

The core of China's rural revitalization: exerting the functions of rural area

Xiwen Chen

Agriculture and Rural Affairs Committee,

The Thirteenth National People's Congress Standing Committee, Beijing, China

Core of
China's rural
revitalization

1

Received 2 February 2019
Revised 16 March 2019
Accepted 16 March 2019

Abstract

Purpose – The purpose of this paper is to provide a deeper understanding of the rural revitalization strategy, from the perspective of the fundamental functions that should be served by China's rural areas in the implementation of this strategy.

Design/methodology/approach – Theoretical and comparative analyses of the functional relationship between China's rural development and urban development, between China's agricultural development and industrialization and that between China's traditional culture and rural development today are conducted to identify the fundamental functions that should be performed well by China's rural areas in the implementation of the rural revitalization strategy.

Findings – Three fundamental functions of China's rural areas are identified: first, the function of ensuring national food security and the supply of important agricultural products; second, the function of providing effective ecological barriers, a good eco-environment and high-quality ecological products; third, the function of inheriting the extraordinary traditional Chinese culture.

Originality/value – This paper is the first to systematically summarize the fundamental functions China's rural areas should perform during the process of rural revitalization.

Keywords China, Rural development, Rural function, Rural revitalization

Paper type Viewpoint

The Report of the 19th National Congress of the Chinese Communist Party (referred to as “the Report” hereafter) put forward the rural revitalization strategy (Xi, 2017). A series of speeches delivered by General Secretary Xi Jinping and reports issued by the Central Government of China further specified the roadmap and timetable for implementing this strategy. Rural revitalization will be undergoing throughout the entire process of building a great modern socialist country. Viewed from the perspective of China's socio-economic development, the rural revitalization strategy was proposed at the right moment, given two important backgrounds. First, the number of permanent urban residents exceeded 800m in 2017 for the first time ever, reaching 813.47m, leading to an urbanization rate of 58.52 percent. Second, in 2017, the contribution of agriculture to China's GDP (7.9 percent) fell below 8 percent for the first time ever. These two figures raised a very important question that China must answer: under the current situation, can China's agricultural sector and its rural areas support its urbanization and ensure its enduring prosperity in the foreseeable future?

The implementation of the rural revitalization strategy requires the Chinese to think together about the following important questions: will the urbanization process naturally resolves issues related to China's agriculture, farmers and rural areas (i.e. the so-called “three nong” issues)? How do we understand and assess the phenomenon of rural decline that has occurred during the process of urbanization? And what will China's rural areas look like after they have been fully revitalized?



China Agricultural Economic
Review

Vol. 12 No. 1, 2020

pp. 1-13

© Emerald Publishing Limited

1756-137X

DOI 10.1108/CAER-02-2019-0025

General Secretary Xi stated in the Report that the overall goal of rural revitalization is to build rural areas with five characteristics, namely, thriving businesses, pleasant living environments, social etiquette and civility, effective governance and prosperity (the so-called five “specific goals” of rural revitalization). And he proposed important ways, including industrial revitalization, talent revitalization, cultural revitalization, ecological revitalization and organizational revitalization, by which China may achieve the above five specific goals. Later, the Party Central Committee and the State Council issued the Strategic Planning for Rural Revitalization (2018–2022) (Central Committee of the Communist Party of China and the State Council of China, 2018). Over the past year, based on the directives and requirements stipulated by the central government, local governments have formulated specific and detailed action plans to promote rural revitalization, taking into account local conditions. During the process, many good ideas have been proposed, effective approaches implemented and new experiences accumulated. Thus, as the Central Rural Work Conference held at the end of 2018 claimed, the rural revitalization strategy has been off to a good start.

Recent surveys and research found that rural revitalization has been steadily advancing, while in the meantime many people still have doubts and confusions about this strategy. There are two major puzzles on the theoretical level. First, China is now at a critical point of promoting urbanization, yet why does the central government propose a national strategy of rural revitalization at this point? Second, what is the relationship between implementing the rural revitalization strategy and promoting urbanization? On the practical level, there are also two entangled problems for the Chinese, from the heads of counties (cities) to those of townships (towns), to village leaders and to the general masses. First, the rural population, especially the number of young people, has been constantly decreasing; many villages have been declining and some have even disappeared for various reasons – under this circumstance, how could we expect rural revitalization? Second, in order to revitalize China’s rural areas, is it necessary to prevent rural people from migrating to cities and towns? Or should we mobilize migrants who have settled in cities and towns to return to rural areas? Obviously, disentangling these puzzles and confusions requires us to think of and understand the essence and implications of rural revitalization in a more scientific and in-depth manner.

The key to answering these questions is to think scientifically about urban-rural relations. We must see clearly that China’s urban and rural areas are closely and organically linked, sharing a common future in the process of modernization. This proposition is supposed to be a piece of common knowledge understood by everyone. Yet in practice, there is a tendency of prioritizing urban development while neglecting rural development, which to a large extent hinders China’s all-round socio-economic development and advancement. Urban and rural areas are both indispensable components of the organism of any human society, which is similar to the fact that internal organs, limbs and facial features are indispensable components of a healthy human being. Each component, be it the brain, the heart, an arm or a leg, is equally indispensable. And it is impossible and unreasonable to judge which is more important and which is less so – if any organ is malfunctioning, a person will be ill or disabled. Similarly, today, the modernization of society will be either incomplete or unhealthy if its urban and rural development is not well coordinated and harmoniously integrated. From this perspective, rural and urban areas are closely and functionally linked, are interdependent, and play an irreplaceable role in each other’s development.

The reason why rural and urban areas share the same fate is that they serve different yet complementary functions for a country’s socio-economic development. If any part of their functions is refrained, a country may fail to achieve its modernization along a continuous and healthy path. The main functions of cities and towns are to gather funds, talents,

technology and innovation, to constantly introduce new technologies, new ideas and to frequently create new production methods and new lifestyles so that cities and towns can become the growth poles that lead a region or even a country to develop. The functions of rural areas are mainly manifested in three aspects. First, they are obliged to ensure a country's food security and the supply of important agricultural products. This function cannot be performed by cities and towns. The more developed urban areas are, and the more people live there, the more important this function (served by rural areas) will be. Second, the villages are supposed to provide well-functioning ecological buffers, environmental protection and green products for the entire country, and of course as well as for cities and towns located among rural villages. Such a function is also difficult for cities and towns themselves to fully possess. Third, rural areas should play a role in inheriting the valuable traditional culture of a country, a nationality or a region. The cultural function of urban areas is to include and integrate diversity and multiculturalism, while that of rural areas concentrates more on the preservation and inheritance of unique historical, national and regional cultures. Obviously, the cultural functions served by rural areas cannot be replaced with those of urban areas. Only by exerting well rural areas' cultural functions can China better promote its urban development and form an integrated and mutually reinforcing system for urban-rural development, so as to achieve sustainable and sound modernization of the country.

1. China's rural areas must fully perform the function of ensuring national food security and the supply of important agricultural products

Food security is, first and foremost, security in quantity. In terms of total quantity, China's current grain output is able to meet Chinese people's basic demand for food, but we should also pay attention to a series of tensions and problems in China's grain production system. General Secretary Xi Jinping emphasized that for China, a large country with nearly 1.4bn residents, the statement that "with grain in our hands there is no need to panic" is a truth at all times. But have we held enough grain so that we need not to panic anymore? According to a report released in *People's Daily* on December 31, 2018, China's total grain output was 1,315.8bn jin (657.89m tons) in 2018. Those who are not aware of the real situation would think that the total grain output in 2018 exceeded its previously reported counterpart in 2017, 1,235.8bn jin (617.91m tons), by 80bn jin (40m tons). But the real situation is that the figure of 1,315.8bn jin is a value corrected based on results of the third Agricultural Census. In fact, compared to its 2017 level, the total grain output in 2018 was reduced by 7.4bn jin, and the national grain stocks were reduced by more than 250bn jin. Thus, we should not be too excited about the figure of 1,315.8bn jin.

Currently, China needs to import nearly all necessities for its people, such as cotton, oil, sugar, meat and dairy products, and the volume of imports has been gradually expanding (Wei and Zhao, 2015). Of course, this may not be simple-mindedly judged as a desirable or undesirable situation. Given the tension between China's large population and its limited arable land, it is difficult to achieve 100 percent self-sufficiency of agricultural products. It is also unnecessary because in the era of economic globalization, a country could (and should) try to utilize international resources and markets rationally and reasonably. However, as a country with a huge population, China is likely to face great economic and political risks if it relies too heavily on international markets to meet its domestic demand for major agricultural products. It is thus necessary to carefully study which agricultural products can be supplied by farming our limited land and for which we may resort to the international market to meet our domestic demand.

At the end of 2013, the Party Central Committee set forth the food security strategy under the new situation and proposed to ensure self-sufficiency of basic grains and absolute security of food grains. Judging from these requirements and the reality in China,

these requirements have been basically met. The so-called “food grains” mainly refer to wheat and rice. In recent years, the annual domestic supply of food grains slightly exceeded the domestic demand for them, creating a relatively abundant food stock. Corn is certainly one type of grain, but it is now mainly used as feedstuffs and industrial raw materials. In the past few years, China’s domestic corn supply significantly exceeded its domestic demand, and thus corn stocks have been rapidly rising – at its peak, the amount of corn stocks was even close to a whole year’s total output. Yet China is large and its demand for food can be volatile at times, which may lead to dramatic changes in the food system within a short time period. For example, in 2018, the policy-based corn stocks in Northeast China alone were reduced by 100.13m tons, which amounts to almost half a year’s corn output. In other words, China’s domestic corn demand in 2018 was met using a year and a half’s corn output. By the end of 2018, there would be approximately 80m tons of policy-based corn stocks left in Northeast China. How do we meet this year’s domestic corn demand, then? If we assume that relative to last year’s situation, corn production in this year does not increase and the demand for corn does not decline, then there will be a shortage of about 20m tons. Therefore, we cannot simply argue that there will no longer be concerns about grain supply in China.

Another issue to note is that China’s dependence on imported soybeans has been increasing. In 2017, China’s soybean output totaled at about 15m tons, but its soybean imports reached 95.53m tons – that is, more than 85 percent of China’s domestic soybean demand is met by international supply. Due to China–USA trade frictions since March 2018, China has imposed tariffs on soybeans from the USA, whose price will then be significantly higher than those of soybeans from other countries, thereby urging domestic companies to import soybeans from countries other than the USA. However, China imported more than 32m tons of soybeans from the USA in 2017, which accounted for roughly 1/3 of China’s total soybean imports. If we stopped importing soybeans from the USA, we obviously need to find out another way to fill the gap between supply and demand in China’s domestic soybean market. Soybeans are originated in China, and China ranked the first worldwide in both output and export volumes of soybeans in the last century. But now, China ranks the fourth worldwide in soybean output and has become the world’s largest soybean importer, importing almost 2/3 of the world’s total soybean trade volume. Shall we keep on importing soybeans like this? (Certainly not.) Therefore, the central government proposed to accelerate supply side structural reforms in China’s agriculture. What is the focus of these reforms, then? The primary problem ought to be addressed by these reforms is: the outputs of those varieties that do not meet their demand fail to increase, while the outputs of those exceeding their demand keep on rising. Given these situations, the total grain output should definitely be given sufficient attention, but it is also important to study carefully the variety structure of China’s grain supply.

Second, in the supply side structural reforms in agriculture, the adjustment of production structure should be oriented toward improving economic benefits. What China lacks the most are soybeans. Yet why not try hard to raise the capacity of soybean production? The main reason is that the economic benefit associated with soybean production is too low and farmers are reluctant to grow soybeans. How to raise farmers’ enthusiasm for producing soybeans, then? It is not sufficient to only raise soybean price. If the price were raised, farmers in Northeastern China would think, based on the comparison of soybean price and corn price, that the procurement and storage price of soybeans should be set at 3.5 yuan/kg. But this price is much higher than that of imported soybeans, thus having little competitive advantage in the international market. At such a price, soybeans cannot sell even if a sufficient amount of soybeans can be produced. Put simply, improving economic benefits associated with soybean production involves numerous scientific, technological, production, management and market circulation issues, besides price issues.

Of all these issues, the most important is to increase grain outputs per unit of land. I remember that in 2001 Premier Zhu Rongji delivered an important speech on the soybean problem at that time. The general idea was illustrated in the lyrics of a song named "Songhua River," which was very popular during the Anti-Japanese War he once sang when he was young. The lyrics described that everywhere in Northeastern China's mountains were covered by soybeans and sorghum. But today, there are American soybeans everywhere. When Premier Zhu delivered his speech, China's soybean imports just exceeded 20m tons. Since then, some relevant ministries and departments have proposed to implement a Soybean Revitalization strategy, but by 2017, China's soybeans imports had reached as many as 95.53m tons (National Bureau of Statistics of China, 2018). In total, 17 or so years have passed, yet China's imports have still been increasing. What is causing this? As Chinese people's living standards rapidly improve over time, their consumption of edible vegetable oil and animal products increases rapidly as well, which, in turn, induces a huge demand for soybeans. But soybean yields in China have not improved for more than a decade. China's soybean yield reached its peak at 252 kg/ μ in 2002 and has never exceeded 250 kg/ μ ever since. As noted above, a total of 95.53m tons of soybeans were imported in 2017 (National Bureau of Statistics of China, 2018). Based on the current level of domestic output, it will take up more than 760m μ of arable land to implement an import substitution strategy, which is by no means feasible. Therefore, in order to increase the domestic supply of soybeans, we must work hard on the technological innovation front. At present, for some new soybean varieties, the yield has reached more than 800 kg/ μ in pilot tests, the key for which is the promotion of seed breeding and cultivation technologies. In addition, China has developed soybean-corn intercropping technologies in many places. The key to this technology is to identify corn and soybean varieties that are suitable for intercropping in different regions. This technology ensures that corn yield, at around 1,200 kg/ μ , would not reduce after intercropping, while at the same time, soybean yield would increase by 200–300 jin/ μ . At present, China's corn-sown area exceeds 600m μ , if 1/3 of the corn-sown areas can be interplanted with soybeans, China's domestic soybean supply will increase by about 50bn jin (25m tons). If we further sow improved seeds on China's current soybean-sown land (about 120m μ), which is expected to increase the average yield by 100 jin/ μ , we will be able to increase its domestic soybean supply by another 12bn jin (6m tons). The sum of these increases is close to the total amount of soybeans imported from the USA. From this perspective, it is entirely possible to reduce China's dependence on overseas soybean markets from over 85 percent to about 50 percent by pushing forward supply side structural reforms in agriculture and by devoting greater efforts to innovating technology and improving economic benefits associated with soybean production.

China's rural areas must continually play a key role in ensuring national food security and the supply of important agricultural products is determined by China's reality as a populous country. But what is the relationship between the development of agriculture, food production in particular, and rural revitalization? Should the overall goal of rural revitalization or should the major revitalization in the five aforementioned aspects put forward by General Secretary Xi, i.e. industrial revitalization be given top priority? Certainly, various industries should be introduced and developed in the process of rural revitalization so as to expand farmers' employment opportunities and to boost their income. However, no matter which industry is introduced, it should not undermine rural areas' function of ensuring food security and the supply of important agricultural products. This calls for strict protection of arable land and efforts devoted to enhancing the capacity of grain production and the production of other important agricultural products, but these requirements will impose a certain constraint on achieving industrial prosperity during rural revitalization. More specifically, this constraint stipulates that the development of rural industries must not break through the redline protecting China's limited arable land.

China has about 2.04bn μ of land in total, of which the area with effective irrigation is slightly more than 1bn μ . According to the Ministry of Water Resources (2014), the yield of this 1bn μ of effectively irrigated land is twice that of the land without effective irrigation systems. The effectively irrigated land in China accounts for only about 50 percent of its total arable land but produces more than 70 percent of China's grain output. The problem we are facing is, however, that this fertile land is the potential object that urban development tends to occupy because it is close to cities and towns and has convenient transportation and water sources. The special land-related challenge faced by China is that it possesses a total of 9.6m square kilometers (144bn μ) of land, but only 2bn μ of its land is cultivated. And this 2bn μ of cultivated land is suitable for both agricultural and urban development, so everyone is "staring at it with greedy eyes." General Secretary Xi (2014) pointed out in 2013 that "it is inevitable to occupy arable land for urban development, but the problem is that the scale of land used for urban construction has expanded too fast. For example, from 2000 to 2012, the land used for urban construction has increased by about 70%, leading to a sharp decline in the population density over built-up urban areas, which is not consistent with the situation of the large population and limited land in China." "The redline of arable land must be maintained and must not be breached even in disguise. This redline involves both quantity and quality aspects. The implementation of the requisition-compensation balance policy should not take up all good land. In some areas, there is a sly strategy of using low-quality land, sloping land and uncultivated land to replace the high-quality land taken up for urban development, which does not change the total area of arable land but seriously undermines its quality. Is this not self-deception?!" In the process of implementing the rural revitalization strategy, we must be aware that the revitalization of agriculture is of top priority, and we must resolutely put an end to the large-scale occupation of arable land in the name of industrial revitalization. In order for China's rural areas to better perform their functions of ensuring national food security and supplying important agricultural products, we must always ensure that the quantity of arable land is not reduced, and its quality is improved.

2. Rural areas should perform their functions of providing effective ecological barriers, good eco-environment and high-quality ecological products

Over the past 40 years of reforms and opening-up, rural China has undergone complex and profound changes in its eco-environment. Across the country, some deserts have been turned into fertile lands and forests, while at the same time some lucid waters and lush mountains have become polluted and barren. Some of these changes are exciting while others upsetting. When I was a child, my school was surrounded by rivers on three sides – a very nice environment indeed. My friends often jumped into the rivers to swim. The water was so clear that it did not matter if you swallowed some of it. Today, most of the rivers have been filled for road and building construction purposes, and the rest are having very low water quality. Undoubtedly, such a change in the eco-environment is the cost we paid for rapid socio-economic development. But what should we do in the long run? Our water resources are in relatively short supply. The most outstanding problem we are facing now is that there are many places where water cannot be used for irrigation, fish-raising or drinking. How do we deal with this problem? The answer is that we need to draw lessons from our past experiences and make-up our minds to pursue green and sustainable development. Fortunately, we are all clearly aware of the importance of this issue now. General Secretary Xi's (2017) famous statement, that "lucid waters and lush mountains are invaluable assets," was first made in Yu Village of Anji County in Huzhou City, Zhejiang Province. Yu Village used to be a village relying on mining for development. Yet while its economy was being developed, its eco-environment was seriously damaged. Witnessing this change, people there made the tough decision to stop mining. Incomes of the collectives and farmers were seriously affected at first,

imposing great pressure on the development of this village and the livelihood of its residents. However, the village party organizations and village committees innovatively led the villagers to develop industries that are compatible with local characteristics, through which they managed to survive that difficult period, restored lucid waters and lush mountains, and find a promising path of sustainable development.

Some 110 years ago, in 1909, Franklin H. King, then Director of the Soil Bureau in the US Department of Agriculture and Professor at the University of Wisconsin, investigated agriculture in China, Japan and the Korean peninsula along with his wife. After returning to the USA, he wrote a book entitled "Farmers of Forty Centuries" (King, 1911), which drew considerable attention elicited flattering remarks from Western observers. In that book, King describes Chinese farmers as follows: "the Chinese are like a cycle in the whole eco-system in balance, a cycle consisting of humans and 'soil'. Humans are born from the soil. They then obtain food from the soil, excrete into the soil, and return to the soil after death. From generation to generation, humans are going back and forth within this cycle. Relying upon this natural cycle, human beings have lived on this land for 5,000 years and have become an integrated part of this cycle. For the Chinese, agriculture is not a business against the land; rather, it is a business in harmony with the land." The book also says: "If one can introduce these East Asian countries' experience in developing sustainable agriculture to all mankind, then agriculture will become the most important industry for development, education and society, and people in all countries can live a much prosperous life." It has been only 110 years since the King couple visited East Asia's agriculture, but the human society and the relationship between humans and nature have changed so greatly, so comprehensively and so profoundly. It is impossible to return to a small-scale peasant economy that achieves self-sufficiency based only on man, animal and natural powers. However, it is necessary to contemplate on the impacts of the changes in humans' production methods and lifestyles on nature over the past century. It is, therefore, also necessary to re-explore the profound implications of the concept of "harmony between man and nature" and construct harmonious agriculture built upon a new material foundation that is vastly different from its counterpart 100 years ago.

The rise of township enterprises is the decisive force that broke the natural economy in rural China. The rapid development of township enterprises in the 1980s and 1990s greatly expanded rural residents' employment opportunities and their income prospects. However, the way of promoting rural industrialization at that time, which is typically characterized as "all villages being surrounded by smoke and every household lighting a fire," also brought about serious environmental damages. At the current stage, we must repay this debt, and to think carefully about how to restore the lucid waters and lush mountains and how to provide better ecological barriers, environmental goods and products. This task would, of course, be arduous for three reasons. First, the serious pollution problems caused by rapid industrialization in the past three to four decades – some attributed to the development of urban industries and some to the development of township enterprises – have not been completely addressed.

Second, the former self-sufficient lifestyle of farmers has changed radically. The goods farmers originally consumed are almost all produced from land or collected from nature, most of which are organic in nature. The remnant after consumption would be returned to nature, producing little waste. Today, however, the domestic garbage from rural households has become increasingly similar to that from urban households, because a considerable part of goods consumed by rural households is industrial products sold on the market, which are difficult to be degraded naturally (Fu *et al.*, 2017). Although this trend is inevitable, it does create pollution problems in rural areas (Huang *et al.*, 2012).

Third, the use of chemical fertilizers and pesticides to raise agricultural outputs has caused much serious non-point source pollution and increasingly so, which have adversely

affected the quality of soil, water and the atmosphere (Wu, 2011; Wu *et al.*, 2018); some of these problems have even introduced health risks to the consumption of some agricultural products. When giving priority to food security, we also naturally set priority to output growth of agricultural products, and thus we must use more chemical fertilizers and pesticides to ensure output growth. However, excessive use of chemical fertilizers and pesticides will contaminate the environment and even the agricultural products being produced. Now everyone has realized how serious this problem is and kept on addressing it. By the end of 2018, China's fertilizer use had declined for two consecutive years, and pesticide use had declined for three consecutive years. But it is not easy to completely resolve non-point source pollutions caused by excessive use of chemical inputs. Therefore, in the process of rural revitalization, we should not only focus on achieving more prosperity, employment and income but should also treat the recovery of the rural eco-environment as an important goal of rural revitalization. Again, putting ecological restoration and environmental protection in an important position for rural revitalization will inevitably impose some constraints on rural areas' economic development. In particular, in selecting rural industries, we should avoid blindly including all kinds of industries as part of the rural revitalization strategy, regardless of their potential influences on the eco-environment. Those industries and enterprises that may seriously damage the eco-environment system should be kept out of the strategy. Surely, the current agricultural production methods and rural residents' lifestyles should also be constantly adjusted and upgraded in a more environmentally friendly direction.

3. China's rural areas must perform well its function of inheriting the extraordinary traditional Chinese culture

When it comes to rural areas, many people will think of community dramas with strong folk customs. Now when traveling to the countryside, people will also see all sorts of ceremonies, such as festivals, sacrifices, weddings, etc. in tourist sites. Yet these are just the specific images of the underlying traditional Chinese culture that people really need to know. Rural China's traditional culture has rich implications. A deep exploration reveals at least three major components of it, namely, ideas, knowledge and institutions. We shall explore these profound domains to carry forward the essence of rural China's traditional culture.

For example, in order to attract tourists from cities and towns, some villages usually organize festivals, sacrifices, weddings and other activities, during which people's outfit, make-up and etiquettes look similar to their ancient counterparts, but such an imitation often fails to reflect the true cultural meaning behind these ceremonies. These ceremonies primarily reflect certain traditional values, such as the loyalty to the emperor, the son's obedience to the father and the wife's obedience to the husband and even to her son, etc. – some even advocating feudal superstition – traditional values should be discarded in the new era. In contrast, some ceremonies advocate the unity of man and nature, respect for nature, awe of nature, gratitude for nature and learning from nature and some others advocate the spirit of respecting the elderly and loving the young, earning a living in a decent way, running the household industriously and economically, and being in harmony with one's neighbors, which should be all inherited and carried forward even today. Therefore, what is important for revitalizing rural China's traditional culture is not to restore its specific images, but to explore and understand the virtues and values that these representations intend to convey, so that we can get rid of its drawbacks and distill its essence.

The second key content in China's rural culture is that it conveys a lot of humanity and scientific knowledge. General Secretary Xi said: "The rural culture is the main body of the Chinese civilization; rural areas are the carrier of this civilization. The civilized unity of cultivation and learning is what constitutes our soft power[2]." The knowledge that can be passed down for generations and eventually become the society's common sense is the

scientific understanding of the regularity and patterns of things and beings that have been accumulated through humans' production activities and life experiences. For example, one year is divided into 24 solar terms in the traditional Chinese culture, which was first recorded in books compiled in the Western Han Dynasty (206 BC–9 AD). This is a law of climate change that was summarized through production practice: sowing in spring, cultivating in summer, harvesting in autumn and storing in winter. Although this law was proposed based on natural climate variations in the Yangtze-Huai River region, it actually provides useful guidance for agricultural development in many regions across the country. In Chinese history, political leaders, from the royal family to local bureaucrats at all levels, all had an important duty: to teach people how to engage in agricultural activities. A scenic spot in the Summer Palace in Beijing called "Growing and Weaving" displays dozens of stone-carving images: each image presents a key link in the chain of agricultural production activities. For instance, rice planting involves activities from raising seedlings to transplanting seedlings, to cultivating fields, to harvesting and finally to threshing and storing grain. Another example is sericulture, which involves activities from hatching to mulberry picking, to silk reeling and to silk weaving. Each link in the entire production process is depicted in a vivid image, which is easy to understand. It is said that the work "Growing and Weaving" was originally commissioned by Emperor Yongzheng (1678–1735) of the Qing Dynasty. But this work clearly inherited the rich experience of Chinese farmers in farming and weaving. This is an example of historical inheritance of scientific knowledge through culture, without which China's farming civilization could not have reached such a high level in history.

Another element of China's traditional culture is the institution. Even today, we can learn many things from institutions in China's traditional culture. For example, the agricultural policy adopted by the USA in response to the economic crisis in the 1930s, the "non-recourse loan" policy, was inspired by the "ever-normal granary" policy created in ancient China. Wallace, the then US Secretary of Agriculture, wrote in his diary that he came up with the "non-recourse loan" policy after being inspired by the doctoral thesis of a Chinese student named Huanzhang Chen. Chen (1911) described China's ever-normal granary thesis somewhere in his doctoral thesis entitled "Economic Principles of Confucius and His School": in the Warring States Period, China had already established mechanisms for the government to regulate the grain market. Li Kui developed the "Pingdi Method" at that time. In the Han Dynasty, Sang Hongyang developed the "Pingzhun Method," which could be summarized in two words: "Di and Tiao." These are predecessors of modern governments' regulation systems for the grain market. More specifically, "Di" means "buy" and "Tiao" means "sell." To prevent farmers from being hurt when the market price of grain is too low, the government could "Di" grain into the reserve, which reduces the amount of grain circulated in the market and thus increases the market price of grain. When there was a shortage in the market and the price rises too greatly, the government will sell out some grain in reserve to increase grain circulation, thus lowering the price of grain. Therefore, the government always buys in grain in excessive supply when the price is low and sells out the grain in reserve when the price is high, which forms an effective mechanism for the government to regulate the supply, demand and price in the grain market.

Another example comes from the land market. On December 29, 2018, the Standing Committee of the National People's Congress approved the Amendment of the Rural Land Contract Law, which was enacted on January 1, 2019. The most important part of the Amendment is the institutional innovation of the "separation of the three powers," namely, the separation of ownership rights, contract rights and management rights for contracted rural land. There are many items in the Amendment. The emphasis here is on the newly added Articles 46 and 47. Article 46 stipulates that the land-management right obtained through land circulation can be transferred again. And Article 47 stipulates that the

land-management right obtained through circulation can be financed and guaranteed by financial institutions. The addition of these two Articles certainly provides a great incentive for those who are willing to exercise the land-management right to transfer in land, but obviously, it is not without risks. Therefore, the Law sets the conditions for the realization of these two Articles. First, it must be with the written consent of the contractor and filed with the collective (the contractor). Meanwhile, the Law also makes it clear that the financing guarantee measures for land-management rights shall be stipulated by the relevant departments of the State Council.

During the revisions of the Land Contract Law, the contents of Articles 46 and 47 were controversial. One of the focuses of the controversy was about what the meaning of “(land) transfer.” In our history, land sale/purchase is just a specific kind of sale/purchase, the land lease is just a specific kind of lease arrangement, and land pawn is just a kind of pawn. The meaning of each of the above transactions is exact and does not cause ambiguity. But what is the meaning of “transfer”? Why did this concept appear? The second focus is: what kind of right is acquired by the land-management right through “transfers”? What could, or should this right contain?

As for the first question, Article 36 of the amended Rural Land Contract Law stipulates: “The contractor shall have the right to make his own decision, subject to the Law, on transferring the land-management right to others through leasing (subcontracting), shareholding or other means. The transaction shall be reported to the party giving out the contract for the record.” Here, “transfer” is still a comprehensive concept, which involves a variety of behaviors, but this Article at least clarifies that one of the behaviors involved in “transfer” is “rental.” But why is rental called “transfer” but not “rental”? Now it is necessary to review the evolution of the policy on household contractual management of collectively owned land after the rural reform in the 1970s. At the beginning of the reform, there was still great controversy revolving over whether the collectively owned land could be used for household contractual management. If the government allowed a rural household who contracted a piece of land from the collective to rent out this land, instead of farming this land by itself, it would be even more difficult for people to accept this policy. Therefore, in 1982 and in 1984, the two No. 1 Central Documents guiding rural reforms explicitly stipulated that contracted land must not be leased out. However, with the deepening of rural reforms and the continuous expansion of off-farm employment opportunities (as well as the resulting deepening of the division of labor), contracted-in land might be abandoned if the land-management right is not allowed to be rented out. In order to break through this dilemma, farmer invented the concept of “transfer”: “now that the policy does not allow renting (out our contracted land), let’s just call it ‘transfer’.” And the concept of “transfer” has been passed down ever since. Although other meanings embedded in the “transfer” of the land-management right, such as the joint-stock cooperative-management right, etc. were added later, in essence, such a “transfer” is the “leasing” of the land-management right of contracted land from a land contractor to another household.

What is the function of the rented-in land contractual-management right, then? Academics believe that it depends on whether it belongs to the creditor’s rights or property rights in nature. In fact, even if the categorization of the land contractual-management right is determined, there will still other debates on whether the right belonging to property rights can be rented again or used as a financial guarantee while that belonging to the creditor’s right cannot. As an academic issue, this issue will continue to be debated. But from the viewpoint of the rural customary law in our history, this issue has long been resolved.

China has a very long history of farmland leasing. After the Southern Song Dynasty (1127–1279), a large number of northern residents migrated to the south of the Yangtze River, which further promoted the development of the farmland-tenancy system. In China’s customary farmland-tenancy law, an important institutional design is that land leased in different forms may have different rights and functions.

The form of farmland tenancy in China's history can be roughly divided into three categories. The first is the ordinary land tenancy. After the landlord and the tenant signed the contract, the tenant cultivates the contracted land and pays the rent as agreed. This type of rental arrangement was the most common form, but in general, it does not allow tenants to re-lease the leased-in land-management right or use it as collateral for obtaining loans.

The second category is a permanent tenancy. Specifically, the tenant enjoys permanent-tenancy rights embedded in the rented-in land-management right. Why is the landlord willing to permanently rent out the right to manage his land to certain tenants and be bound by these tenants' rights? This is because the way the tenant obtains the contracted land is different from the ordinary tenancy. Farmers who have obtained the permanent-tenancy right usually invested in capital and labor to reclaim the wasteland belonging to the landlord or to restore the land abandoned by the landlord into arable land, so that it is possible for them to obtain the right to permanently use these lands. In addition, some farmers who encountered natural or man-made disasters were forced to sell their land to survive the hardship. But in order to make a living in the future, they need to find buyers who were willing to permanently rent the land back to them after buying the land they previously owned. This phenomenon was called "self-selling and self-tenancy" in China's history. Naturally, the transaction price of such land was in general (slightly) lower than the normal market price. Under permanent tenancy, land was actually used with the "separation of two rights." The "beneath-land (ownership) right" belongs to the landlord, who collects land rent from his tenants; the "on-land (management) right" belongs to the tenants and the tenants could cultivate the rented-in land by themselves or lease the right to others, under the condition that they must pay the rent to the landlord as agreed.

The third category is the so-called "second landlord." That is, the tenant does not intend to cultivate the rented-in land but aims to re-lease the land to others, so as to benefit from the price difference between the two rents. The situation is similar to that of "second landlords" in today's Chinese cities. In addition to paying rent as agreed, "the second landlord" must also pay a deposit to the original landlord. In this way, the rented land-management right may not only be subleased to others, but can also be used as a financial guarantee.

The enlightenment provided to us by the customary farmland-tenancy law in China's history is that what rights and functions are embedded in the land-management right depends on the way the tenant acquires that right or how much the tenant pays for that right. The right to use urban construction land can be transferred or used as a financial guarantee according to the law, because the owner of the land-use right pays the transfer fee in full for 40 years (commercial land), 50 years (industrial land) or 70 years of use (residential land). This means the certificate of the land-use right itself is valuable. However, in most of the cases of the lease of farmland-management right, regardless of the number of years specified in the signed contract, the rent for that right is paid on an annual basis. The method of paying rent first and farming the land later is called "shangdazu," while the method of first renting the land and then paying the rent after autumn is called "xiadazu." If someone signs a 20-year lease contract, but only pays for one year's rent (shangdazu) or not even has paid any rent yet (xiadazu), what is the financial guarantee when the lessee takes the contract of the land-management right to a financial institution and asks for a loan? The newly revised Rural Land Contract Law stipulates that if the lessee of the land-management right wants to re-lease that right or use it as a financial guarantee, he or she needs to obtain the written consent from the owner of that right, and the matter shall be reported to the party giving out the contract for the record. This gives those who give out the contract the necessary right to be informed so that they can determine whether they would provide their consent to the lessee based on the specific leasing method of the land-management right, so that they can

avoid potential risks. When a financial institution accepts the financial guarantee in the form of the land-management right, it is obviously necessary to fully understand how the lessee obtained that right and how much he or she paid for it.

To inherit and carry forward China's extraordinary culture, we should think about it on deeper idea, knowledge and institutional levels, rather than on the level of superficial imitation. Today, many contents of traditional Chinese culture have disappeared during the process of rapid urbanization. If we do not look for them now, we will not be able to find them in the future. Confucius once said: "seek among the people when losing courtesy," that is, those rituals and etiquettes that have been forgotten and discarded from the marketplace or even the imperial court may be found in the countryside. This is similar to what we are facing right now: in the context of rapid industrialization, urbanization, informatization and globalization, only in rural areas may we be (re-)discover the genes of the Chinese civilization rooted in the soil of agricultural civilization developed through such a long history.

Obviously, the fundamental purpose of promoting rural revitalization is to safeguard the roots of China's sustainable development. For China, ensuring the lasting security of its food supply, eco-environment and culture is indeed safeguarding the foundation for its national revitalization. Therefore, any measures for rural revitalization must be conducive to safeguarding the country's food, ecological and cultural security, but not the other way around. Urbanization is an irresistible historical trend, but each country's path of urbanization has its own unique features – different countries may even have different ways of measuring the rate of urbanization. Nonetheless, at the current stage of China's development, the rate of urbanization among China's permanent population will continue to rise, while the rural population will continue to decrease, during which a significant part of the currently more than 3m rural settlements will gradually disappear. However, these are not important indicators for measuring whether rural China is revitalized. The important indicator is whether the unique functions of rural areas that must be performed well are indeed being well and fully performed.

At present, the development of China's agricultural sector and rural areas lag those of other fields. Therefore, the Report of the 19th National Congress of the Chinese Communist Party stipulated that China must prioritize agricultural and rural development. Addressing "three nong" issues still occupy a central place on China's development agenda. rural revitalization is a long-term mission that will last at least until the middle of this century. In this process, we must first emphasize the guiding role of plans. The plan of rural revitalization must focus on the fundamental functions of rural areas to ensure that these functions can be fully performed. Second, it is necessary to strengthen the weak links of agricultural and rural development. China must increase investments in agricultural science and technology, improve the systems for supporting and protecting agriculture, improve specialized agricultural services, and more importantly, increase inputs in the construction of rural infrastructure, basic public services and the basic social security system. Finally, we must motivate rural residents to participate in rural revitalization more enthusiastically and creatively, protect their legal rights and economic benefits, and respect their independent and informed choices, and let the implementation of the rural revitalization strategy a process in which they can build and reinvigorate their own beautiful homeland.

Notes

1. "Speech at the Central Urbanization Work Conference." Selected Works of the Important Literature since the 18th National Congress (I), pp. 595-596.
2. "Speech at the Central Urbanization Work Conference." Selected Works of Important Documents since the Eighteenth National Congress (I), p. 605.

References

- Central Committee of the Communist Party of China and the State Council of China (2018), "Central Committee of the Communist Party of China and the State Council of China issuing rural revitalization strategy plan (2018-2020)", (in Chinese), available at: <http://politics.people.com.cn/n1/2018/0927/c1001-30315331.html> (accessed January 2, 2019).
- Chen, H. (1911), *The Economic Principles of Confucius and his School*, Columbia University, New York, NY.
- Fu, C., Liang, M., Feng, Y., Ma, X. and Hou, S. (2017), "Present rural waste processing situation and problem analysis for site carbonization processing", *Journal of Chinese Agricultural Mechanization*, Vol. 38 No. 12, pp. 74-78 (in Chinese).
- Huang, K., Wang, J., Bai, J. and Qiu, H. (2012), "Domestic solid waste discharge and its determinants in rural China", *China Agricultural Economic Review*, Vol. 5 No. 4, pp. 512-525.
- King, F.H. (1911), *Farmers of Forty Centuries; Or, Permanent Agriculture in China, Korea and Japan*.
- Ministry of Water Resources of China (2014), "Effectively irrigated land will expand to 1.005 billion mu by 2020", (in Chinese), available at: <http://env.people.com.cn/n/2014/0929/c1010-25759649.html> (accessed January 2, 2019).
- National Bureau of Statistics of China (2018), *China Yearbook of Rural Household Survey*, China Statistics Press, Beijing.
- Wei, H. and Zhao, C. (2015), "The structure of China's imports: a new framework", *China & World Economy*, Vol. 23 No. 5, pp. 85-103.
- Wu, D., Chen, Y., Zhang, W. and Xing, X. (2018), "How peer monitoring and punishment affect the performance of the group contract: an experimental study on the control of non-point source pollution", *China Agricultural Economic Review*, Vol. 10 No. 1, pp. 119-134.
- Wu, Y. (2011), "Chemical fertilizer use efficiency and its determinants in China's farming sector: implications for environmental protection", *China Agricultural Economic Review*, Vol. 3 No. 2, pp. 117-130.
- Xi, J. (2014), "Full text of a series of important speeches of General Secretary Xi", (in Chinese), available at: www.xinhuanet.com/politics/2014-10/13/c_127090941_6.htm (accessed January 2, 2019).
- Xi, J. (2017), "Full text of Xi Jinping's report at 19th CPC National Congress", available at: www.xinhuanet.com/english/special/2017-11/03/c_136725942.htm (accessed January 2, 2019).

Further reading

- Chen, X. (2018), "Forty years of rural reform in China: retrospect and future prospects", *China Agricultural Economic Review*, available at: <https://doi.org/10.1108/CAER-08-2018-0162>
- Gao, Y. (2018), "The development of agriculture and rural areas is fast and steady", (in Chinese), available at: http://paper.people.com.cn/rmrb/html/2018-12/28/nw.D110000renmrb_20181228_4-01.htm (accessed January 2, 2019).

Corresponding author

Xiwen Chen can be contacted at: xiwen.chen@yahoo.com.cn

For instructions on how to order reprints of this article, please visit our website:

www.emeraldgrouppublishing.com/licensing/reprints.htm

Or contact us for further details: permissions@emeraldinsight.com