

## *Measures to Solve Problems Affecting the "Three Dimensions of Agriculture" in China (Summary)*

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On 18<sup>th</sup> March 2003, the General Assembly of the 10<sup>th</sup> National People's Congress came to a close and the country's new leaders were appointed. The new administration has set the goals of expanding GDP fourfold on the 2000 level (\$1.804 trillion) to \$4 trillion by 2020 and to create a "society with a certain amount of latitude" by 2021, the year that will mark the centenary of the founding of the Chinese Communist Party. However, in order to attain these goals, it is first of all necessary to increase the annual net incomes of the eight hundred million people living in rural areas. The new administration is devoting attention to this problem and has taken up the issue of agricultural reforms in its policy program as a matter of the utmost importance.

Since the founding of the People's Republic of China in 1949, successive Chinese administrations have focused on problems affecting the "three dimensions of agriculture" (agriculture, rural areas and farmers), and have implemented policies relating to such issues as land reforms, agricultural production cooperatives, the creation of communes and the collectivization of agriculture, and the agricultural production contract responsibility system. However, although some of these policies have been successful, others have had a negative impact.

Problems currently affecting the "three dimensions of agriculture" include overproduction of agricultural produce, inconsistencies in the structure of crop cultivation, the increasing income gap between rural and urban populations, the heavy burden still borne by farmers, and the fact that rural areas have significant surplus labor, leading to the escalation of employment problems.

I would like to make the following proposals for specific measures to solve problems affecting the "three dimensions of agriculture":

1) In order to avoid overproduction of agricultural produce and rectify the structure of crop cultivation, the

government should:

- i) stop reclaiming arable land, return land that would be more appropriate as pastureland and forest to its original state, and rectify the structure of crop cultivation;
  - ii) establish systems for promoting science and technology in agriculture and distributing information to local citizens.
- 2) In order to redress income disparities between rural and urban populations, the government should:
- i) ease the family registration system;
  - ii) extend the social safety net to include those living in rural areas;
  - iii) establish cooperative associations for each industry, in which farmers can participate;
  - iv) increase the share of government spending on agriculture;
  - v) revise the land system;
  - vi) liberalize markets for agricultural produce and rural financial markets.
- 3) In order to ease the burden on farmers, such as that resulting from excess taxes and levies, the government should:
- i) abolish such taxes as the agriculture tax and the local agricultural specialty tax;
  - ii) reinforce the establishment of the education system in rural areas and continue to propagate the 9-year compulsory education system;
  - iii) conduct structural reforms of government at the level of rural businesses and authorize self-government for rural businesses.
- 4) In order to absorb surplus labor, the government should:
- i) adjust the industrial structure of rural businesses;
  - ii) promote the urbanization of small and medium-sized rural areas.