSFER POLICY**

Land transfer, mainly refers to transfer the right to farmland contract for management, i.e. the farmer who has the right to contract for management of farmland transfers the right of running to other farmers or economic organizations. It is a kind of specific economic action in a certain period to gain more efficiency[3][4]. The transformation of the right to farmland contract for management is also farmers' creation which emerged in the 1980s with the phenomenon that large-scale rural laborers moving out for work[6], just like the household contract management system [5]. The transformation of farmland policy aims to avoid wasting arable land and protect national food security and farmers' interests.

Since the foundation of New China, the practice of farmland circulation has experienced several historical stages, from no banning, admitting to encouraging. It is also the inevitable request to adapt to the modern agriculture and urbanization process. The first time when farmland transformation was mentioned in CPC's documents was in 1984, until the mid-1990s, the incidence of the transformation of farmland has kept in a low level. The reason is that, on the one hand, there is no sufficient request for farmland transformation; on the other hand, it is very easy to link "farmland transformation" with the privatization of land property rights [7]. 2001 was a watershed of farmland transformation policy, in this year the Central Committee of CPC issued a document about transferring the right to farmland contract for management for the first time, until 2007, the government only recognized the land transformation, it is the initial establishment period[8].

Another watershed of farmland transformation policy is in 2008, The Third Plenary Session adopted the a decision that allowing to transfer the right to farmland contract for management in the form of subcontracting, leasing, exchanging, transferring, joint-stock cooperating .etc. under the principle of voluntary and not change the land use, theorists and government began the large-scale practices and research on farmland transformation.

From 2008 to 2014, central government's 1st paper proposed: based on national conditions, complying with requirements of the times, we are to develop a new path of advanced production technology, a modest scale and strong market competitiveness, environment sustainable, and agricultural modernization with Chinese characteristics[9]. So far, the attitude of central government is very clear, that is to encourage the rural land circulation the basis of farmers' wishes, taking a new path of agricultural modernization.

## **3. CURRENT SITUATION OF RURAL FARMLAND TRANSFORMATION**

The rural land circulation is the substitute of household contract responsibility system to adapt to the social and economic development, it is the necessary requirement to avoid arable land wasting, achieve large-scale agricultural operations, transfer rural surplus labor, improve agricultural productivity, increase farmers' income, and adapt to the modern agricultural development and urbanization process[3][10]. Farmland transformation is a complex issue, the literature mainly adopt the empirical field research to analyze the current situation of the land transfer across the country, the provinces covered including Anhui, Sichuan, Shandong, Jiangsu, Zhejiang, Shanghai, Hunan, Chongqing, Jiangxi,



Henan, Heilongjiang, Guangdong, some are the contrastive studies on several provinces or regions[4][11], some are the special investigation on a region[12][13].The main aspects of the study include the following eight parts.

Firstly, it's about the motivation of farmland transformation. For economic reasons, the economic benefits of farming declines, and solely relying on land cannot meet the needs of life, after transferring the farmers can gain more economic benefits; for the social reasons, namely the non-agricultural phenomenon of labor force, in the urban-rural dual structure, the peasants went out to work, thus there is no time for farming; the reuse of idle land, avoiding wasting land resources[1][11][14].

Secondly, it's about the influential factors of land transfer. The influential factors of land transfer include the level of local economic development and the industrial development status, land transfer mode, the level of social security, the current income level, farmers' land transfer willingness, as to the shackles of traditional concepts and the love for the soil. The deep-seated reason is that fear to lost the life safeguards after losing the right to farmland contract for management[15][16][17][18].

Thirdly, it's about current Situation and characteristics of farmland transformation. Such as the faster circulation but the circulation rate is still low; the form of circulation is various but the main form are still subcontract and lease; the circulation subject are diversification, but the main is still farmer; the circulation period is relatively short but tends to extend[6][19][20].

Fourthly, it's about the problems in the farmland transformation process, including unstandardized transfer behavior and contract; part of the land use changed, exist the non-food phenomenon; incomplete development of the land market; intermediary service platform is not perfect, high-cost access to information; short term of land circulation, the production and operation of contractor lack of time ensure; unclear land ownership, contracting policies may not be implemented .etc.[1][6][13][21][19][22].

Fifthly, it's about the farmland circulation countermeasures. They argued to improve the social security system in rural areas, protect the interests of farmers fully; establish the special land transfer intermediary organizations, accelerate the development of rural land market, make sure the circulation standardized and orderly; increase policy advocacy, strengthen the legal and institutional construction; improve workforce training work in rural areas to improve the stability of rural labor employment; guide the long-term and standardization of rural land circulation behavior .etc.[6][12][21][23][24].

Sixthly, it's about the role and significance of farmland circulation. It is conducive to defuse farmland abandonment, to improve the rural the land utilization rate; to promote the development of the scale operations, to achieve the scale economies; to promote the development of secondary and tertiary industries, and to increase farmers' income; and it is helpful to adapt the rural industrial structure, to promote the construction of modern agriculture; and the healthy development of industrialization and urbanization. Also, it helps to adjust the social structure of PRC, so as to make the economy and society grow up healthily[1] [8][16][19][21].

Seventhly, it's about the presentation and selection of farmland circulation mode, such as Sichuan and Anhui's private agency model, Shandong and Jiangsu's government agency model, Zhejiang and Shanghai's marketing agency model [4], different land circulation mode selections of developed countries such as France, Japan, the United States [23]; the paper analyses the main mode of land circulation, such as subcontracting, exchange, presentation lease, transfer, shares and share-field system[1]; and describes rural land circulation practice and mode, such as Nanhai modes: land stock cooperative system; Jianli modes: two-field system; Jiaxing mode: land for Social Security; Wuhu mode: peasant collective construction land use right transfer; Kunshan modes: land shares; Guangdong mode: agricultural land directly into the market; Chongqing Model: farmland shares; Chengdu pilot: rural land capitalization; Tianjin mode: homestead change for house[25].

Eighthly, it's about the farmer's wishes and behavior in the farmland circulation. The author adopts the logistic models or factor analysis models to analyze the factors that affect farmers' willingness about the land transfer. It concludes that those factors have a significant positive effect on the willingness of rural land circulation such as the level of non-agricultural industries development, labors' cultural qualities, the per capita net income, the level of social protection, non-agricultural skills, off-farm income's proportion, pension function of farmland and regional economic



development; While the age have a negative influence, that is the willingness of land transfer gradually weakened with age [2][10][13][26].Farmer as the main participant and stakeholder in farmland transfer market, their willingness and behavior choices are the basis of land transfer smoothly.

#### **4. THE FACTORS AFFECTING FARMERS' WILLINGNESS OF RURAL FARMLAND CIRCULATION**

With the further optimization and development of farmland transfer policies and practices, the policies and normative content about farmland transfer, such as the establishment of special intermediary organizations, the cultivation of rural land market and the building of land transfer laws and regulations systems, scholars have made a detailed discussion, and has also been considerable development in practice. Rural land transfer policy and agricultural scale policy is not only an economic issue, but also a social problem, this paper will analyze the factors that affect the farmers' willingness to transfer land and sort out the inherent logic, provide a basis for farmers' attitudes and behavior choices and the targeted selection about land transfer mode from the perspective of sociology, base on the field research findings of scholars.

Farmers' farmland transformation selection are based on rational thinking, there may be a number of reasons. For example, some farmers believe that the proceeds may be higher after the farmland transfer, that is the economically more cost-effective; some farmers think they work outside, and have no time nor interest to cultivate the contracted land; some farmers have no ability to cultivate their contracted land because of their old age or physical illness; and some people just followed the crowd[11]. Based on the findings of across the country[2][13] [26] show there are main three aspects affect land transfer.

I. Economic factors. The results reveals that the higher of the economic development level is, the higher corresponding average income level will be, as well as the secondary and tertiary industries development level, non-agricultural employment opportunities and non-agricultural income proportion on the total income, each factor has a significantly positive affects on the willingness of farmland transformation.

II. Human resource factors. Survey reveals that the higher education and cultural level the people own and the better non-agricultural skills they have, their willingness to carry out the land transfer will be higher.

III. Social factors. The better of the social security, Medicare, pension conditions the society provide, the higher desire to land transfer, the degree of the social security have a decisive role on farmers' willingness.

The three factors above are interlinkages and interactions, the higher economic level, the higher corresponding education and social welfare level, non-agricultural employment opportunities and skills, and farmers' quality, will affect farmers whether find a high yield and stable jobs in secondary and tertiary industries, and provide good protection for their own lives. That is the ultimate origin lie in a reliable source of economic and a worry-free daily life protection. The main reason why farmers do not want to turn out their land is the unstable employment and insecurity income, the deeper reason behind the love for earth is lack of social security[5].

Farmland is safeguard of farmers, and it provided the social security function that both farmer and the country can not afford, they generally do not give up the relationship with farmland. Traditionally, land is the essential production materials to survive, inextricably link with their family relations life style, but in modern sense, farmland is more important than a safeguard, with the instability of work outside, farmland ownership is the last safeguard for himself [5]. Empirical studies have shown that the life support functions, providing employment functions and direct benefits functions of land is very large, so that farmers can not give up contracted farmland. But as long as there is a appropriate compensation, the proportion of farmers who willing to give up the contracted land will be significantly increased[27].

#### **5. THE ANALYSIS OF FARMERS' INTERESTS OF ALL STRATA**

Generally speaking, China's farmers still has a deep dependency on farmland, and the land still is the main source to the vast majority of farmers. In the traditional agricultural society, farmers mainly rely on the economic value of land.



When their income no longer rely on the land, their reliance on land will be reduced gradually, so the peasant stratum appear more obvious differentiation due to the different sources of income and the different degrees dependent on land[28].

Due to different Strata Status, farmers' attitude, behavior logic and operational capacity are also different in the large-scale agricultural land circulation, stratum differentiation constitutes both a social basis of large-scale land circulation, and add some inner tension and conflict on land transformation [29].

When the rural economy is underdeveloped, and the country have not been able to provide farmers with complete social security services, the rural farmland transformation must be different and orderly according to the different degrees dependent on land of all strata. Therefore, analyze and interpret all strata of farmers' different interests and attitude on land transfer will be of great significance.

The farmer in this paper refers to the group who own the contract and management rights of agricultural land, according to the different degrees dependent on land, the farmers can be divided into the following major sectors [29].

(1) Land detachment stratum. Land detachment stratum mainly refers to the farmers who have been long time engaged in non-agricultural occupations, no longer(at least in a short term)engaged agriculture. These farmers have been away from the farmland, and no longer dependent on it productivity revenue. Land detachment stratum includes three categories, namely the whole family migrant working outside, the farmers to do business, and engaged in formal occupation (such as doctors, teachers, etc.). Some of the land detachment farmers have strong economic strength, and have settled in the city, there are some people just away from home temporarily, and they cannot get the basic conditions to live and work in the city, and will return to land eventually.

For land detachment stratum, the land productivity is insignificant. Without land circulation, they gifts to others or subcontract with a low price, or let the land abandonment. If the land can be transferred, they can earn a higher contract fee, and they are the net earnings persons in the large-scale agricultural land transformation. Therefore, most of them take a positive attitude.

(2) Concurrent business stratum. Concurrent business stratum occupies a majority proportion in rural societies, the typical household pattern is cultivate land plus working outside. Generally extensive operation of land, but can solve a large part of living consumption spending. Thus, the agricultural income is important to them, in normal situation, the difference between farmland circulation income and farmland income under concurrent business (take the opportunity cost into account) is the main factor that affects the farmland transformation willingness. If the transfer income higher than the net earnings growing their own, they may be willing to transfer.

However, the migrant workers have a clear comparative advantage currently; "Migrant workers" waste the money and time. In the case of high rents of farmland transformation, the rental income can offset a large part of their farming income; concurrent business stratum is also the winner in the large-scale agricultural land circulation. Therefore, most of them take a positive attitude on land circulation.

(3) Pure farmer stratum. Pure farmer stratum lives on the land, and the number of them is not large, they can be further broken down into three small class: First, the traditional large farming strata, the second is the "little old man" about five or six-year-old, the third is part of the vulnerable households, due to need to take care of patients or other family reasons, they do not have the conditions working outside, Such households' life are more difficult.

Traditional large farming strata about forty to fifty years old rely on the revenue from land to support the operation of the whole family, they generally tend to invest more labor in farmland and take intensive and meticulous farming to obtain better yield. The farmland they cultivated come from their relatives, neighbors and friends' spontaneous circulation, the land rent is very low even for free. Lower rent provide them a greater profit space for land management, the farming income under a certain scale provided a guarantee to support their family operation. Once the implementation of the large-scale land transformation start, the farmers who spontaneous transfer the land original will take their land back under the temptation of higher rent. Thus, the traditional large farming strata forced to lose their contracted land in this large-scale land circulation trend. And the traditional large farming strata will disappear.

After the "younger old man" about five or six-year-old separating of his son, they rely on the contract land to maintain life. Generally speaking, they are difficult to go outside for a job, and cultivate the land themselves can get more



revenue compared to the farmland transformation rent received. Therefore, pure farmer stratum generally opposes the large-scale agricultural land circulation. Once the large-scale farmland circulation, their economic conditions, lifestyle and psychological feelings would get significant impact. Overall, pure farmer stratum are impaired in the large-scale circulation, it is precisely because they are the real resistance in the land circulation.

Currently, Land detachment stratum is a relative small group, and the concurrent business stratum occupy an absolute proportion in rural societies, therefore, they get together to dominate the trend of large-scale land circulation. The local governments rely on these two groups to promote the farmland circulation, with the support of these two stratum, large-scale circulation of farmland can be more easily implemented. The pure farmer stratum in middle and lower classes is the biggest victim of large-scale farmland circulation, but they are so small and weak that can not stop the large-scale circulation of agricultural land trend even though they damaged heaviest. Certainly, in order to take the livelihood of pure farmer stratum into account and the smooth implementation of land circulation, local governments and large farmers have to provide a higher rent.

This is consistent with the factors which affect the farmers' willingness on land transfer. Land detachment stratum has a relatively high income level, the proportion of non-agricultural income is relatively high, and they often have non-agricultural skills, even stable and secure work, so most of them take a positive attitude on the large-scale land transformation. As to the concurrent business stratum that occupies an absolute proportion, due to the current migrant workers have a clear comparative advantage, they also holds a positive attitude. Pure farmer stratum live on the land, their income level is not high, and generally do not have non-agricultural skills, land is the guarantee of their lives, so they take a strongly opposed attitude to the land mass circulation.

## 6. DISCUSS AND CONCLUSIONS

Stratum differentiation constitutes both a social basis of large-scale land circulation, and add some internal tensions and contradictions on farmland transformation. Under the condition of stratum differentiation in rural social, different strata holds quite different attitudes on the large-scale circulation of agricultural land, and therefore we should distinguish their different willingness and behavior choices, conduct the rural land circulation on the basis of farmers' wishes, maximize the interests of farmers[28].

For the land detachment stratum, we should accelerate the land transfer, and enhance the effectiveness of land transfer. While exploiting the life support functions of social security system.

For concurrent business stratum, they have both the ability and desire to go out for work, and hold a positive attitude to land transfer. Carry out the farmland transformation while improving the human resource of farmers, through vocational education to improve the scientific and cultural qualities and professional and technical literacy of farmers, so that they can get a higher economic level and economic status in the city, and turn to the land detachment stratum.

For pure farmer stratum, we should strengthen the protection of these persons' interests, and achieve an orderly of farmland transformation. China's rural social security system very imperfect currently, and can not play its due role; we must take good care of these strata's farmland transformation. If we do not consider their actual situation and conduct land transfer compulsory, they will be made into a "lost land and unemployment" survival dilemma. Farmland circulation should be a long process, cannot be completed overnight, it should be an orderly process, and should not endanger people's survival or affect the social stability. For the traditional large farming sectors, on one hand, we can increase theirs non-agricultural skills through education or training, on the other hand, can be the modern farmer in support of national policy. As for the "younger old man" about five or six years old, we should respect their wishes, and can not circulation forced.

In short, farmland circulation must be respect farmers' willingness fully and protect the farmers' rights and interests; in addition, it is the precondition of land circulation that social security is improved at first. First, establish the rural minimum living standard security system. The society provides the social assistance for the vulnerable groups in rural areas to avoid part of the rural disadvantaged groups stuck in a hopeless situation. Secondly, we are to speed up the construction of rural endowment insurance system. At present, a large part of the farmers stick to their own land,



unwilling to land circulation for fear that losing the safeguard. Rural endowment insurance system can effectively resolve the farmers' concerns of "old with no support", and promote land circulation. Finally, the government should improve the rural cooperative medical insurance system.

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