

Comparative Study on Moderate Scale Management of Agricultural Land in China and Japan

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Abstract

The safety of Chinese agricultural land resources has already influenced the whole world's food security. “Food Security” has become a vital issue affecting social stability. However, the current condition of Chinese agricultural land is not good. Therefore, agricultural land revolution, moderate scale management of agricultural land, and improvement of land utilization efficiency is urgently needed in China to protect the basic life line of human beings. There are lots of common places as well as unique features between Japan after World War II and China after the reform and open policy in rural land management. By analyzing these familiarities and differences, focusing on the process of Japan's revolution, and learning from Japan's successful experience in agricultural land moderate scale management, this paper wishes to be of some help in improving Chinese agricultural land moderate scale management.

Key words: Agricultural land in China and Japan; Moderate Scale; Circulation; Management; Comparative study

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Chinese famers have the tradition of depending directly upon the land and they once created glorious history in their land. In early 1980s, Chinese famers creatively reformed rural land policies -- the household contract responsibility system. The household contract responsibility system is an agricultural production responsibility form which means that famers based on family contract with collective groups for land and other means of production and production tasks. At that time, with the low production ability and economic level, the policy has greatly encouraged famers' enthusiasm for production, improved the volume of agricultural productions, and resolved the problem of food supply and clothing of people. When social economic develops into certain degree, this small-scale scattering management mode gradually become obstacles of further improvement of agricultural production efficiency. In order to increase agricultural production output, it is necessary to expand agricultural management scale to realize agricultural land moderate scale management. However, how to complete agricultural land moderate scale management has become an issue that is urgently needed to resolve.

1. ANALYSIS OF THE SIMILARITY BETWEEN CHINESE AND JAPANESE AGRICULTURAL LAND MODERATE SCALE MANAGEMENT

1.1 Similar Background

China and Japan are counties both with large population but relatively little (arable) land. The principal contradiction during the process of social economic development in China and Japan is the sharp contradiction between large population and little arable land. China has to feed 24% of the world population by 7% land of the whole universe, therefore, agricultural production in China

takes on great and arduous responsibilities. Moreover, Japan only sizes 1/25 of China but it has to feed about 125 million people¹ with a 50% agricultural production self-sufficiency rate. In addition, the degree of population ageing in Chinese rural population has reached 15.4% and more than 50% of Japanese rural population are 65 years old or more.

1.2 Similar Reform Experiences

Japan after World War II and China after the reform and opening up both adopted a “disperse—concentrate” way of agricultural land reform. After the defeat of Japan, in order to meet the need of food, Japan started small-scale scattering management on agricultural land with the aim of the agricultural land reform that to build a “land-holding famers” system that “famers own land” which greatly encouraged famers in agricultural production and help increase output of Japanese food. After that, in order to solve the land fragmentation problem and improve agricultural land production efficiency, Japan changed its low efficiency home-based small farm management form which is carried out in late 1960s to the higher efficiency collective joint management based scale management. The household contract responsibility system held in China in late 1980s is also a land reform built up on the thought of “average land”. The aim of the reform is to realize “famers have their own land”, emancipation of the productive forces, and improve production enthusiasm of agricultural producers. With the development of Chinese economic and speed up of urbanization, over fragmentation of agricultural land and super small scale management have greatly stopped Chinese agricultural industrial structure adjustment and agriculture modernization. Under such circumstance, “Decisions on major issues in promoting rural reform and development” was carried out in the end of 2008 which stipulates that “further develop various kinds of agricultural scale management”, therefore, China has started its agricultural land moderate scale management.

1.3 Similar Difficulties

After the convalescent of World War II, Japanese economic developed in a very fast way. Non-agricultural economic has provided huge amount of job opportunities. Young famers chose to work in secondary industry and tertiary industry one after another. Meanwhile, people who are willing to take part in agricultural management are becoming less. Famers held two or more posts concurrently; agricultural land was wasted; spare farmland was very common; low agricultural production efficiency and agricultural land fragmentation management has stopped the development of agriculture deeply. After the reform and opening-up in China, Chinese economic has gained considerable development. Rapid expanded urbanization causes agricultural land occupied and small-scale scattering management of agricultural land which

can just provide basic life necessities has become the bottleneck of improving agricultural productive forces and reducing cost of production. To improve agricultural structure and realize agricultural land moderate scale management is the key factor for resolving Chinese current agricultural land problem.

1.4 Similar Reform Methods

Under the market economic condition, Chinese agricultural land scale management successively generated “two cropland” mode, “subcontracting” mode, “rural land use right shares” mode, and “agricultural land credit” mode. Also there are “Farmers’ Specialized Cooperative”, “agricultural land share cooperative”, “Contracted management right shares joint stock company”, and so on which are similar to “agricultural association”, “agricultural production legal entity”, “joint stock companies participating in agriculture”. In early 1960s, Japan put forward “Self-reliance management famers”, “agricultural production legal entity”. In addition, Japan also carried out “contracted agricultural management body” in 1990s and “joint stock companies participating in agriculture” in 2000 to help develop agricultural scale management.

1.5 China and Japan Have Made Lots Effort in Legal Aspect but Both Failed

From 1970s, Japan has been trying positively to guide the development direction of agricultural reform by amending laws and acts. Since Japan formulated “Agriculture Basic Act” in 1961, amended “Agricultural Land Act” in 1975, carried out “Agricultural Land Use Improvement Act” in 1980, “Agriculture Promotion Act” in 1992, and 1993 “Agricultural Management Foundation Strengthening Promotion Act”, it can be found that these amendments and legislations were all carried out around expanding agricultural land management scale and increasing agricultural income. However, the effect did not meet the expectation of them and these measures could not resolve the problem in the root. Further amendment to the “Agricultural Land Act” was made in December 2009 by the Japanese. However, the effect of the latest amendment is still waiting for examination by time. From the view of legislation theory, although China has the “Law of Land Administration of the People’s Republic of China”, “Agriculture Law of the People’s Republic of China”, “Law of the People’s Republic of China on Specialized Farmers Cooperatives”, and different legal documents in various regions stipulating agricultural land transference right and agricultural land scale management, the result is still unsatisfactory. Reform modes in different regions usually failed after a period of experiment or are still experimenting. A uniform national legal system has not been founded yet.

¹2010 population statistics of Japan.

2. ANALYSIS ON THE DIFFERENCE BETWEEN CHINESE AND JAPANESE AGRICULTURAL LAND MODERATE SCALE MANAGEMENT

2.1 Different Degrees of Dependence on Land

Chinese farmers depend very much on their land which is rare in other countries. Farmers' worries about the future cause that they are not willing to transfer the contract and management right of farming land to realize scale management of the land. However, as the only developed country in Asia, Japanese government has been improving farmers' income by financial subsidies. According to the voluntary principle, farmers that transfer their management rights upon agricultural land due to going into town or aged 65 or more, the government will give them extra farmers pension besides the national pension. Therefore, Japanese farmers depend less on their land.

2.2 Different Ownerships of Agricultural Land

In China, agricultural land belongs to the collective groups. Farmers only have the right to contract and management which is easily forced to transfer. Thus, related policies are very likely to be ignored, farmers' rights cannot be protected, and some factors that affect social safety will be easily brought. While in Japan farmers own the property right of agricultural land which means that they are less likely to create moveable agricultural land transference than China. Therefore, when Japan carries out agricultural land transference, it adopts encouraging policies in finance and tax to guide farmers give up their land voluntarily so that to realize the property right and management right of land transferred to production experts and cooperation associations to improve agricultural land efficiency.

2.3 Different Transference Scopes of Agricultural Land

Currently, agricultural land transference in China only limits in agricultural land management rights transference between farmers. There is only a few transferees happen between farmers and non-agricultural companies and the principle method for this transference is management right leasing. However, Japan allows joint stock companies relating or supporting agriculture to get the agricultural production legal entity status so that to expand the scope of the subjects of agricultural land transference from only farmers and agricultural organizations to related companies or corporation organizations in other industries.

2.4 Different Peasants Endowment Insurance Systems

China's rural social security system has just started. Peasants endowment insurance is made up by various local legal documents which is not a complete system. Farmers may not

wish to leave their agricultural management due to their worries about pension. By contrast, Japan has uniform and clear legal support and complete and comprehensive social endowment insurance system. Japan has carried out the "National pension law" (1959) and the "Agricultural laborers pension funds law" (1970) to guarantee their life when they are old, encourage old farmers leave their land, and to attract younger agricultural managers to expand agricultural management scale.

2.5 Difference in Systematicness of Legislation

Agricultural land scale management related laws and regulations in China can be found in "Land Management Law", "Law of Rural Land Contract", "Law of the People's Republic of China on Specialized Farmers Cooperatives", and different legal documents from various provinces and cities in China which lack of systematicness and most of them are in chaos. While Japanese agricultural scale management legal system is mainly made up by "Agricultural Land Act", "Basic Law of Agriculture", "Act on Establishment of Agricultural Promotion Regions", "Agricultural Management Foundation Strengthening Promotion Act", "Land Reclamation Act" and related supporting regulations which is a uniform system with great systematicness.

3. ENLIGHTENMENT FROM JAPANESE AGRICULTURAL LAND MODERATE SCALE MANAGEMENT

As a pioneer of moderate scale management of agricultural land, Japan has been practicing it for more than 50 years. Just as the old saying "Advice from others may help one overcome one's shortcomings", by investigating differences and similarities between Chinese and Japanese agricultural land moderate scale management, we can learn that some of Japanese experience in the process of moderate scale management in agricultural land can be learnt to improve China's.

3.1 Give Farmers Full and Complete Agricultural Land Property Rights

After the end of World War II, Japanese agricultural land reform consists that agricultural land belongs to farmers. Farmers' agricultural land property rights have also been protected by legislation from being harmed by the public authority of the state which is a protection for farmers' agricultural land property rights in the legal level. However, agricultural land property rights in China belongs to collective groups and farmers only have the right to contract for the managerial right which is an unstable and uncompleted right. Thus, when the public authority and individual rights of farmers' conflict, the agricultural land property right of farmers is easier to be harmed.

3.2 Expand the Scope of Transference of the Right to Use Agricultural Land

In order to large the scale of agricultural land management and enhance production efficiency of the land, Japan allows and develops various kinds of ways, such as peasant association, legal entities of agricultural production, and joint stock companies, to participate in agricultural land moderate scale management. Apart from the above mentioned joint stock companies related to agriculture or supporting agricultural industry, Japan amended its agricultural land act at the end of 2009 which allows joint stock companies get agricultural production rights and take part in agricultural land scale management by leasing land. Famers invest to the joint stock companies with their agricultural land property rights. This method changes the previous home management style, helps famers separate from land but at the same time gives them opportunities to involve into agricultural industry by working as a shareholder of the company, and keeps certain distance between famers and agricultural land. However, when loosen the scope of transference of the right to use agricultural land, illegally changes of agricultural land usage must be prevented in the process of agricultural land scale management. Accordingly, Japan's agricultural land act increases penalties and years of imprisonment. China can also develop different kinds of methods in the process of agricultural land scale management, change the situation that agricultural land transference usually stays among famers, and prompts the marketization process of agricultural land moderate scale management.

3.3 Systematic Legislation for Standardize Agricultural Land Moderate Scale Management

Since the promulgation of the "Basic Law of Agriculture" in 1961, Japan has set up several laws to help develop agricultural land scale management. These laws are mutual complementary to each other and together make up a whole policies and regulations system for standardizing agricultural land scale management. China should learn from Japan and promote its laws and regulations legislation so that to build a comprehensive system.

3.4 Perfect the Rural Endowment Insurance System

In addition to the "National pension law", Japan also has the "Agricultural laborers pension funds law". The government gives extra pensions for famers apart from the basic national pension to guarantee famers' production life. The Japanese government encourages old famers leave their lands and attract younger people get back to agricultural production by policy guidance,

financial support, and subsidies. Chinese rural endowment insurance system is not complete at this moment and other related systems are still needed to be improved to resolve famers' problems and worries.

3.5 Investigate Multiple Ways of Japanese Agriculture Financing

Japanese agricultural policy-based finance includes agriculture, fishing & forestry financial vault, agricultural modernization fund, and agricultural improvement capital. Comparatively, public treasury has greater business scope, bigger financing scale, and stays in the core position of agricultural policy-based finance system. The public treasury aims at cultivating agricultural scale management subject which is its business key point. Have been focusing on capital requirement of famers and agricultural legal entities, the public treasury has carried out several new credit services one after another, for example, agricultural management fundamental strengthening fund, agricultural managerial entity cultivating fund, and agricultural land acquirement fund, and so on. China often encountered the financing bottleneck in the agricultural scale management reform. However, in practice, financial institutions are still unwilling to finance. Thus, multiple ways of agricultural financing in Japan is what Chinese worth to learn.

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