

Protection of Farmers' Interests in Rural Land Circulation of China: Theoretical Frame and Realization Mechanism

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Abstract

The rural land circulation of China has the important meaning to Chinese agricultural and rural development. In the process of the rural land circulation, the interests of farmers are often harmed. To protect the interests of farmers in the rural land circulation, a theoretical frame is designed and its three parts refer to increasing farmers' revenue, cultivating the new-style professional farmers and advancing the rural stable development. Meanwhile, there is a corresponding realization mechanism to carry out the ideas of the theoretical frame and its main content consists of the interest expression mechanism, the interest sharing mechanism, the interest conflict resolution mechanism and the interest regulation mechanism.

Key words: Rural land; Land circulation; Farmers' interests; Theoretical frame; Realization mechanism

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INTRODUCTION

In recent years, Chinese government places great emphasis on the problem of the rural land circulation. Especially since the third Plenary Session of the 17th Communist Party of China Central Committee, the rural land circulation of China has experienced a rapid development period. The circulation scale has been continuously enlarging and the circulation speed has been continually quickening. But in the rapid development process of the rural land circulation, the interests of farmers, who are the subject of the rural and agricultural development, are harmed. As far as the policy of the central government is concerned, its persistent proposition and spirit are to practically maintain the interests of farmers and guarantee the basic rights of farmers. However, in the detailed practical process of the rural land circulation, it is a fact that the interests of farmers are often harmed, which not only has a serious impact on farmers' production and life, but also is unfavorable to the smooth advance of the rural land circulation and the socialistic new rural construction. As a result, this paper will regard the problem of the protection of farmers' interests in the rural land circulation as the research topic and give the research emphasis to the theoretical frame and the realization mechanism of the protection of farmers' interests.

1. DEFINITION OF KEY WORDS

1.1 Rural Land

The rural land mainly includes the earth surface or ground of the over-ground and underground space in the rural areas. It lays particular emphasis on the resource or production factor attribute of the rural land itself. The rural land can be classified into the farmland, the rural collective land for construction and the unused land according to its practical and possible economic purposes. The farmland is the land directly used for the

agricultural production and comprises the cultivated land, woodland, grasslands, the land for the irrigation and water conservancy, aquaculture, etc. The rural collective land for construction is the farmers' collective land directly used for the construction of buildings and structures and consists of the land for housing, the public service, the township enterprises, the transport and water conservancy facilities, the tourism, etc. The unused land is other land except the farmland and the rural collective land for construction, and chiefly includes the bare land, the bare rock, sand, bog, the saline-alkali soil, etc. This paper centers the rural land on the farmland, especially the cultivated land, not involving the special land type such as woodland and grassland, and the rural collective land for construction.

1.2 Land Circulation

The land circulation is basically the transfer of a series of rights adhering to the rural land like the rural land use right and the rural land contractual management right. Its form mostly consists of the land transfer, the land subcontract, the land interchange, the land cultivation entrustment, etc. Its participation subjects refer to the central government, the local government, the rural collectivity, farmers and enterprises.

1.3 Farmers' Interests

Farmers' interests in this paper comprise their economic, political, cultural and social interests. Farmers' economic interests mean the service income, the assets income and the welfare income of farmers by the means of the service action, the assets possession and the profession choice. Farmers' political interests mean the knowledge right, the participation right and the decision-making right of farmers in the process of the public choice and the organization management. Farmers' cultural interests primarily involve the social prestige, the life style and the educational level of farmers. Farmer's social interests include the social justice, the social equity and the social recognition. This paper emphasizes the analysis of farmers' economic and political interests.

2. LOSS OF FARMERS' INTERESTS IN RURAL LAND CIRCULATION OF CHINA

2.1 Loss of Farmers' Economic Interests

The loss of farmers' economic interests in the rural land circulation of China is embodied in the low rural land circulation revenue, the arrears of the rural land circulation revenue, the employment difficulty of farmers after their rural land being circulated, and the lack of the social security.

2.2 Loss of Farmers' Political Interests

The loss of farmers' political interests in the rural land circulation of China is reflected in the lack of

the knowledge right, the participation right and the supervision right of farmers to the rural land circulation.

2.3 Loss of Farmers' Cultural Interests

The loss of farmers' cultural interests in the rural land circulation of China finds expression in the rural internal social stratum differentiation as well as the further enlarged wealth gap.

2.4 Loss of Farmers' Social Interests

The loss of farmers' social interests in the rural land circulation of China is shown in the comparatively big change in the life style of farmers after their rural land being circulated.

3. THEORETICAL FRAME OF PROTECTION OF FARMERS' INTERESTS IN RURAL LAND CIRCULATION OF CHINA

The theoretical frame of the protection of farmers' interests in the rural land circulation of China in this paper includes three aspects, namely to increase farmers' revenue, cultivate the new-style farmers and advance the rural stable development. The first aspect mainly refers to the protection of farmers' economic interests. The second aspect focuses on the protection of farmers' political interests. The third aspect centers on the protection of farmers' social interests, along with farmers' economic and political interests.

3.1 To Increase Farmers' Revenue

The per capita net income of farmers of China chiefly consists of four parts including the income from wage and salary, the household operating income, the property income and the transfer income. Since the reform and opening up policy, the income of farmers of China has been increasing obviously and its source channels have been continually diversified. Especially since 2004, the income of farmers has been keeping the high growth for many years. In the components of the income of farmers, the income from wage and salary grows fastest, and the proportion of the property income does not rise but to decline from 4.22% of 1990 to 3.38% of 2011. As far as the international experience is concerned, the percentage of the property income in the national disposable income is an important criterion to measure the wealthy degree of the populace of a country or a region. In some developed countries, the percentage of the property income in the gross income is about 40%.³ However, the property income of farmers of China is very little, and its percentage of the property income in the gross income is extremely low, which does not accord with Chinese economic and social development conditions indeed.

The property income is mainly comprised of the income acquired by transferring the property use right

like the interest, the rent, the monopoly gain, etc. and the income obtained by operating the property such as the bonus gain, the property value-added gain, etc. Considering the practical conditions of China, the property income of farmers comes chiefly from the following several aspects: The gain from the circulation of the rural land contractual management right; the compensatory income from the national confiscation of the rural land; the rent income from renting houses, especially renting the houses of farmers in the suburb of a city or a town; the bonus gain of the collective economy; the bonus and interest gain from the bank deposit and securities. For most of Chinese farmers, their property should be principally their land, namely their rural land contractual management right. That is to say, the key point to increase the property income of farmers lies in their land, and the fundamental approach to increase the property income of farmers is to create conditions so as to let farmers achieve their land property right and increase the land gain of farmers by the market circulation of their land.

As far as the practical conditions of the rural land circulation are concerned, the phenomenon of the interest loss of farmers in the rural land circulation is very obvious. It is reflected in the following two parts: One is the loss of the direct rural land circulation gain, namely the loss of the property income, like the comparatively low rural land circulation price as well as the low proportion of the rural land circulation gain got by farmers in the interest distribution relationship with the rural collectivity, the local government and the enterprises; the other is the loss of the indirect rural land circulation gain, that is, farmers are incapable of enjoying the due social security and employment interests.

Therefore, the chief goal of the protection of the farmers' interests in the rural land circulation is to take the active measures to deepen the system and mechanism reform and continuously increase farmers' income, especially the property income. The goal is made up of two parts of contents. First, the property income of farmers, namely the direct rural land circulation gain, should be enhanced, which refers to perfecting the rural land circulation market and forming the complete market system so as to make the price of the rural land be formed in the market competition and really embody the true value of the rural land itself. Meanwhile, in farmers' interest distribution competition with the rural collectivity, the local government and the enterprises, the specific steps should be taken to protect the interests of farmers and elevate the interest sharing proportion of farmers in the rural land circulation. Second, the indirect rural land circulation gain of farmers should be protected, which involves perfecting the supporting system reform, neutralizing the deep-rooted urban-rural dual social security system, enlarging the scope of the rural social security, improving the level of the rural social security,

along with perfecting the employment service system to create more employment positions and try for more employment rights for farmers.

3.2 To Cultivate New-Style Professional Farmers

Since the reform and opening up policy, with the continuous economic and social development of China, there is a growing comparative benefit difference between agriculture of being a traditional industry and the modern industry, which thus leads to an outflow of the labor force in agriculture. Who will go in for cultivating land in the future China begins to become the topic that people pay attention to at the new stage. According to the experience of the developed countries in the world, under the influence of the industrialization and urbanization tide, the modern agricultural development is dependent on technology, management and the governmental support, but the most important means of the modern agricultural development lies in farmers themselves, namely the cultivation of the new-style professional farmers. The modern agricultural construction of China should fundamentally center on the new-style professional farmers. The cultivation of the new-style professional farmers should place emphasis on the improvement of farmers' technological and managerial qualities and also take the improvement of farmers' other qualities into consideration. That is, not only the technological and managerial abilities of farmers but also the cultural and moral qualities as well as the legal sense of farmers should be enhanced.

At this stage, the entire qualities of farmers of China are not high. Except that there are the visible flaws in the cultural, technological, managerial and legal qualities of farmers, their civilized quality is even further far away from the request of the new-style professional farmers. For instance, their culture is limited, and their ideology and ideas are obsolete; they do not keep a watchful eye on or ardently take part in the village autonomy and the grass-roots democracy, and even present an attitude of the negative participation.⁷ In the rural land circulation, farmers' interests are severely harmed. Except that the economic interests are influenced, the political interests of farmers on the grass-roots democratic governance are also affected. For example, the knowledge right and the participation right of farmers about the rural land circulation are not sufficient; farmers cannot give enough supervision to the rural land circulation; farmers do not know much about the related policies and laws and regulations of the rural land circulation. Consequently, to protect farmers' interests in the rural land circulation, the political interests of farmers should be paid much attention to, and the all-round improvement of farmers' qualities, especially the civilized quality of farmers, and the active cultivation of the new-style professional farmers should be the key objective. That is to say, the circulation will of farmers should be completely respected in the

rural land circulation and anybody cannot force farmers to circulate their land. At the same time, the propaganda intensity should be strengthened to let farmers fully know the policies and laws and regulations about the rural land circulation, give farmers more knowledge right to the rural land circulation, activate the enthusiasm of farmers to participate in and supervise the rural land circulation.

3.3 To Advance Rural Stable Development

The rural land circulation has a close relationship with the vital interests of farmers and thus the rural land circulation disputes often occur. Both sides of the rural land circulation disputes easily take the aggressive behaviors for their own interests. Moreover, because the rural land circulation disputes are concerned with large crowds of people, it is easy for farmers and other groups with the same interest appeal to make up the temporary alliance, and the conflicts are on the verge of breaking out and thereby easily give rise to the mass disturbances and the harm events to cause the instability of the rural society. Furthermore, as mentioned before, the rural land circulation not only easily generates the rural internal growing wealth gap but also, under the influence of the business capital, probably brings on an impingement on the psychology of farmers and the rural social structure so as to impact the rural harmonious development situation. So, in the rural land circulation, the protection degree of farmers' interests should be enlarged and the rural internal personal income gap should be adjusted without delay to avoid the too wide rural internal wealth gap. At the same time, starting from the angle of the propagandist education, the moral constraints, the mediation of cadres, the legal perfection and the governmental regulation, the all-round mediation mechanism of the rural land circulation disputes should be set up to reliably prevent the occurrence and enlargement of the rural land circulation disputes and cut down their impingement on the rural society so as to maintain the harmony and stability of the rural society and boost the rural continuous prosperity and development.

4. REALIZATION MECHANISM OF PROTECTION OF FARMERS' INTERESTS IN RURAL LAND CIRCULATION OF CHINA

The realization mechanism of the protection of farmers' interests in the rural land circulation of China in this paper consists of four parts: The interest expression mechanism, the interest sharing mechanism, the interest conflict resolution mechanism and the interest regulation mechanism. The interest expression mechanism is to let farmers express their own justifiable interests by the reasonable and legal means. The interest sharing mechanism means that the protection of farmers'

interests should cover the multiple subjects such as enterprises, the rural collectivity and governments, and all the subjects have the drive to propel the institutional transition and advance only based on the interest balance and sharing. The conflict resolution mechanism is to avoid and mediate the disputes in the rural land circulation in time to deter the accumulation of conflicts and the enlargement of situation. The interest regulation mechanism is to moderately protect the interests of the disadvantaged farmer group by the governmental actions and meanwhile rectify the bias between the microscopic and macroscopic goal so as to prevent the actions of the microscopic subjects from damaging the national and social entire interests.

4.1 Interest Expression Mechanism

In the rural land circulation, because of the unsmooth interest expression of farmers, the social mass disturbances and the harm events take place frequently and influence the harmony and stability of the rural society seriously. Some local governments and the rural grass-roots organizations are driven by interests and not inclined to give ear to the true ideas of most farmers. They force farmers to circulate the rural land by the administrative power in their hands in most cases. In a few regions, even the state apparatus is used to force farmers to circulate their land. The respect for the rural land circulation will and subject status of farmers is only reflected in the documents and words. Accordingly, to effectively protect farmers' interests in the rural land circulation, one of the first-line steps and preconditions is to start establishing a perfect and rational interest expression mechanism from the angle of the expression consciousness, the expression channels, the expression organizations and the expression guidance, let farmers fully express their own interest appeals and let the local governments and the grass-roots organizations hear the true voice of farmers accurately and promptly. The relevant measures are the following:

4.1.1 To Reinforce Interest Expression Consciousness of Farmers

The expression psychology and consciousness of farmers themselves are very important and vital for the establishment of the interest expression mechanism in the rural land circulation. In China, farmers are generally lack of the participation and expression consciousness of the autonomous interests owing to the historical and cultural reasons. When their interests are infringed to some extent, most of farmers often choose to be tolerant. Further, the cultural quality of farmers themselves is comparatively low, their information sources are not expedite, and they know little about the related laws and regulation of the land administration, which makes the interest expression of farmers be devoid of the self-consciousness.

So, to reinforce the interest expression consciousness of farmers, first, the rural education should be rapidly developed and the professional technological training

of farmers should be strengthened so as to improve the cultural knowledge level of farmers; second, the propaganda intensity of the laws and regulations and policies should be enhanced to increase farmers familiarity with the regulations and policies; third, the mass media, such as the television, broadcast, magazines, newspaper, networks and the mobile phone messages, should be utilized reasonably to consolidate the propaganda intensity of the various information and change the uninformed situation of the partial rural areas so as to widen the interest expression visual field of farmers.

4.1.2 To Smooth Interest Expression Channels of Farmers

According to the laws and regulations of China, the present interest expression channels of farmers within the system mostly include assemblies, parades, demonstrations, petitions, forums, electing the people's deputies, the legal and administrative litigation, etc. Nevertheless, as far as the practical implementation conditions are concerned, the interest expression channels of farmers including assemblies, parades and demonstrations are usually only the symbolic expression means and are difficult to obtain the approval of the administrative department; the interest expression channels of farmers like hearings and forums have their own evident defects, especially the hearing mode cannot be decided by farmers; for the interest expression channel of electing the people's deputies, the proportion of farmers is comparatively low among the people's deputies. Consequently, though those interest expression channels seem to be rather rational and scientific, the channels that can be used by farmers in reality are quite limited.

The following two steps should be taken to smooth the interest expression channels of farmers in the rural land circulation: First, the rural grass-roots democratic governance mechanism should be perfected to intensify the democracy and transparency of the rural land circulation decisions; second, the high-efficient and reasonable petition system should be set up. As a channel of the dispute resolution and the interest expression that is used widely in the rural regions of China, the petition system has a very solid social base in the country. Compared with other interest expression channels of farmers, the petition system has the visible advantages and can be the chief interest expression channel.

4.1.3 To Establish Interest Expression Organizations of Farmers

At present, Chinese farmer are comparatively unorganized and there are no organizations that can really represent farmers' interests, which thereby makes farmers be rather powerless in their own interest expression and makes the powerful interest expression voice of farmers not to be formed. So, to improve the organizational degree of farmers and strengthen the entire ability of the interest expression and competition of farmers, the economic,

political and social organizations that are on behalf of the fundamental interests of farmers should be set up. Those organizations bear the distinct functions to maintain the concrete interests of farmers. In the economic aspect, those organizations are capable of supplying the information about production and sales as well as the services like the technological training; in the political aspect, those organizations are able to concentrate on expressing the interest appeal of farmers and improve farmers' capacity to compete with other rural land circulation subjects. For instance, the comprehensive farmer association may be established to be the delegate of farmers' interests, play a significant role in the affairs referring to the rural land circulation, the agricultural production, the collective economic development, etc., and make the unorganized farmers be the influential social force.

4.1.4 To Strengthen Interest Expression Guidance of Farmers

Influenced by the factors such as the interest expression channels and the qualities of farmers themselves, the irrational behaviors of Chinese farmers rather easily occur in the interest expression process of the rural land circulation now. The mass disturbances will perhaps unavoidably take place especially farmers are at the instigation and misdirection of some other forces. Of course, from the point view of the social development, there are a certain realistic reasons for the appearance of the mass disturbances. On one hand, any interest expression is restricted by some realistic conditions, and the interest expression of Chinese farmers under the vested economic and social conditions is not quite reasonable or correct. On the other hand, on account of the basic national conditions that China currently lies in the primary stage of socialism, the development level of the social productivity is comparatively low, economy and culture are relatively backward, and thus the interest appeals of farmers cannot be satisfied absolutely, which decides that the present interest expression conduct of farmers should be reasonably and promptly directed.

First, let farmers know which interest appeals are rational and justifiable and which interest appeals are irrational and unjustifiable and cannot be satisfied currently. Furthermore, let farmers know which interest expression manners are legal and which interest expression manners are illegal. Second, the rational and justifiable interest requirements of farmers should be affirmed and respected, and the conundrums of farmers should be solved as soon as possible. For the requirements that are beyond the realistic conditions and cannot be satisfied temporarily, the patient explanation work should be done well to guide the emotions of farmers and strive for getting their understanding. Next, the work style of the rural cadres, especially the grass-roots cadres at the level of a township or a village, should be changed thoroughly. The township (town) cadres and the village

cadres are the cadre groups who have the most direct touch with farmers, know farmers the most and have the closest work relationship with farmers. As a result, their work style and attitude affect the interest expression consciousness and behavior of farmers the most. Therefore, the rural cadres should actively change their own work attitude, pursue the tenet of serving the people wholeheartedly, respect the rural land circulation will and the rational and justifiable interest appeals of farmers, and completely exert their positive guidance effect on the interest expression of farmers.

4.2 Interest Sharing Mechanism

As mentioned before, the transition of any system is finally finished based on the definite interest competition and balance, so is the transition of the relevant system about the rural land circulation. The interest balance and sharing between every participation subject in the rural land circulation must be considered carefully. That is, to protect farmers' interests in the rural land circulation, on one hand, considering the fact that farmers are relatively disadvantaged groups and their interests are harmed, the protection degree of farmers' interests should be enhanced, and the policies and measures should be moderately inclined to the interests of farmers; on the other hand, the interest relationship of other participation subjects in the rural land circulation such as the central and local government, the rural collectivity and enterprises should also be treated and coordinated well. In a word, the interest balance and sharing mechanism in the rural land circulation should be founded to theoretically clarify the price formative base of the rural land and the ownership subject of the value-added profit of the rural land. Meanwhile, setting up the fair distribution mechanism of the value-added profit of the rural land and the long-acting multilateral interest connection mechanism should be explored.

4.2.1 To Perfect Main Formative Mechanism of Rural Land Circulation Price

In consideration of the hysteretic development of the present rural land market of China and the relatively low circulation price of the rural land, the main formative mechanism of the rural land circulation price should be clarified first to guarantee that the price of the rural land is able to embody its own real value. The formative base of the rural land circulation price can be explained by the Marxian land rent theory. Under the condition of the socialistic public ownership, both the absolute land rent and the differential land rent exist objectively. But the land rent in the collective ownership of the rural land has its own internal particularity. First, the absolute land rent should undoubtedly belong to the owner of the rural land, namely the rural collective economic organizations. However, because at present the rural land contractual management right is a membership right of the collective members, the rural collective economic organizations

should alienate the absolute land rent to the collective members (farmers) to provide the lowest welfare guarantee. Second, the differential land rent I comes from the difference of the soil fertility and the geographic position, and its nature is changeless; but the differential land rent II can be divided into the differential land rent II a and the differential land rent II b. The differential land rent II a results from the collective investment in the rural land like the infrastructural improvement and the soil amelioration, the differential land rent II b comes from farmers' investment in the rural land.

Consequently, in the process of the rural land circulation, theoretically, the differential land rent II a should belong to the rural collective economic organizations, and both the absolute land rent and the differential land rent II b should belong to farmers. That is the price formative base of the rural land circulated out by farmers. Both the absolute land rent and the differential land rent II b primarily arise out of the rent and the subcontracting fee paid by those who circulate in the rural land. Their price is commonly determined by the market-driven modes including the auction and the agreement between the both sides of the rural land circulation. That is to say, the price of the rural land circulated out in the market by farmers should be basically spontaneously formed according to the market supply and demand, the market competition and the price mechanism. This is the base and the major mode of the formation of the rural land circulation price indeed. Therefore, in the rural land circulation, both sides of the supply and demand of the rural land should be actively encouraged to enter the land market to make deals so as to facilitate the participation in competition of the land market subjects by the means of the invitation for bids, the auction and the quote and reasonably generate the rural land circulation price by the market mechanism.

4.2.2 To Found Fair Distribution Mechanism of Value-Added Profit in Rural Land Circulation

With the economic and social development of China, the value-added process of the rural land is very evident. The price of the rural land rises so fast especially in the process of the circulation of the rural land for construction and the rural land consolidation. The interest subjects that take part in the distribution of the value-added profit of the rural land chiefly consist of the central government, the local government, farmers and the rural collectivity. However, the interest distribution proportion is unfair, especially the proportion of farmers is too low and the proportion of the central government and the local government is too high. The value-added profit of the rural land should be principally kept in the country and for farmers. But, in fact, in the integrated rural land consolidation and reclamation carried out in many places, the consolidated and reclaimed rural land is not largely used for the food production and most of the obtained

value-added profit of the rural land is invested in the urban construction. Accordingly, in the process of the rural land circulation, the impartial interest distribution mechanism of the value-added profit of the rural land should be erected, and most of the value-added profit resulting from the process of the rural land consolidation and the circulation of the rural land for construction should be left to the country and farmers to let the country and farmers be involved in the distribution of their due value-added profit of the rural land.

4.2.3 To Construct Interest Regulation Mechanism of Both Sides in Rural Land Circulation

Most of the present interest disputes in the rural land circulation of China have a close relationship with the factors like the lack of the rural land circulation contracts, the non-standard rural land circulation contracts and the deficiency in the performance consciousness of both sides of the rural land circulation. For example, many rural land circulation contracts do not prescribe that the rent paid to farmers should be adjusted according to the rising price so that the income of farmers is affected by inflation and even the event that farmers collectively unite to take back their own rural land comes about. To solve those problems, the interest regulation mechanism relating to every subject of the rural land circulation should be constructed accordingly to unite every subject of the rural land circulation by the normative and explicit rural land circulation contracts. The rural land administrative department of a township (town) should instruct both sides of the rural land circulation to prescribe in the land circulation contract that the land rent paid to farmers should be adjusted immediately within some period according to the factors such as the rising price and the price of the neighboring rural land and the detailed land rent adjustment extent should also be clarified. Furthermore, the performance of the rural land circulation contracts should be supervised to strengthen the performance consciousness of both sides of the rural land circulation and cut down the occurrence rate of the breach of contract.

4.2.4 To Explore Long-Acting Connection Mechanism of Multilateral Interest in Rural Land Circulation

In the long term, to propel the rural land circulation, boost the rural prosperity and development, and increase the income of farmers, the investment of enterprises in the country and the agriculture is indispensable. Under the conditions of the relatively low agricultural comparative benefit, to activate the social capital such as enterprises to invest in agriculture, it must be insured that enterprises are capable of getting the healthy investment circumstances and the sufficient stable investment profit. Hence, the interest connection mechanism among enterprises, farmers, the rural collectivity, the central government and the local government, especially the interest connection mechanism between enterprises and farmers, should be

founded to tightly unite their long-term interests. This is just the fundamental strategy and the permanent solution to protect the interests of farmers.

Nowadays, in the development process of the modern agriculture of China, with the maturity of the agricultural industrialization mode, it is comparatively practical and feasible to set up the long-acting connection mechanism of the multilateral interest by the industrialization course. For instance, let farmers and enterprises realize that they must change their own ideas because the essence of the agricultural industrialization operation is the interest integration of all elements including production, machining and sales; every participation subject must unite to be an interest community and cannot damage the mutual interests, or else their interests will all suffer the loss.

4.3 Interest Conflict Resolution Mechanism

It is relatively common that the interest disputes and conflicts among every subject of the rural land circulation, especially the interest disputes and conflicts between both sides of the rural land circulation, occur because of the influence of the various factors. Accordingly, it is necessary to establish the resolution mechanism of the interest conflicts. On one hand, the interest loss of every subject of the rural land circulation should be appropriately treated by the conflict resolution mechanism, especially the interest guarantee and the minimum interest mechanism should be set up to fundamentally eliminate the source of the interest disputes and avoid the possible risk. On the other hand, the existing interest disputes should be resolved by a variety of means as soon as possible to nip some possible intensified conflicts in the bud and prevent the situation from being worse and even giving rise to the serious economic and social consequence.

The resolution mechanism of the interest conflicts principally involves the following three aspects:

4.3.1 To Set up Cash Deposit System and Risk Fund System of Rural Land Circulation

To avoid the problem that the participation subject of the rural land circulation that circulates in the rural land like the agricultural enterprises is incapable of paying the land rent to farmers because of reasons such as the mismanagement, the cash deposit system of the rural land circulation can be set up. That is to say, when the rural land circulation contracts are concluded, the rural land circulation rent is regarded as the base, and a certain proportion of the whole land circulation rent coming from the one-off or annual partial withdrawal from enterprises will be used for the cash deposit of the rural land circulation. The ownership of the cash deposit belongs to enterprises. The cash deposit is deposited with the special account of the local township (town) government or the specialized rural land circulation center or the agricultural service center, and is earmarked for the specified purpose only, namely coping with the possible risk after the rural land being circulated. If there

is no occurrence of the interest conflicts after the rural land circulation period has expired, all the cash deposit will be returned to enterprises.

Of course, in the rural land circulation, not only farmers have the risk of the interest loss, but also do the proprietors that invest in agriculture including enterprises have also the corresponding risk. To prevent the interest loss of every participation subject in the rural land circulation, the risk fund can be set up by the common contribution of the local government, the rural collectivity, enterprises and farmers. The capital of the local government may come from the local financial fund; the capital of farmers may result from a part of the land rent directly deducted from the land rent paid by enterprises to farmers when the rural land circulation contracts are signed. The risk fund of the rural land circulation is chiefly used to deal with the following problems: When enterprises are mismanaged, farmers are unable to punctually receive the land rent; the unpredictable factors result in the operating loss of enterprises etc..

4.3.2 To Construct Dynamic Adjustment Mechanism When Interest Distribution Is Unbalanced

In the rural land circulation, the situation that both sides of the land circulation all experience the interest loss often happens. Especially after the rural land circulation contracts are signed, because of the influence of the various factors referring to the economic development, the rising price and the natural conditions, the original agreement of the rural land circulation contracts may have some new changes so that it is difficult for the interests of farmers or enterprises to be guaranteed effectively. Therefore, the dynamic adjustment mechanism should be constructed to solve the unbalanced interest distribution problem. When the interests of both sides of the rural land circulation are obviously harmed, the immediate interest adjustment should be rapidly implemented and the signed rural land circulation contracts should be renegotiated. In this process, the local government should supervise and inspect the contract performance condition periodically and do well the coordination work. For instance, if farmers consider that the agreed land rent is incapable of catching up with the degree of the economic development and the rising price, they can choose a certain delegate or organization as their own agent to negotiate with enterprises under the local governmental departmental coordination and direction; if enterprises think that the land rent paid to farmers and other requirements of farmers are too high, they may also negotiate with farmers or the rural collectivity with the help of the local government and resign the supplemental agreement based on the consensus of both sides so as to try to prevent the occurrence of the irreversible situation and decrease the loss of both sides of the rural land circulation.

4.3.3 To Construct Pluralistic Interest Conflict Resolution System

Certainly, though the prevention means of the interest risk is very complete and effective, it is quite hard to

ensure that the rural land circulation disputes will not happen. With respect to the inevitable disputes in the rural land circulation, after the disputes have occurred, the various and effective measures should be immediately taken to resolve them. According to the investigation, the present disposal manners of the disputes in the rural land circulation of China are relatively simple. For the participation subjects of the rural land circulation that circulate out the rural land, the most common manner is the oral warning, and the next is seeking help from the cadres or resorting to the legal action; for the participation subjects of the rural land circulation that circulate in the rural land, most of them choose to seek help from the cadres or go to law, and other mediation approaches are seldom used.

At the present stage, on account of the rural practical conditions of China, the pluralistic conflict resolution system should be constructed from the angle of the propaganda education, the moral restraint, the governmental service and the legal perfection. The related main instruments include four parts: First, the service and guidance function of the grass-roots government of a township (town) should be strengthened to improve the service consciousness and the service level of the grass-roots governments and facilitate the standardization and institutionalization of the rural land circulation; second, in the light of the geopolitical character of the disputes in the rural land circulation, the mediatory and persuasive function of the rural grass-roots organizations such as the party branch and the villager committee should be practically exerted to fundamentally resolve the conflicts; third, the arbitration work of the disputes in the rural land circulation should be steadily accelerated, and the arbitration resolution mechanism of the disputes in the rural land circulation should be reinforced; finally, the litigation mechanism should be completed to deal with the disputes in the rural land circulation, and the smoothness of the judicial relief path should be ensured.

4.4 Interest Regulation Mechanism

In China, the circulation behavior of the rural land is chiefly a market behavior, and the circulation price of the rural land is principally internally decided by the market mechanism. But there are many drawbacks in the present land circulation market system of China, which affects the exertion of the decisive effect of the land circulation market; meanwhile, the performance of the market mechanism has its own defects, especially the drawbacks like blindness and hysteresis are comparatively outstanding, which needs governments to exert its effect on the rural land circulation market reasonably and take some regulation and intervention means to overcome the defects of the market mechanism and accordingly foster the healthy development of the rural land circulation market and practically protect the interests of farmers. Consequently, in the rural land circulation market, the

interest regulation mechanism between farmers and other participation subjects should be set up and thus the interest aberration of the rural land circulation subjects coming from the market direction can be rectified by the governmental macro-control.

4.4.1 To Reasonably Regulate Circulation Price of Rural Land

As mentioned before, the price formative base of the rural land circulation has been clarified theoretically, and the main manner of the price formation of the rural land circulation has been determined. However, the present rural land circulation market of China is underdeveloped and the price formative mechanism of the rural land circulation market does not work well so as to generate the relatively low circulation price of the rural land and the interest loss of farmers. As a result, the circulation price of the rural land should be intervened and regulated by the governmental means under the circumstances. For example, as farmer are the disadvantaged groups, based on the consideration of protecting farmers' interests, the price protection system of the agricultural products of China may be used for reference by the local governments to formulate the regional lowest limited price system of the rural land circulation.

4.4.2 To Moderately Adjust Supply-Demand Structure of Rural Land Circulation

Because of the influence of those factors including the market defects and the information asymmetry, there is a comparatively serious supply-demand disjointed situation in the present rural land circulation market of China, especially the supply-demand unbalance phenomenon in the different areas at the different time is very outstanding so as to give rise to the unstable circulation price of the rural land and the quite obvious gap among regions. Though the situation is the spontaneous behavior according with of the market law, for the farmer group that has the relatively worse information sources and cannot accurately anticipate the market situations, the unstable circulation price of the rural land will evidently affect their interests and meanwhile go against the healthy development of the entire rural land circulation market. So, in consideration of the particularity of the rural land circulation market, the local government of a city or a county may set up the rural land reservation center and the influential purchase of a large amount land will be performed by the local government so as to keep the basic supply-demand balance of the rural land circulation market.

CONCLUSION

The rural land circulation of China has the significant strategic meaning to deal with the Chinese three rural issues, namely the agriculture, the country and farmers. It is in favor of not only the optimization and the rational allocation of the rural land resources but also the

increase of the property income of farmers. However, because of the influence of the various factors such as the relatively low entire qualities of farmers, the interests of farmers are harmed. As one of participation subjects of the rural land circulation, farmers' interests should be protected. Accordingly, this paper designs the theoretical frame and the realization mechanism of the protection of farmers' interests in the rural land circulation of China. The theoretical frame comprises three aspects, namely to increase farmers' revenue, cultivate the new-style professional farmers and advance the rural stable development. The realization mechanism consists of the interest expression mechanism, the interest sharing mechanism, the interest conflict resolution mechanism and the interest regulation mechanism.

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