

How to promote rural revitalization via introducing skilled labor, deepening land reform and facilitating investment?

Promotion
of rural
revitalization

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Abstract

Purpose – This article revealed the difficulties that lie ahead of implementation of the rural revitalization strategy.

Design/methodology/approach – This article performed a systematic analysis of the difficulties ahead of implementation of the rural revitalization strategy on the basis of three factors, namely, people, land and money.

Findings – This article concluded that it is necessary to revitalize the rural human resources by introducing skilled labor; managing the farmer–land relationships through deepening the land reform and facilitating multidimensional investment that includes fiscal, financial and social factors.

Originality/value – For the first time, this article systematically explored the solutions to the problems related to people, land and money in the implementation of the rural revitalization strategy.

Keywords Rural revitalization strategy, Labor, Land, Capital

Paper type Viewpoint

The recently concluded 2020 Central Conference on Rural Work is one important conference held after the Central Economic Work Conference. This conference analyzed the current situation and challenges encountered when addressing rural issues concerning agriculture, rural areas and farmers, alongside emphasizing the importance of building a balanced, high-quality well-off society according to the schedule; it also covered the work relevant to agriculture, rural areas and farmers for the following year, alongside a focus on poverty alleviation and with an aim to strengthen the weak link in building a well-off society, i.e. rural issues. A well-off society depends largely on the well-being lives of rural villagers. As the year of 2020 is announced to be the final year for completing the task of building a balanced, well-off society, the effectiveness of the work related to agriculture, rural areas and farmers will largely determine the level of a well-off society; next year is also determined to be a key year for making progress in the rural revitalization strategy. A good performance in the work related to agriculture, rural areas and farmers; winning the battle against poverty and catching up on the rural work when building a balanced, well-off society next year will lay a robust foundation for the implementation of the rural revitalization strategy.

After General Secretary Xi Jinping proposed the implementation of the strategy of rural revitalization in the Reports of the 19th National Congress of the Communist Party of China, No. 1 Central Document, which was released in 2018, carved an overall plan and issued the National Rural Revitalization Strategic Plan. The Ministry of Agriculture and Rural Affairs also issued a number of specific documents that guided industrial rejuvenation, rural governance, rural civilization and environmental improvement of human settlement. On the basis of this, it can be said that the “four beams and eight pillars” institutional framework of the rural revitalization strategy at the national level has now been established. To make concrete progress in implementing the strategy of rural revitalization, we must accelerate the



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process of finding solutions to the problems related to “labor, land and capital”; strengthen the supply of these factors and prioritize agricultural and rural development.

1. Introducing rural talents in rural areas

Talent is the primary resource for rural revitalization. To enrich the talent reserves in the rural areas, first focus must be on “bringing in,” i.e. encouraging talents from all walks of life to settle in rural areas and engage in rural revitalization. Several entrepreneurs, party and government cadres, experts and scholars, doctors and teachers, skilled personnel, migrant workers, college students and demobilized soldiers have originated from rural areas. Hence, it is necessary to break the institutional barriers and establish an effective incentivizing mechanism, facilitating a two-way flow of urban and rural skilled labor and thereby restoring all kinds of talents interested in agricultural and rural development. Through good guidance on the basis of their intention to repay to their hometowns and making good use of personal strength, those who intend to contribute to rural revitalization will have a role and position in the rural areas and will achieve their career goals; in this sense, those who want to contribute to their hometowns should have accessible channels and platforms to participate in rural construction and exhibit their strengths in revitalizing the rural areas. An open channel will have an inestimable effect on the implementation of the rural revitalization strategy.

Further, the second focus must be to work hard on “education” and develop rural human resources. Efforts should be made to further integrate capital resources, improve training mechanisms and content, vigorously train and expand the group of skilled farmers, identify and cultivate a group of local rural talents and foster a group of professional talents that serve rural revitalization through targeted educational support. At present, the total number of skilled farmers in China is 15.2 million, accounting for only 3% of the total of 500 million agricultural farmers. The generation of skilled farmers encounters problems such as lack of teachers and practical training bases and weak information technology (IT) support. Furthermore, we should place emphasis on training the heads of new agricultural business entities, e.g. large professional households, family farms, farmer cooperatives, agricultural enterprises and agricultural entrepreneurs who have settled in their hometowns, in a concentrated effort to cultivate a large number of educated and skilled farmers who have expertise in operations and management; this goal can be achieved by supporting them in participating in middle and higher agricultural vocational education through means of work–study program or flexible education system, etc., so as to improve scientific and technological quality as well as production and operation levels. The focus should be concentrated on improving the quality of agricultural technicians at the grassroots level while enhancing the agricultural scientific and technological talent team and strengthening the training of local rural talents. At present, the team of grassroots agricultural technicians lacks professional skills, contemporary knowledge and fresh blood. A quarter of the grassroots agricultural technology promoters have not obtained professional technical titles, 30% are over 50 years old and only 20% are under 35 years old. Hence, it is necessary to further strengthen the capability of promoting agricultural technology that meets the requirements of agricultural development through a market-oriented, IT-supported, mechanized and large-scale approach. We must commit to further expand the team of special S&T commissioners and serve the agriculture, rural areas and farmers by bringing talent and technology to the rural areas. We can update the knowledge base of grassroots agricultural technology promoters and improve their capabilities and welfare through centralized rotational trainings and specialized learning. Through such developmental efforts, they can ensure a more promising future.

For some time, prevalence of a strong trend of agricultural education being disengaged from agriculture has been witnessed, resulting in less agricultural majors, graduates being disengaged from agriculture, limited traditional agricultural science and technology majors

and weakened training of talents for rural revitalization. Among the 62 majors offered by an agricultural university, only 35 are related to agriculture; for some agricultural universities, nonagricultural majors even account for 80%. Graduates from agricultural colleges do not have strong intentions to work at the forefront to resolve the abovementioned rural issues. According to statistics, 41 agricultural colleges and universities in China enroll 60,000 students per year; 38 higher vocational schools enroll 60,000 students per year and 270 secondary vocational schools enroll 190,000 students per year. Among the 300,000 graduates each year, about 60% are employed in agriculture-related fields, and only about 20% work on the frontline to resolve issues relating to agriculture, rural areas and farmers. To foster specialized talents to serve the rural revitalization, it is critical to advance the education of agricultural professionals in colleges and universities, prioritize enrolling students in agricultural science and attract more promising students to apply for agricultural majors through programs such as targeted cultivation and tuition fee reduction. It is necessary to strengthen internships and practical training bases through academia–industry cooperation and train postgraduate students through strategic alliances between universities and schools. This aspect can be achieved, in part, by promoting cultivation mechanism reforms, alongside training more professionals on the basis of the demand of new agricultural business entities, sectors, formats and growth models. It is important to encourage graduates of agricultural colleges and vocational schools to work and establish businesses at the rural revitalization's forefront.

The third focus is to make practical use of talents. Attention should be paid to the selection of rural cadres from college graduates, migrant workers who have returned to their hometowns and demobilized soldiers. It is necessary to establish platforms, optimize services and create a good environment to effectively utilize the advantages of interpersonal connections, capital, research, management and information of people who return to or chose to work in rural areas so that they can exhibit their strengths, work smoothly and live comfortably when working or starting a business in rural areas.

2. Deepening reform of rural land systems

In relation to deepening the reform of the rural land system, the present focus should be placed on a few specific areas. The first would be to consolidate and improve the fundamental rural management system. At present, 2,838 counties (cities and districts), 34,000 towns and more than 550,000 administrative villages across the country have completed the registration and certification of rural contracted land. In terms of land area, 1.49 billion mu (around 99 million hectare) has been contracted to rural households, and 200 million households have been issued certificates of land management rights. By the end of June 2019, the area of transferred farmland contracted by households around the country was about 560 million mu (37 million hectare). The next step is to implement the policy of ensuring stable and long-lasting rural land contractual relations and transition to the policy of a 30-year extension of land contract after the expiry of the second round of land contracts. It is necessary to ensure that these two aspects remain unaltered during this process, and the contractual relationship is stabilized. Implementation of the abovementioned factors requires sustaining the basic system of collective ownership of land and household contract management in the long run, thereby ensuring that farmers can collectively and effectively exercise land ownership, and every one can enjoy equal land access rights. It is also important that the basic right of the household contract management systems in accordance with the law remains unchanged in the long run and that no organization or individual is able to illegally deprive farmers or restrict such a right. In taking such measures, the contracted land of farmers should remain stable. As rural households are legal entities of contracted land, any party issuing contracts, either individuals or other economic organizations, must not restructure the said contracted

land illegally. After the expiry of the second round of land contracts, relevant parties should adhere to the principle of extending contracts and should be careful not to redistribute the land contractual relationship. It is important in this case to ensure that the original contracted land of most farmers remains stable. Thus, it is necessary to improvise the “separation of three rights” system for rural contracted land. On the premise of protecting collective land ownership and household contracting rights in accordance with the law, we should protect land management rights on an equal basis, develop various forms of moderate scale operations and facilitate an organic connection between small households and modern agricultural development.

Having achieved the above, the focus should shift to making concrete progress in reforms associated with the land expropriation system. Since the launch of the pilot program in 2015, pilot areas have actively explored aspects such as reducing the scope of land expropriation, standardizing the expropriation process, defining rational compensation standards, improving the multi-guarantee mechanism and establishing a land value-added income distribution mechanism. By the end of 2018, according to the new method, 33 pilot counties (cities and districts) had implemented the expropriation of 1,275 parcels, involving an area of 180,000 mu (12,000 ha). Moreover, in the next step of the reform of the land expropriation system, we must continue to explore the reduction of the scope of expropriation, study and formulate specific regulations and standards for the development of land at a large scale, improve the procedures and the dispute resolution mechanism for recognizing public interests, improve the land expropriation compensation standards, further regulate land expropriation procedures, smoothly establish an association between land expropriation approval and the approval of converting agricultural land into construction land and improve social security policies for land-expropriated farmers.

Third, the entry of collectively operated construction land into the market should be promoted in a steady and orderly manner. Since the launch of the pilot program in 2015, the collectively operated construction land in the pilot areas that has entered the market has enjoyed the same rights and prices as the state-owned land. As a result, a relatively complete working system and policy system has been formed. By the end of 2018, more than 10,000 parcels of collectively operated construction land (covering an area of over 90,000 mu or 6,000 ha) in 33 pilot counties (cities and districts) have entered the market, involving a total price of about 25.7 billion yuan and adjustment payment collection of 2.86 billion yuan. There were 228 approved mortgage loans, totaling 3.86 billion yuan, for collectively operated construction land. The entry of collectively operated construction land into the market has further demonstrated the value of collective land. The pilot areas have gained a total of 17.81 billion yuan in revenue by entering into the market, thereby significantly increasing the farmers’ land property income, and provided a great impetus for the development of new industries and business models in rural areas. The outcome of reform in the pilot areas in this regard has been recorded into the newly revised Land Management Law and will soon be fully introduced. Further, in the next step, it is necessary to hasten the research, revision and formulation of supporting laws, regulations and policies and explore specific approaches that can bring more collectively operated construction land into the market. In accordance with this, an emphasis should also be placed on promoting the supporting policies for mortgage loans of collectively operated construction land use rights through concentrated efforts and further improvement of rational income distribution systems for collective construction land.

Fourth, we should steadily promote the reform of the rural homestead system. According to the requirements of implementing collective homestead ownership, ensuring the qualification of a household to homestead and the property rights of farmers and moderately losing control on homestead and the house use rights of farmers, we need to explore the institutional arrangement of “separation of three rights,” namely, homestead ownership, qualification rights and use rights. Since the launch of the pilot program in 2015,

significant results have been recorded in the pilot areas that have made active efforts on guaranteeing accommodation for rural households, establishing a mechanism for paid use of and withdrawal from homesteads, decentralizing the authority for approving homesteads and improving the management system for homesteads. By the end of 2018, a total of 140,000 households and 84,000 mu (5,600 ha) of vacant and idle homesteads had been made available in the pilot areas, and 58,000 mortgage loans, totaling 11.1 billion yuan, were processed. In the next step, the pilot reform of the rural homestead system should be expanded in scale, enriched in content and improved in design. It must be pointed out that moderately loosening control on the right to use homesteads and farmers' houses is not to ask urban residents to buy land in rural areas, but to attract funds, technology and talents to the countryside and make idle farmers' houses an effective carrier for the development of rural tourism, retirement, culture, education and other industries. The land use control must be strictly implemented. Therefore, the use of rural homesteads for the building of villas and private halls in the countryside must be strictly forbidden.

It is also necessary to expedite the resolution of the dilemma caused by the fact that rural construction land cannot be used by the rural population in any meaningful way when implementing the strategy of rural revitalization. We need to make better use of stock land and construction land made available through village renovation, as well as the consolidation of scattered construction land, with a focus on supporting rural development.

3. Promoting investment in rural revitalization

According to preliminary estimates, the key tasks of implementing a strategic plan for rural revitalization in the next five years will require an investment of more than 7 trillion yuan. It is necessary to continue strengthening the policies growing, benefiting and enriching farmers; promoting the establishment of a stable growth mechanisms of financial input for "agriculture, rural areas and farmers"; establishing and improving the system for guaranteeing financial input for the implementation of rural revitalization strategies; prioritizing "agriculture, rural areas and farmers" in public finance allocation and ensuring that financial input fits the goals and missions of rural revitalization. Local governments should be supported in issuing general bonds and encouraged to pilot the issuance of special bonds for project financing and special bonds with self-balancing returns. The financial input at all levels of government alone is insufficient to support rural revitalization. Hence, it is necessary to improve the rural financial service system; expand funding channels and accelerate the formation of a diversified investment structure that prioritizes fiscal input, receives key attention from the financial sector and counts on the active participation of society.

For a long time, the proceeds from land transfers were mainly earned from the rural areas and used in cities, while a very low percentage of proceeds was directly employed in rural construction. According to the data from the Ministry of Natural Resources, the country's total land transfer income has totaled nearly 35 trillion yuan since 2001. Particularly, the cumulative amount reached 22.23 trillion yuan between 2012 and by the end of 2017. According to the data from the Ministry of Finance, after deduction of land expropriation and relocation compensation expenditures, only about 30% of net proceeds from land transfers have been utilized in agriculture and rural areas since 2007, with this number even dipping below 20% in some years. As urban development relies on land finance, rural revitalization also requires the power of land. We need to adjust and improve the applicable range of land transfer proceeds and invest more of the proceeds in agricultural and rural areas, thus injecting more funds into rural revitalization.

Issues such as difficulty in procuring loans and high interest rates on loans have become a major discomfort, plaguing agricultural and rural production and operations. We must,

therefore, adhere to rectify the direction of rural financial reform and development, improve the rural financial system that fits the characteristics of agriculture and rural areas, encourage the rural financial institutions to restore their original functions for which they were established, allocate more financial resources to key areas and weak links in rural economic and social development and adequately meet the diversified financial needs of rural revitalization. In this regard, the innovative approach of promoting digitally inclusive financial reform in some regions deserves attention. The public will have access to one-stop financial services through establishment of an online platform for integrated inclusive financial services, where financial products, such as credit, payment, wealth management and fee services, are offered. Building inclusive financial service stations in counties and villages as offline supporting facilities and equipping them with financial coordinators will allow villagers to enjoy convenient financial services without leaving the village. To develop digitally inclusive finance, a credit information sharing platform must be established for rural households. Problems such as difficulty in collecting farmers' credit information and difficulty in controlling risks will be resolved by building a credit evaluation index system that fits the features of rural households and evaluating the credit level of rural households by grassroots organizations. Considering Lankao County, Henan Province, as an example, 454 established financial service stations have collected the credit information of 160,300 households; completed basic credit granting to 153,300 households and issued 12,700 inclusive credit loans, totaling 475 million yuan, of which some households have obtained loans from banks for the first time by the end of August, 2019. According to the experience of some pilot areas, the key to pushing digitally inclusive finance forward is to build an inclusive financial system integrating online and offline services, thus breaking the "last mile" bottleneck of delivering financial services to rural areas so that the majority of households will have access to affordable financial services.

Notes

1. The central conference on rural work was held in Beijing from Dec. 20 to 21, 2019, which aims to outline the roadmap for the country's work related to agriculture, rural areas and rural people in the coming year.
2. Four Beams and Eight Pillars is a kind of reform thinking methodology. As one of the vivid metaphor, it stresses that the reform should have a basic general framework.

Further reading

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