

A Study on the Reform of the Rural Collective Property Rights System in China

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Abstract

With the rapid development of industrialization and urbanization, the social and economic structure has changed. Under the household contract responsibility system, problems such as unclear ownership of property rights of rural collective assets, unclear responsibilities and rights, and lax protection have become increasingly prominent, leading to the gradual weakening of rural collective economy. The reform of rural collective property rights system is the key to comprehensively deepening rural reform in China, which is helpful to consolidate socialist public ownership, improve rural collective management system, safeguard farmers' legitimate rights and interests, and increase farmers' property income. It is an important task to implement rural revitalization and one of the basic guaranteed systems to lead farmers to common prosperity.

Keywords: collective property rights, collective property rights system, property income

1. Introduction

The reform of China's rural collective property rights system is another major reform implemented by the Chinese government in rural areas after the "separation of three powers" of China's rural land, that is, the separation of ownership, contracting rights and management rights, and the major institutional innovation of land management rights circulation. Since the implementation of "Opinions on Steadily Advancing the Reform of Rural Collective Property Rights System" issued by the Chinese government, all central departments and local governments have implemented the deployment requirements for deepening the reform of rural collective property rights system, and all relevant departments have supported each other to promote the reform and made breakthroughs in major theoretical and practical experiences. By the end of 2021, more than 260,000 villages and 180,000 groups in China had completed the reform, with more than 500 million collective members confirmed, and basically achieved the reform goal ([National Bureau of Statistics, 2020-2-28](#)).

The shortcomings of China's development lie in rural areas. How to fill the shortcomings of development? The reform of collective property rights system of agricultural products is an important measure to speed up the shortcomings and an important starting point to promote the comprehensive revitalization of rural areas. In November 2013, the Third Plenary Session of the 18th Central Committee of the Communist Party of China (CPC) made it clear for the first time that "it is necessary to protect the rights of members of farmers'

collective economic organizations, actively develop farmers' share cooperation, and endow farmers with the possession, income, paid withdrawal, mortgage, guarantee and inheritance rights of collective assets shares". These 61 words are the main contents of rural collective property rights system reform. In 2014, the Ministry of Agriculture issued the "Pilot Program for Actively Developing Farmers' Share Cooperation and Empowering Farmers to Reform Collective Assets Share Rights", which mainly includes three aspects. The first is to protect the rights of farmers' collective economic organizations, that is, what kind of rights do farmers have as a member of collective economic organizations and how to protect their rights. The second is to actively develop farmers' joint-stock cooperation. Third, farmers should be given the hex decathlon of collective assets and shares, which includes the six rights of possession, income, paid withdrawal, mortgage, guarantee and inheritance. In May of 2015, the Ministry of Agriculture, the Central Agricultural Office, and the State Forestry Administration approved to conduct pilot tests in 29 counties including Daxing District, Beijing. These 29 counties have determined different reform pilot contents according to the specific conditions in their respective counties. In December 20 16, the State Council issued the Opinions of the CPC Central Committee and the State Council on Steadily Advancing the Reform of Rural Collective Property Rights System (CPC Central Committee and State Council, 2016-12-30). It is divided into 6 parts and 19 articles, which profoundly expounds and answers a series of important theoretical and practical problems and is a program to guide the reform of rural collective property rights in China for a very long time at present and even in the future. In October 2017, the report of the 19th National Congress of the Communist Party of China once again proposed to deepen the reform of rural collective property rights system, protect farmers' property rights, and improve the basic rural management system. In October 2019, the Fourth Plenary Session of the 19th Central Committee of the Communist Party of China (CPC) once again proposed to deepen the reform of rural collective property rights system, develop rural collective economy and improve the basic rural management system. From the end of 2016 to 2017 and 2019, the central government continuously reiterated its emphasis on deepening the reform of property rights, which shows that the Chinese government attaches great importance to the reform of rural collective property rights system and its role in the future (Hao, 2015).

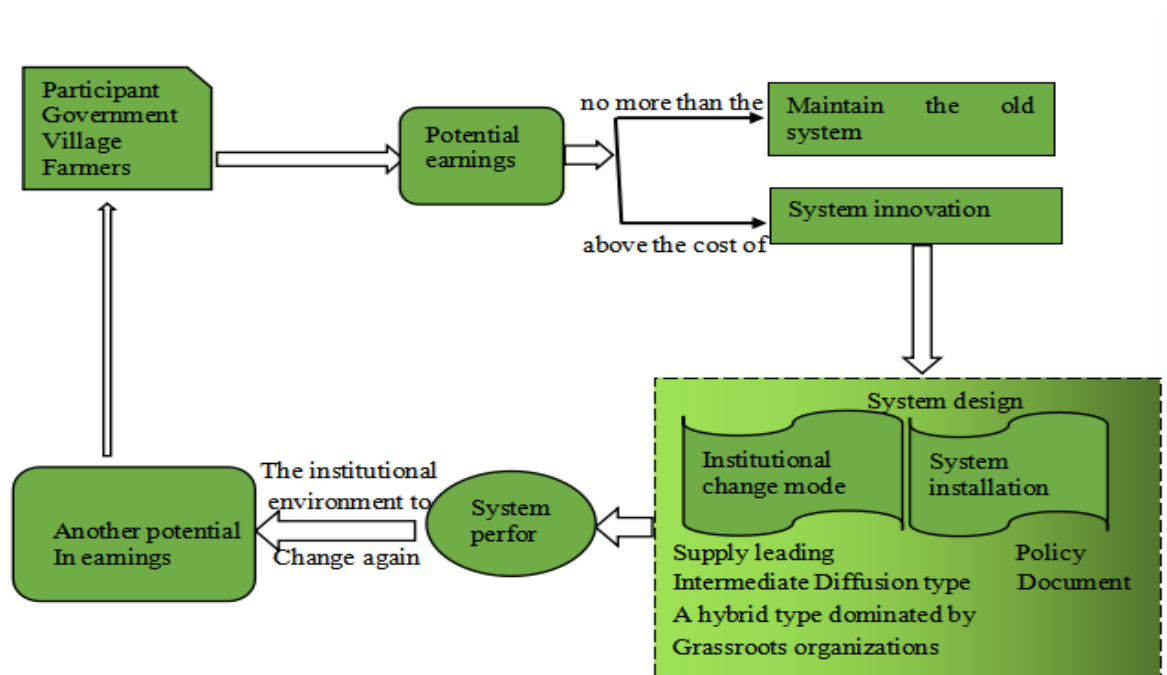


Figure 1. Theoretical framework of rural collective economic property right system

2. Reasons and Objectives of China's Rural Collective Property Rights System Reform

The fundamental reason is the long-standing urban-rural dual structure, the scissors difference of agricultural products and the serious lag of relevant laws and regulations, the serious imbalance of urban and rural property rights, the inability of farmers' operating assets to generate income sources, the serious impact on rural economic development and the improvement of farmers' income level, and the inability of farmers' wealth to accumulate. Therefore, the rural property rights system reform must be carried out (Han et al., 2019).

Farmers' property rights have a low effect on increasing farmers' income. Farmers' property rights not only refer to current property such as money and securities, but also include fixed assets such as houses, land, facilities, and equipment.

The development direction of rural collective economy is unclear, the management is not standardized, and the income of rural collective economy has not benefited farmers. Many rural collective economies can't find a scientific and reasonable development path according to their own advantages and characteristics, and passively accept the guidance of grass-roots government's characteristic industries, planting walnuts this year and winter peaches next year, and individual poverty alleviation industries become model exhibition rooms. Due to the lack of management and necessary supervision, collective property rights benefits such as rural collective land, mountain forest, rural construction land and government land occupation compensation cannot be used by farmers.

With the development of market economy, the population mobility has been accelerated, and the structure of income sources has undergone major changes. With the acceleration of marketization, the land is rapidly appreciated, and the rental income of rural collective property is obviously increased. At the same time, great changes have taken place in the population structure. There are many people going out to work and do business in the village. Different groups of people have different demands on the distribution of rural collective assets.

The goal of rural collective property rights system reform is to build a rural collective property rights system with clear ownership, complete power, smooth circulation, and strict protection with Chinese characteristics. Protecting and developing farmers' legitimate rights and interests as members of rural collective economic organizations is the general goal of this reform. To develop the new rural collective economy, this innovation is embodied in the collective stock cooperative economy with clear boundaries of collective members, clear property rights, definite income distribution and clear ownership of rights and interests. This economic situation can not only improve the economic benefits of collective members, but also strengthen their strength (Zhang, 2020).

3. The main measures of rural collective property rights system reform

3.1 Carry out five reform pilots.

To implement this major reform, five batches of pilot projects will be carried out from 2015 to 2020. The first batch will be carried out in 29 counties from 2015 to 2017, with a period of three years. The second batch will be carried out in 2017, and 100 counties will be selected for two-year pilot projects. In 2018, the third batch of pilot projects was carried out, and three

whole provinces, 50 land preparation cities and 150 counties were selected to carry out the pilot projects. In 2019, the fourth batch of pilot projects will be carried out, involving 80% of the counties in China, including 12 whole provinces, 39 land preparation cities and 163 whole counties. The year 2020 will be a crucial year for comprehensively pushing forward the property rights system reform, which will be carried out in 13 provinces. By the end of 2020, all 31 provinces in China have carried out pilot projects.

3.2 Promote meetings at the central government level.

The leaders of the state held several promotion meetings. On January 10th, 2017, President Wang Yang held a national teleconference to promote this reform and interpret the central government's reform policy. In March of 2018, Vice Premier Hu Chunhua presided over a meeting to promote the reform of property rights system, mainly to deploy the work of assets and capital verification. Han Changfu, Minister of Agriculture, organized two meetings to promote the reform of rural property rights system in 2017 and 2018, respectively, to put the central government's deployment in place. The promotion of meetings at the central government level has become a powerful driving force for the reform of rural property rights system.

3.3 Issue a series of supporting documents.

For the task of assets and capital verification, the Ministry of Agriculture and Rural Affairs, Ministry of Finance, Ministry of Land and Resources, Ministry of Water Resources and other nine central ministries and commissions jointly issued the Notice on Comprehensively Carrying out the assets and capital verification of rural collective assets, which clarified the methods of assets and capital verification, made clear specifications on the scope, objects of assets and capital verification and how to check and verify all kinds of assets, and explained related concepts (Zhong & Xia, 2017). At the same time, a set of reporting system is designed to facilitate the reporting at the grass-roots level, to find out all kinds of assets. The Ministry of Agriculture and Rural Affairs, the People's Bank of China and the State Administration of Market Supervision jointly issued the "Notice on the Registration and Coding of Rural Collective Economic Organizations", which requires collective economic organizations to register with county-level agricultural and rural departments according to this document. The third document is to establish a regular reporting system for key tasks of rural collective property rights system reform. Since the pilot reform of property rights system, all provinces are required to report the progress of property rights system reform every month, and the central part can always know the progress of reform and control the pace of reform.

Table 1. Important documents on the reform of rural collective property rights system since 2010

Year	Publishing department	Government file name
2010	CPC Central Committee, State Council.	Several Opinions on Strengthening the Balance between Urban and Rural Development and Further Demonstrating the Foundation of Agricultural and Rural Development.
2012	National Development and Reform Commission.	Circular on Printing and Distributing the "1:5" Plan for The National Rural Economic Development.
2014	CPC Central Committee, State Council .	Several Opinions on Comprehensively Deepening Rural Reform and Accelerating Agricultural Modernization.
2015	The Ministry of Finance .	Guiding Opinions on Supporting village-level Collective Economic Development Pilot Projects.
2016	Ministry of Finance, State Administration of Taxation.	Interim Measures for the Administration of Collection and Use of Adjustment Fees for Value-added Income of Rural Collective Profit-oriented Construction Land.

Year	Publishing department	Government file name
2016	CPC Central Committee, State Council.	Opinions on Steadily Advancing the Reform of rural Collective Property Rights System.
2016	The State Council.	Outline of the 13th Five-Year Plan for National Economic and Social Development of the People's Republic of China.
2017	Ministry of Finance, State Administration of Taxation.	Circular on Supporting The Reform of Rural Collective Property Rights System and Related Taxation Policies.
2018	The ministry of agriculture.	Opinions on Vigorously Implementing the Rural Revitalization Strategy and 2018 Accelerating Agricultural Transformation and Upgrading.
2018	Ministry of Agriculture and Rural Affairs, Ministry of Finance.	Notice on promoting the integrated development of primary, secondary and tertiary industries in rural areas and carrying out demonstration actions to revitalize villages and strengthen counties by industry.
2018	CPC Central Committee, State Council .	Opinions on Implementing the Rural Revitalization Strategy.
2019	Ministry of Agriculture and Rural Affairs .	Notice on Further Improving the Development and Upgrading of Collective Economic Villages in Poor Areas.
2019	CPC Central Committee and State Council .	Opinions on Giving Priority to the Development of Agriculture and Rural Areas and Doing a Good Job in The Work related to Agriculture, Rural Areas and Farmers.
2019	General Office of the CPC Central Committee, the State Council.	Guiding Opinions on Promoting the Reform of the Property Rights System of Natural General Office of Resources Assets as a whole.
2020	CPC Central Committee, State Council.	Opinions on Doing a Good Job in key Areas of Agriculture, Rural Areas and Farmers to Ensure the Realization of a Well-off Society in All respects as scheduled.

3.4 Build two platforms.

One is the management system of rural collective assets verification, and the other is the registration and coding management system of rural collective economic organizations nationwide. The online operation of these two systems has greatly facilitated the reform work in various places. Through the system of assets and capital verification, the data of 2.99 million assets and capital verification units were reported. A total of more than 100 million statements have been reported, and our organization registration and coding system has successfully registered and issued certificates of 277,000 collective economic organizations.

3.5 Strengthen supervision and inspection.

Every year from 2017 to 2019, the reform of rural collective property rights system was included in the inspection task of the State Council, and the inspection work was used to promote the implementation of the reform. For example, in 2019, the Ministry of Agriculture and Rural Affairs organized member units of the National Ministerial Conference on the Reform of Rural Collective Property Rights System, formed nine inspection teams, and went to 18 provinces to carry out supervision and inspection, which achieved great results. By December 2019, a total of 360,000 villages in China had completed the property rights system reform, and 277,000 villages had received the registration certificate of rural collective

economic organizations. The completion rate of property rights system reform in Beijing, Shanghai, Anhui, Shandong, Zhejiang and Henan had exceeded 90%. There are more than 80,000 villages in Shandong Province, and the number of villages that have completed the reform has reached 79,544, and about 98% of the villages have completed the reform. Nationally, 54.5% of the villages in the eastern region, 32% in the central region and 13.5% in the western region have completed the reform, and the number of villages in the western region, like Shaanxi Province, has reached 16,596, and the completion rate is quite high.

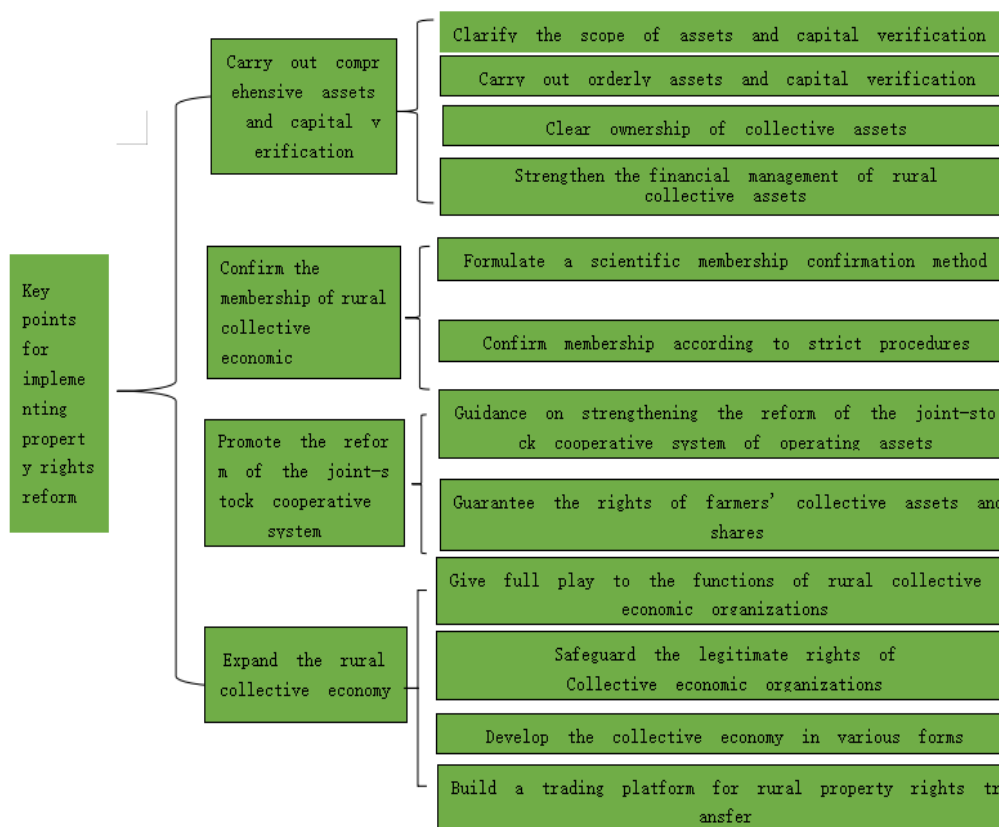


Figure 2. Key points of rural collective property rights reform
Main problems in the reform

4.1 There is a lack of public participation enthusiasm and cognitive ability.

Reforming thousands of households involves the vital interests of farmers, but the reality is that farmers' enthusiasm for rural collective property rights reform is not high (Kong & Mu, 2016). The economic situation of villages is quite different. There are relatively many collective assets in villages in cities and suburban villages, and the villagers have high expectations and enthusiasm for reform. However, in some rural areas with weak collective economy, there are few or no collective assets, and the reform is not attractive to the masses. At the same time, the masses' ability to participate in the reform is not strong, rural young and middle-aged groups basically go out to work, and the old people who participate in the reform of rural property rights system are basically the elderly. Influenced by factors such as ideology, cultural level and knowledge literacy, the reform ability is obviously insufficient.

4.2 There is a big gap between the landing effect and precision and the target.

The reform of rural collective property rights system is time-bound, and the task is heavy. In some areas, to catch up with the progress and complete the task, there are different

degrees of problems in the degree of work fineness. First, the immaturity of supporting schemes affects the landing effect (Zhao et al., 2019). Cities and counties rely on provincial-level documents to forward more, but few can introduce detailed implementation plans in light of local conditions; There are many ways for the villages and towns to formulate and directly issue membership confirmation and assets verification, but there are few ways to mobilize people to participate in democratic consultation and independent decision-making. More villages and groups directly distribute and read out the requirements of villages and towns, fewer villagers' meetings for democratic consultation, and insufficient supervision and assessment, which leads to the lower-level government relying too much on the higher-level government, the poor operability of supporting programs and the ineffective implementation of policies. Second, the ledger records are mixed with a certain amount of water. There are obvious flaws in the ledger records of some areas or administrative villages.

4.3 Work force and initiative consciousness are seriously lagging behind.

Government leading groups at all levels have a large number of member units, but their operation in the actual work promotion is not ideal. Restricted by many factors, there is a general situation that cooperation is not timely, and guidance is not in place. First, the reform work mainly depends on a single department. The reform of rural collective property rights system involves a wide range of contents and many lines, and many problems left over from history are difficult to solve (Xianxiong et al., 2020), which requires the strong support and cooperation of various departments. However, when it falls to various cities, because there are a large number of reform matters to be coordinated and other relevant departments have their own responsibilities to do, the reform work is basically independently organized and implemented by agricultural and rural departments and agricultural and economic departments. Second, some leading cadres lack initiative awareness, which leads to slow progress and insignificant results. At the same time, a few leading cadres are afraid that deepening reform will affect social stability and regional stability.

4.4 The legal status of collective economic organizations is not recognized.

According to the "General Provisions" of the Civil Code of the People's Republic of China, which came into effect on January 1st, 2021, rural collective economic organizations have the status of legal persons and are special legal persons, who can participate in market operations like other market entities. However, the reality is that the special legal person status of the new rural collective economic organizations established after the reform has not been recognized by the relevant departments and markets so far, and it is inevitable to encounter various operational problems in practice. For example, it is impossible to obtain invoices from the tax department, the project library does not recognize this market subject, and the civil affairs department does not recognize the establishment of an association.

4.5 The protection of the legitimate interests of rural collective economic organizations.

Rural collective construction land, especially commercial construction land, is the most important and precious resource for the next development of collective economy, and it is also the most coveted resource of governments at all levels. At present, it is very common for county and township governments to occupy village-level construction land targets at will, which seriously infringes the legitimate interests of village collective economic organizations. For example, the index of more than 100 mu of construction land in a village was forcibly allocated by the town government, and the promised adjustment and replacement fee was delayed.

Measures to promote the development of rural collective economy.

5.1 Strengthen publicity, strengthen publicity, demonstrate, and lead, and stimulate people's participation enthusiasm.

We will study and formulate special publicity plans for the reform of rural collective property rights system. Based on the characteristics of popularization, we will contact more examples around the masses, use more popular language, and adopt popular forms, to make the rural collective reform work more grounded and more popular with the people, and form several familiar reform cases among the masses, and form a leading demonstration effect.

5.2 Strengthen research, strengthen research, supervise, and urge the work to be precise and precise.

Rural collective property rights reform is restricted by many conditions, and there are some actual situations, such as first and second, and different results. It is suggested that the evaluation mechanism of rural collective property rights reform expert committee should be established at the provincial level, and experts in related fields should be invited to participate deeply to study new phenomena and solve new problems, so as to serve the development of special reform in the province. Strengthen the feasibility and scientific evaluation of supporting schemes, strictly supervise and inspect them, and give warnings to those who fail to implement or meet the standards, to really use the evaluation results.

5.3 Accelerate the formulation of relevant laws and regulations such as rural land and real estate and accelerate the top-level design of new collective economic organizations.

At present, the relevant laws and regulations of collective economic reform are not perfect, which can't adapt to the current situation of rapid development of external economy, so we must speed up the formulation of relevant laws and regulations. At the same time, we should further improve the General Principles of Civil Law, Property Law, Land Administration Law, and Guarantee Law, etc., and speed up the granting of land guarantee status, so that its operation and circulation rights can be traded, to maintain and increase the value. At the same time, accelerate the top-level design of new collective economic organizations, and guide the registered rural collective economic organizations to carry out scientific operation mode design. Clarify the relationship between village committees, professional cooperatives, and collective economic organizations, to prevent the mixing of political organizations and economic organizations. Actively guide all localities to explore economic models suitable for their own development and encourage economic development models such as industrial collective economy, land rent collective economy and tourism collective economy.

5.4 Use real estate and rural collective construction land to develop corresponding industries.

Accelerate the development of the secondary and tertiary industries in rural vacant real estate and collective construction land, especially in the surrounding areas of economically developed cities, and take advantage of the demand for land in economic development to establish long-term lease or self-built property. Rural collective economy in Guangdong, Beijing, Shanghai and other places has developed a development model of land rent property, which will develop rapidly in the future. Farmers can enjoy the land rent income brought by collective economy while working in cities.

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