

# Discussion of the Rural Land Property System Reform According to the Rural Land Contract Management in China

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**Abstract:** In the past two decades, the rural land contract management has activated the rural region economy and improved the agricultural productivity tremendously, however, has also restricted itself from progressing towards industrialization and scale economy. In order to solve this fundamental problem, we must carry on the reform of land property system and grant the peasantry with full land property right.

**Key words:** Agricultural Industrialization; System of Farmhouse; Contract Management; Rural Land Ownership

The realization of farmhouse contract management system made great progress in accelerating agricultural productions and peasants' income, even the whole economy of the country. But obvious defects existing in this land-use right system make the agriculture difficult to become intensive cultivation, and difficult to exploit the rural land for massive development in China. Therefore, the process of agricultural modernization was slowed down.

## 1. SELF-EXAMINATION ON THE REFORM OF RURAL LAND CONTRACT MANAGEMENT

### 1.1 The scale of rural land management is too small to achieve large scale effect

Agricultural industrialization management is a batch production, which established based on mass manufacturing, professional market forecasting and market oriented planning. In China, the peasants' production and selling are in a blind state owing to shortage of useful market information caused by scattered agricultural operation. Small management scale brought about two problems, one is that lots of modern agricultural machines and facilities can not be applied; the other one is that modern management methods and techniques are hard to carry into execution.

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### **1.2 No ability to deal with the Technique trade barrier due to small scale production**

In recent years, Chinese exporting products are frequently confronted with barriers of restrictive specification of technical standards and affected our foreign trade greatly. These technique trade barriers reduce the export quantitative of agricultural commodity in a big extent and influence on the primary products export seriously.

Actually, the technique trade barriers are not completely a measure of discrimination and the responsibility should be taken by ourselves because of the poor quality and the low standard of our products. As a matter of fact, because of the separated farming, it is difficult to organize an industrialized agriculture and it is also impossible to establish a unified quality and safety standard system throughout China.

### **1.3 Incomplete ownership of land right restricts the agricultural productivity to increasing**

Nowadays, the household contract system just emphasizes the function of social security of the land but neglect its economic value. Farmland is a kind of scarce resource and can not be renewed, so it must circulate reasonably to realize efficient distribution. Statistically, there are more than 500 million country labor force, but the rural land capability can only afford less than 200 million in China. Except for 160 million making their living in city, there are about 150 million labor force are attached to the land and become the potential unemployed.

## **2. DEEPEN THE RURAL LAND SYSTEM REFORM, EMPOWER PEASANTS WITH COMPLETE PROPERTY RIGHT**

According to *the Constitutional Law*, the rural land is possessed by country community, and according to *the civil law*, the land is owned by the government of villages and towns. There is no clear subject of property right; it is likely for governments in all levels to encroach upon the peasants' right in the name of public benefit, the peasants are disabled to realize their land using right completely.

Firstly, the nation and the country community have inequality in legal status but possess a same rural land ownership. The peasants' right is incomplete, easily terminated and administratively controlled. The state and community can take away all of the rights leeching on to the land with no payment, nothing is left for the peasants.

Secondly, the rural land contract management rights are often interfered or infringed. The government dominates the content of the contract in most cases. The peasants can do nothing but accept the unfair terms. Furthermore, less relevant legislation but more administration interference result in unfair judgments in lawsuits as far as rural land contract is concerned.

The essential limitation consisting in the land system itself induces peasants unwilling to make a long-term investment or standardization management on land. In China, the average land possession rate is much less than most countries in the world, information asymmetry, immature credit and insurance market and so on, can be seen everywhere. Therefore, China must carry on a land system reform and entitle the peasant with complete proprietary rights.

Of course, it would endanger the basic living security for some peasants in a certain extent, and may bring in various social problems. To be dead against this possibility, our government should take the measure which the Russian government used to restrict the land circulation, such as: stipulating government with priority of farmland purchasing, national compulsory protection of farmland, restriction of buying farmland toward foreign capital, etc.

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