Exploring an Integrated Rural and Urban Development in China: Case of Chengdu

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Chengdu, located in southwest China, is the capital of Sichuan Province, and one of the most important regional central cities in central and western areas. Covering a total land area of 12100 square kilometers, Chengdu has a jurisdiction of over 19 districts (cities) and counties. By the end of 2009, the residential population of Chengdu reached 12,866,000, and the proportion of Chengdu’s three major industry sectors is 5.9:44.5:49.6. Chengdu is the political, economic and cultural center of Sichuan province, as well as technology, finance, business center and transportation and communications hub in Southwest China, as well as an important tourism center and national historical cultural city.
The huge inequality between urban and rural areas, due to the absence of an integrated development, is a daunting challenge facing many developing countries. China is not an exception in this area. The Chinese Government clearly recognizes that it has to address the challenge to achieve the goal of building a modern and harmonious society. The huge inequality between urban and rural areas displays itself in a form of dualism, i.e., a separation of rural and urban areas characterized by the hukou system (a residential status registration which separates rural and urban residents) and a serious unequal distribution of public services. The root of the dualism is the lack of respect to farmers’ property rights.
Since 2003, Chengdu Municipality has been actively exploring a development strategy which targets at a more integrated urban-rural development. 

—— Emphasize on the integration of infrastructure and public services to promote balanced allocation of public resources between urban and rural areas.

—— Establish a new governance mechanism where villagers (residents) (or their representatives) can make decisions through council, village committee or resident committee which have the executive power while other economical and social organizations can take part in the decision making. Therefore farmers’ rights of decision-making, participation and oversight powers can be protected.

—— Based on respecting the requirements of the people, widely serving the people, and earnestly safeguarding the legitimate rights and interests of the people, we should coordinately promote the “Three Concentrations”, achieve the interaction among three industry sectors and united urban & rural economy, and develop towards of the new urbanization with urban-rural integration and coordinated development.
On that basis, we conducted reform of rural property rights systems, focusing on the goal to "give farmers their rights back and help them be independent".

—— As taking framer’s property rights as our most important job, we issued certifications of farmland and houses, set up a property rights transfer service system in rural areas and establish a sound market economy in rural areas.

—— We made effort to eliminate differences between urban and rural residents, enable both of them to be free to move, encourage the free flow of production factors between rural and urban areas, and stimulate power and vitality for economic and social development.
Main content of the reform on property right system in rural areas of Chengdu

I  Clarifying and certificating rural land and housing property rights

II  Establishing property rights transaction system

III  Strengthen rural financial services

IV  Innovation on farmland protection mechanisms
I Clarifying and certificating rural land and housing property rights

To confirm, register and issue the certification of rural collective land ownership, house ownership, collective construction land use rights, rural land contract and management rights and woodland ownership.

Since 2008, it took 3 years to generally complete the rural property rights system reform and right certification, involving 257 towns (including farming district), 2,745 villages (including farmers communities), 35,857 villager groups and more than 2.12 million farmers, with 5,696,000 rural property rights issues being confirmed, registered and certificated.
I Clarifying and certificating rural land and housing property rights

1、Rigorous standards and requirements of right confirmation and certification.
——“Five consistent factors”: "Land, ledger, certification, contract and land security funds” should be consistent with each other.

——“confirm all rights which should be confirmed", including right confirmation, registration and certification of the ownership of farmers’ contracted land, land used for building rural houses, houses and woodland.
I Clarifying and certificating rural land and housing property rights

——“Standardized procedures”: Strictly enforce the reform procedure and working steps of rural property rights system, which means “mobilization, survey mapping, program resolution, publication of results, ensuring the issuing of certification and farmland Protection Fund”

——“Making people satisfied”: the rural property rights system reform should be investigated and evaluated by a third party by setting up a investigation and assessment mechanisms carried out by a third party, so that we can get information about the condition of the reform, get the massed informed, collect their advices and suggestions, carry out satisfaction survey, establish dispute mediation mechanism covering city -county -township three levels with special telephones system dealing with complaints about industrial reform policies, properly handle the complaints from the masses, and make them satisfied.
Ⅰ Clarifying and certificating rural land and housing property rights

2. Rely on farmers to resolve the contradictions and problems in property rights reform independently.

Adhere to the principles on “independent, voluntary, autonomous”

—— Guide the villagers to set up democratically elected council, board of supervisors and the mediation group through democracy election.

—— The plan and implementation of right confirmation reform should be decided by villagers through meetings and discussions.

—— The Reform contradictions and problems occurred in the reform should be resolved according to democratic procedures.

—— Farmers have democratic rights from the beginning to the end.
3、Factual measurement of rural property

—— Develop specific methods of measuring and mapping
—— Combine professional measuring and manual measuring.
Distribute the rural contracted land to every household to measure every piece of land.
—— Make distribution map of lands and ledgers, and use investigation data in rural land database.
II Establishing property rights transaction system

1. Improve policies and measures of rural property rights transfer.

--- Interim Administrative Measures of Chengdu for the Transfer of the Right to the Use of Collectively-owned Land for Construction Purposes

--- Measures for the Administration of Transfer of the Rural Land Contracted Management Right of Chengdu (Interim)
1. Establish property right transaction platform in rural areas

- Establish "Chengdu Rural Property Right Exchange Institute"
- Establish branches of Rural Property Right Exchange Institute in the districts (cities) or counties, and property right transfer service stations in township. Initially set up a rural property rights transfer service system of three levels covering city, county and township.
- Through three-level service platform, we have dealt with 27,404 pieces of cases on rural property right transfer valued 2.163 billion RMB; and completed the property right transfer of collective construction land covering 26,200 mu worthy 3.533 billion RMB.
II Establishing property rights transaction system

3. Explore the joint construction model for post-disaster reconstruction.

——Actively encourage the affected farmers to attract social money participating in housing reconstruction as long as in lines with construction plans and conduct joint construction with “win-win” result.

——There were 16,581 households getting their houses reconstructed through joint construction, attracting social money of 4.73 billion Yuan.
III Strengthen the rural financial services

1. Set up investment platform guided by government and operated by market

——Develop city-county tow-level modern agriculture, constructions in small towns and setting up agricultural logistics investment company

——Since 2007, three agriculture-related investment and financing platforms have invested 34.9 billion RMB in agriculture and rural areas, initially established a market-oriented mechanism to encourage social capital to invest in agriculture and rural areas.
III Strengthen the rural financial services

2. Create new rural financial system and develop innovative rural financial services

— There are 6 rural banks, 27 financing companies offering small loans, 96 financing insurance companies were established in the city. Until the end of 2010, just the small loan companies have provided 71.37 million RMB loans to farmers.

— Establish Chengdu rural commercial bank, whose equity scale ranks the third among all the rural commercial banks in China and the first in western area.
3. Expand the scope of effective collateral in rural areas.

— Establish the city–county two-level policy financing insurance company on rural property rights, and promote the loans with farmland and houses as mortgage.

— 18,000 farmers in quake-hit areas took their homesteads use rights and their expected houses in future reconstruction as mortgage, and got 730 million RMB loans from financing companies, which provided lots of money for farmers in post-disaster reconstruction.
1. Chengdu is the first city in China to establish farmland protection fund, strengthening farmers’ internal driving force to protect farmland.

   — Take certain money from the use fee of newly-increased land for construction use, farmland occupation tax and land selling revenue, according to standards that annually charge basic farm 400 RMB/mu, and normal farmland 300 RMB/mu, to improve land productivity and provide the endowment insurance subsidies for farmers who take responsibilities of protecting farmland.

   — After the property right reform and right confirmation was carried out, the examined farmland protection fund reached 2.8 billion RMB every year and more than 1.7 million households benefited from it.
Ⅳ Innovation on farmland protection mechanisms

2、Link the farmland protection fund with the farmers’ pension to establish an innovative rural endowment insurance system.

The farmland protection fund provide personal endowment insurance bill for farmers, which can largely lessen farmers’ wage bill burden and build a new rural endowment insurance system widely participated by all the farmers.

3、Farmland get strict protection.

By establishing the farmland protection fund with economic methods and legal methods to implement the responsibility of farmland protection, farmers’ awareness to protect farmland has been greatly increased, which changed former simple regulatory protection by the government departments at all levels and make the masses protect farmland self-consciously.
The energy and vitality for economic and social development in rural areas has been largely stimulated through the coordinated urban-rural development, as well as the exploration and practice of integration of urban and rural. Meanwhile, rural areas have seen a great improvement and farmers' income also increase substantially. The city’s agricultural added value increased from 14.02 billion in 2002 to 28.51 billion in 2010. Per capita net income in rural areas increased from 3,377 RMB in 2002 to 8,205 RMB in 2010. The income gap between urban and rural areas is gradually narrowed from 2.66:1 in 2002 to 2.54:1 in 2010.
THANK YOU