

Study on the Interaction between Urbanization and Land Transfer in China

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Abstract

Nowadays, China has entered a decisive stage of a well-off society, which will be built prosperously soon. It is a vital period for economic transformation and upgrading. Meanwhile it is a key time for urbanization to develop deeply. After 18th National Congress of the Communist Party of China, new urbanization frequently emerges into the public eyes. As an important guidance strategy in the corner of economic transformation and urban-rural integration, new urbanization plays vital roles for economy, society, political system and urban-rural integration. Therefore, study the interaction between urbanization and land transfer in China, which may be a key step for us in the process of urbanization.

Key words: urbanization; land transfer; interaction

1. Introduction

After 18th National Congress of the Communist Party of China, new urbanization frequently emerges into the public eyes. On March 16, 2014, Xinhua News Agency issued *New Urbanization Plan 2014-2020*. This plan according to the new requirements of Chinese path of new urbanization and improving the quality of urbanization comprehensively, it showed the development path, main goals and strategic tasks and made overall plan about institutional and policy innovation in some related fields, which was a macro, strategic and fundamental plan to guide the urbanization developing healthily in China

2. The Urbanization and New Urbanization

2.1 Urbanization

Urbanization is a historical process of human production and life style transformation from rural to urban type. It shows population is from rural to urban agglomeration, industrial transfer from agriculture to non-agricultural industries, etc. As a result, the number of urban population is increasing, and the scope is wider and wider. Urbanization is dynamic process that country gradually transformed into cities and towns, farmers gradually transformed into urban residents.

Louis Wirth explained from the sociology in three various ways. The first one is that urbanization is a material structure, including population, technology and ecological order. The second one is a social structure, including the structure of social system, social relations, and social organization. The third one is personal structure including attitude, concept and some typical collective actions.

Generally speaking, under the development and promotion of the process of social economy and industrialization, urbanization means that part of the rural or suburban land change into the urban one for urban development needs, which led to the transformation of peasants' individual or collective economic organizations to urban residents. Meanwhile the land transforms from agricultural one to industrial one, residential one or other diversification ways. Such a system can be called the process of urbanization.

Urbanization is the vital way to modernization. Propelling Urbanization is an important way to solve the agriculture, rural areas and farmers, and promoting coordinated regional development of strong support, which is an important starting point to expand domestic demand and promote industrial upgrading, for building a moderately prosperous society and accelerating the socialist modernization of great practical significance and far-reaching historical significance.

Reasonable urbanization can improve the quality of the environment, which is helpful for improving people's living standards and promoting social development. As the economic center of regional development, cities and towns can promote regional economic level increase, which can promote the development of the city and bring changes in production mode, settlement pattern, lifestyle, values, etc. In addition, cities and towns can create more jobs and absorb a large number of rural surplus labors. So labors shift gradually from agriculture to industry or services. Urbanization process also can promote the development of rural areas fruitfully and improve the industrial structure. Meanwhile Urbanization makes urban culture widely spreading and penetration to rural areas, which impacts on rural production and lifestyle to improve the openness of the countryside. It is conducive to the exchange of urban and countryside and narrow the gap between urban and countryside.

2.2 New Urbanization

New urbanization is relative to the traditional urbanization, but also to optimize the traditional mode of urbanization development, the traditional urbanization is only concerned about the city's priority development model. The so-called new urbanization covers the political construction, economic construction, cultural construction, social construction, ecological civilization construction, which is the system of Urbanization. It is urbanization system of “people oriented”, “urban-rural integration” and “industrialization and agricultural modernization developing synchronously.”

2.3 The process of Chinese Urbanization

After reform and Opening up China has gradually liberalized the original control population movement, a large number of migrant workers went to the city, which speeded up the process of urbanization, in 1978. In 2012 China's urban population exceeded the rural population for the first time and urbanization rate topped 50% for the first time (More details to see Table 1). This means that China's urbanization entering a critical stage.

Table 1: urban and rural population and proportion (Unit: billion)

Year	Total Population	urban population	proportion (%)	rural population	proportion (%)
1978	0.96259	0.17245	17.92	0.79014	82.08
1990	1.14333	0.30195	26.41	0.84138	73.59
2000	1.26743	0.45906	36.22	0.80837	73.59
2012	1.35404	0.71182	52.57	0.64222	47.43
2013	1.36072	0.73111	53.73	0.62961	46.27
2014	1.36782	0.74916	54.77	0.61866	45.23
2015	1.37462	0.77116	56.10	0.60346	43.90

(Sources: National Bureau of statistics of China)

In November 2012, 18th National Congress of the Communist Party of China, China will promote the “new urbanization”. In March 2014, CPC Central Committee and State Council issued the “New Urbanization Plan (2014--2020)”. New urbanization proposed to the people of the town as the core, orderly transfer agricultural population urbanization. New urbanization includes political construction, economic construction, cultural construction, social construction, ecological civilization construction, which is five-in-one urbanization.

3. Land Transfer

Land transfer means that the farmers who own the land transfer the land management right (the right of use) to other farmers or economic organizations, namely they keep contracting rights and transfer of the usage rights. Agricultural land in the land contract period can be sold the right to contract by subcontracting, transfer of shares, cooperation, lease, exchange, etc. The government encourages farmers to transfer the contracted land to a large professional farmers, and agricultural park, to develop agricultural scale management.

William Petty once said: “Labor is the father of wealth, and land is the mother of wealth.” As a basic factor of production, land is closely related to humans in ancient times. Land is the fundamental of people's livelihood, and the base of social development. The land issue has always been the process of modernization and new urbanization process in a matter of economic development and social stability with sharp contradiction in agricultural country. Issues concerning agriculture, countryside and farmers, in which the farmers are the core and the land is the core issue of farmers, for land directly relating to the interests of farmers, the development of agriculture and the stability of countryside. Land transfer issues become the focus of attention.

Meanwhile land transfer is of great significance to the development of rural areas. First, it promotes the scale management of rural land instead of the phenomenon of abandoning. Through the transfer of land, land

management rights gathering to the large and the accumulation of agricultural enterprises, changing the situation of decentralized management, enhance the degree of organization of agricultural production. Second it achieves the win-win goals of shifting the rural surplus labor force and increasing the income of farmers. Third it promotes the adjustment of agricultural industrial structure, and the industrialization of agriculture.

4. The Interaction between Urbanization and Land Transfer

4.1 Land Transfer promotes the process of urbanization

Establishing land circulation mechanism based on market orientation plays very important roles in easing the process of urbanization in the construction of land contradictions, making an inventory of the stock of land, protecting arable land, and promoting the healthy development of rural urbanization.

(1) Land transfer can provide land conditions for the construction of rural urbanization.

At present, in China, the supply of land for urban construction land is strictly controlled by the national land supply plan. In economically developed areas, especially in the southeast coastal areas with a small amount of arable land per capita, urban and rural areas, the number of land supply is difficult to meet the demand for land use. The gap of land demand is larger. The road to plane expansion is not working. However the construction of rural urbanization must be based on the land supply. Transferring the idle or inefficient use of land has very important significance in making up the shortage of state-owned land supply, easing the contradiction between land supply and demand in the construction of urbanization.

(2) Land transfer can provide some funds for the construction of rural urbanization.

Land is idle or inefficient use. Not only can it never bring benefits to occupants and occupants, but also they have to pay a variety of management, occupancy cost. Maintaining ownership of land without changing the ownership, through a certain way to transfer the idle or inefficient use of land, landowners do not pay fees, instead of gaining a substantial amount of income. To a certain extent, it can help farmers, urban residents or enterprises get out of the economic problems, and promote self-development, or part of the funds to put into a new urban construction projects.

(3) Land transfer can reduce the cost of construction of rural towns.

According to the current law, rural enterprises or township enterprises build factories in the cities, which required by the national expropriation of rural collective land, to make it into state-owned land, and access to land by the state-owned land and then transfer the way. So the cost is often higher. This will undoubtedly greatly reduce the cost of construction of rural urbanization.

(4) Land transfer can promote enterprises in town to upgrade industrial structure and aggregation.

Land transfer allows poor economic and land use inefficient enterprises to achieve acquisition, merger, joint venture, cooperation goals by the way of renting, or transferring land and real estate in order to make the original land and property for the rational, efficient use. And in accordance with market conditions demand, the enterprise personnel, organization, equipment, and industrial development direction of the reorganization, they can timely adjust industrial structure to promote the upgrading of industrial structure.

4.2 Urbanization plays a stimulating role on land transfer

(1) Urban economic development impact on agricultural land transformation.

Industrial modernization and building industrialized countries, has been an important development

direction of New China. Although agriculture is essential for people to live, in the process of modernization of the competition of comprehensive national strength, the degree of industrialization and market-oriented economy will undoubtedly occupy a more important position. Taking into account the acquisition of raw material and sales costs, industry generally clustered in urban and suburban areas, which led to the development of the tertiary industry and other service industries, also contributed to the prosperity of the urban economy industrial production scale to expand. The scale of urban construction expanding needs to increase the corresponding land to accommodate with it. Therefore, the development of industry makes contributions to the transfer of land.

(2) The increase of urban population impact on rural land transfer.

In the process of urbanization, urban population increase also caused a large number of new land needs. With a large number of rural people getting into the city, the former city has been unable to meet the infrastructure needs. In order to accommodate these new residents, cities must provide schools with appropriate housing and public infrastructure. Basic necessities of life are the basic guarantee for the survival of humanity. Therefore it becomes an inevitable factor of urban scale expansion to provide living space for the new urban population, which promoting the land circulation.

(3) The difference of land output by urbanization impact on rural land transfer.

Difference of land output means land for different economic activities that can output value. We use the same size land for agriculture and industrial production, which leads difference of land output. Even when we use the same land for different crops, the land output will be different. The important reason for the large amount of agricultural land to be used for industrial land is as following. On the one hand, urban development requires a lot of agricultural land to transfer into industrial land; On the other hand, Farmers themselves also hope to transfer agricultural land into industrial land, in order to derive huge economic benefits.

(4) The status difference between urban and rural areas by urbanization impact on rural land transfer.

In recent years, China's reform and opening effect is obvious, with the rapid development of the national economy, people live a well-off life. Unbalanced social development, there is a large gap between urban and rural areas. The life of citizens is far superior to rural farmers. For the reality of the pursuit of prosperity, many rural villagers have entered the city or are hesitant to give up farming land for generations. Even if they can not enter into the city, farmers also hope that through education and training their children can enter into the city, just for knowledge changing the fate. Under the influence of a variety of reasons, rural surplus labor and capital have flocked to the city, to promote the urbanization wave after wave, which caused a large number of agricultural land transfer and lease, forming a considerable proportion of rural land transfer.

5. Problems of Land Transfer in Urbanization

Transferring land scientifically and rationally can bring benefits to farmers. If the government transfers land as a means of accumulating wealth, which will do harms to farmers.

On September 6, 2014, the media reported that some parts of the Tengger desert appear sewage tanks. Local businesses will not be discharged into the sewage wastewater treatment pond, and let it evaporate. Then sticky precipitate a shovel with a forklift, directly buried inside the desert. Enterprises only focus on making profits, and local government pursuit to seek profits ignoring the environment and the health of

people. Driven by the high taxes and dividends, the local government will give these companies the green lights all the ways, and even volunteered to act as an umbrella for them, so that these enterprises damage the environment without fear.

Land transfer can solve the idle land, make efficient use of the lands, however, the land transfer can't solve the problem of low income, labor outflow. Governments let the land in the hands of farmers make money, so that farmers achieve high income growth, which is the key to solving the problem of rural areas.

Therefore we should choose the human-oriented new urbanization path, transferring land with market-oriented guidance to allow farmers to benefit from land transfer, to get more fair treatment on the road of urbanization, to achieve the goal of urbanization, and ultimately achieve common prosperity.

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