Protection of Collective Rights of Rural Members in the Process of Land Transfer under Shareholding Cooperative Systems

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Abstract According to the legal definitions of land transfer under shareholding cooperative systems, rural groups, collective rights of members, and this paper discloses the necessity of protecting the collective rights of members. In terms of qualification definition of members, rights of fetus, married daughters and sons in law cannot be guaranteed. In terms of rights protection, partial rights cannot be assured, power of personal stake in the collective members is imperfect which results in inadequate, unbalanced, shaky and unpunctuated benefits. Based on objective and subjective causes, the democratic management rights of members in land transfer process have been weakened or even deprived, the protection of the basic life is hard to realize. The paper proposes that it is necessary to build the social protection mechanisms of rural land shareholding cooperative systems. The first is to treat those members that own land, attending the shareholding cooperation but not taken part in the land transfer process as the protection objects. The second is in the procession of land transfer, making it clear the compensation standards of land transfer, establishing the intermediate agencies of land transfer and performing the collective economic organizing functions. The third is that the account capital of social protection is contributed together by personal member, the land users (shareholding cooperative companies) and government. The fourth is to pay more attention to the added value and safety management of capital operation.

Keywords Shareholding Cooperative Systems, Land Transfer, Collective Rights of Members, Guarantee, China

1 Definitions of some words

1.1 The main practical methods of land transfer mode of shareholding cooperative systems The rural land transfer mode of stock cooperation mode is based on separation of ownership (land ownership and land contractual management right) of household responsibility system, dividing further the land contractual management right. Under the condition that without changing the land contractual rights, transfer the land contractual rights to stocks according to the basic principles of stocks and cooperation and establish cooperatives and shareholding cooperative companies commissioned to management. It is this kind of management mode that the collective members acquire a certain benefits from the gains according to stock ratio. It can be described like this, the members who have land but not managed by themselves, transferring the land contractual rights to shareholding rights, acting as the stock holders, and gaining interests by dividends of cooperatives and companies. This policy applies for areas where are highly industrialized and urbanized, secondary and tertiary industries are well developed with a lot of labors. This mode combines the rural collective interests with the personal interests organically, highlighting the democratic supervision and management awareness and strengthening vitality power and cohesion power of collective groups. Meanwhile, it meets the needs of modern agricultural industrialization and scaled operation, and integrates again the rural land, personnel and capital and other resources. It is helpful in solving contradictions existing in the development of traditional land operation mode and modern agriculture. So, it realizes land transfer in a wider arrange.

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1.2 Definition of rural collectives and collective rights of members

The rural collective is a generation unit universally existed in China at present, composed by members who live in a relatively centralized place because of relying on land. Its living manifestations are villagers groups and village committees. As a new concept in legal research field, rural collective rights of members are the generation of the traditional management systems of rural villagers combining with modern legal regulations and a special right of community belong to civil rights, similar to equity of shareholders, but of course different from it. Collective rights of rural members are usually defined as the following; it is a general concept that according to the villagers contract or legal regulations, rights of members are to enjoy every kinds of rights who are qualified to be a part of collective.

According to article 8th of Land Management Law, land in rural and suburban areas belongs to collective farmers except owned by the nation according to laws; house sites and private plots of cropland and hilly land are owned by peasant collectives. According to the 14th, the collectively owned land is contractually managed by the collective economic members. The rural collective, as a collection owning land, is qualified with ownership and contracting management rights of land. According to the first paragraph of section 74 of Civil Law, properties organized by the collectives are owned by the people. According to 59th Property Law, intangible products and tangible products are owned by the collective members. We may get a conclusion according to the above legislation that the rural collectives are authorized with land ownership.

Rural Land Contract Law regulates on one hand that members of collective economic organization have rights to contract land management distributed by the collective; on the other hand, the manager of household responsibility management is the farmer of the collective. Until now, there are no absolute and distinctive regulations of what collective organizations are and how to carry out activities organized by the collective. In the long run of production practice, the rural economic collective connected with land ownership is in fact a social organization defined according to the household registration system and geographic boundaries. Especially early in foundation, Agricultural Cooperative Movement and the People’s Commune Movement contributed geographic boundaries and household registration to the main factors of collective definition. For a long time, household registration and geographic boundaries among rural communities are used to identify farmers’ belongings. This kind of policy has a deep influence on the standards of rights identification of collective rights of rural collective economic collection.

Land is the important properties of rural collectives. In land transfer procession, the definition of members’ rights and dispositions of collective rights influence directly the main body of transfer interests, interests’ distribution and transfer process. For the former, only the members are qualified with the collective certification can they be a part of land transfer and attend the interests’ distribution of land transfer. The same with the latter, only the members of the rural collections can they enjoy attendance, discussion and supervision, which influence directly the whole process of land transfer.

Therefore, the definition of collective rights of rural collection will influence directly the processes of land transfer, legal efficiency and rights protection of farmers, especially the social protections after losing land. The shareholding cooperative system, as a kind of transfer methods, has no exception.

2 The necessity of rights protection of rural collective under shareholding cooperative land transfer

Transfer under shareholding cooperative system is a double-edged sword for farmers’ interests and rights protection. There is no doubt that joint-stock land system plays a significant part in solving contradictions between agricultural socialized generation and small scaled operation, optimizing resources distribution, especially land resources distribution, developing scaled operation, accelerating modernization, industrialization and marketing, increasing incomes, transferring the remaining labors and promoting simultaneous development of cities and counties[1]. But, this kind of system cut off the direct connections between collective members and land contracting management. Besides the fuzzy definition of collective rights and constraints of traditional customs of villages, non-standard land transfer ways under shareholding cooperative system may cause a degree of infringement to collective rights of members.

2.1 Rights of some members not guaranteed in terms of qualification

Because of its dense closure and welfare, Land shareholding cooperative system makes the qualifications of community group members become an important event concerning the interests of farmers[2]. At present, the qualification of collective members conforms to the standards of household registration. People whose household registration in the collective are members of collection, those not do not enjoy the collective rights. The method has long been widely used because of its feasible function, but we should see there are many deficiencies with accounts as the main criteria. Household registration system, as the management system of administrative law is to facilitate the management of a confirmation of citizens identity, but not the confirmation of a particular case, legal rights and obligations of citizens, which cannot be used as an absolute standard of confirming specific belongings of citizens. With the rapid mobility of population, it is possible that their household registrations are incompatible with their actual living conditions. Therefore, it is impair for those whose registrations are not in the collection but contribute to the collection and rely on the collection. There are many issues like this, such as;

2.1.1 Fetus. Usually in the equity allocation and income distribution, the fetus is not taken into consideration while land transfer of shares is conducted. But after the distribution, the fetus is usually born, which must bring some influence on the future life of members. The share interests in fact are the guarantee of future life of members who lose land. Fetus, as the life to be, relies on the collective to provide the basic needs for future life, so, it is impartial not to take fetus into consideration.
2.1.2 Married daughters. In the practical operation of stocks transfer, married daughters cannot enjoy dividends if their household registrations are incompatible with their residence, and this is a common regulation. Married daughters, as a part of collective before married, contributed to the collection and had the rights to be qualified. Losing their qualifications because of marriage no doubt contradicts with the regulations that rights equal to responsibilities by the Constitution and Women’s Rights Protection Act.

2.1.3 Sons in law. Here, sons in law mean that the man becomes a part of the female family after married. In practice, collective members resist new members for the consideration of their own interests. This kind of sons in law contradicts with the traditional customs of marriage and is usually resisted by the collective. Although there is clear regulations in Marriage Law that based on willingness, the female may become a part of the male, of course, the male may become a part of the female. While with its strong force, the traditional customs resist the member. It is difficult to realize the protection of collective rights of sons in law.

Therefore, internal factors in rural communities formed by the geographical and cultural traditions contradict with the national law. And besides this, the household registration system intensifies the agreement and exclusion of identities of members. All of which results in impartial standards of qualification of collective rights, affecting lives of some members and activities of collective production and are harmful to the stability and development of the rural areas.

2.2 Some rights of members not guaranteed Land transfer under shareholding cooperative systems results in loss of farmers’ interests. With the acceleration of agricultural industrialization, centralized and scaled agricultural land management has become an inevitable trend. In this big flow, reasonable and fair interest distributions are still the key points in interest distribution mechanisms. Only the collective interests of members are protected and rational land transfer can be promoted; initiatives of collective members involving in agricultural industrialization can be mobilized. While, in specific practice, the interests of collective members have not been protected. Membership interests described here are more extensive. According to the classification criteria of equity, the right of our members can be divided into the right of self-interests and the common interests.

2.2.1 Self-beneficial right. Self-beneficial right refers to on the premise that the rural collective members enjoyed the collective rights, the rights using to realize their interests, referring to the rights of land contracting, the right of the operating income based on the right to land contractual management, the right of compensation claims, the right to land transfer and other economic rights. In the joint-stock land transfer mode, it mainly refers to rights of the configuration of land contractual management, the power of authority and the distribution of income.

(1) Equity function of personal stake in the collective members is not complete. In shareholding cooperative system model, groups distribute shares to members, members get collective bonus based on the quantity of personal shares. In general, complete equity is similar to ownership, including four areas of possession, use, income, and disposal of property. In the current shareholding cooperative system transfer model, the equity of shareholders can only be regarded as the basis for distribution of collective income, almost non-transferable, trading, and mortgaging. Although in some places the equity can be transferred, it has strict limitations, and impossible to be operated in reality. Therefore, the shareholders only enjoy the right of possession, using and getting benefits, without having rights of disposition, transferring, trading, mortgage, and even inheritment. They don’t have complete equity in their hands.

(2) Rights and interests based on equity are inadequate, unequal, unstable and not in time. And it is difficult to effectively protect the basic living.

Inadequate; Currently, because of the lack of independent and high qualified land transfer intermediary organizations, there is no establishment of a transparent and fair market pricing mechanism. Farmers often can not get the share incomes the same with market value when transferring the land. In the current market environment, the collective members and members of the group are often in the weak side in the land market transactions. They do not know the true market value of the land, and can not judge the future value of land, Thus they have no awareness of proposing investors to share benefits from land appreciation in consultation process. The local government as the main body of the land supervision, has not fulfilled their supervisory duties. So it is difficult for them to become guardians of the interests of farmers. In actual operation of share cooperative system, collective organizations and relevant government departments on behalf of the interests of members are extremely irresponsible. Some forcefully leased the farmers contracted land at a low price on a pretext of land-scale operation. Some rural land is transferred to the business by the name, but in fact they will be again transferred to the individual owner. And then take the national compensation funds by using of national policies of land transfer; Some local governments, mass organizations, compete for profits with the farmers in the land transfer process; Gains from land transfers are allocated by a certain percentage among the local government, collective economic organizations and farmers; Some even for some performance considerations, ignored the interests of farmers and tried to persuade farmers to transfer land at low prices; Transfer prices are based on current low income farmers getting from land farming. The full set of actions for the interest of the members, ultimately leads to inadequate protection for the members of interest.

Inequality; inequality means not fair, which will bring a problem of social instability.

According to the newly published Land Management Law in 2002, in the duration of land contracting management, adjustment of land contracted by personal should be agreed by two thirds of the village committees or passed by the two thirds of villagers, and should be approved by the county and town gov-
2.2.2 On the choice of petition

Then the stock interests are low. But at the same time, the government. This regulation is based on villagers who are authorized with land ownership. It assures the farmers interests, preventing absurd adjustment of land by village organizations and protecting farmers interests. But at the same time, this regulation limits in timely adjustment of land for fluctuation of population, resulting in some households own more with fewer members, others owns less with more members. Under shareholding cooperative systems, land, as a kind of stock, has intimate relations to farmers interstes. unfair amount area of land results in unfair amount of stocks, and finally generating differences in farmers incomes. Although the adjustment of land can be done with the agreement of two thirds villagers, practitioners in land adjustment reflect that it is much more difficult to have their agreement than that of Constitution amending. There are lots of limitations in interest distribution because of unfair distribution of stocks and official legal protection. In most situations, farmers do not own more rights of attendance and discussion, what they owned are the namely ownership of distributed stocks. Un-stability; members who attend land transfer project rely on land, while after the operation of land stocks cooperative systems, they lose the property rights of land. Their basic guarantees of living are stock dividends, and the level of the guarantee depends on the operation situation and profits. When the industries fall in a hard situation that they do not profit well, then the stock interests are low. But at the same time, because of the limitations of contracts and production circulation, it is hard for members to take back their land to continue to operate. So, under this situation, the loss of interests of members is inevitable. Especially putting all their eggs in one basket, the farmers would suffer a lot in economy when the industries broke out and the dividends could not be realized. This kind of situation not only harms the farmers interests, but also influences the social stability.

Not in time mainly refers to that the right relief mechanism is not perfect, it is hard to protect rights. As the group members themselves are lack of legal knowledge, they are far from the city center, after their rights having been violated, it is difficult to obtain a timely and effective relief. Although some members know the lawsuit, but they do not understand the judicial process and the basic requirements of litigation, which led to the loss of rational lawsuit. Some members do not know how to choose the best of defenders channels against acts of violation of their rights, therefore, most farmers either choose patience, or on the choice of petition, if the offense involved the executive administration, the cost of protecting rights is higher for collective members. This affects not only the collective interests of members, but also the "time bomb" of rural harmony.

2.2.2 Co-beneficial right. Co-beneficial right refers to the collective members exercise of the rights for the purpose of both the right to their own interests and countryside group, including the village collective goods resolution right, attending right, the right of election of rural collective economic organization managers, request rights to check the accounting books, supervision, the right to withdraw related matters and other democratic management rights. It is normally provided by the rural collective right to theirowninterestsandcountrysidegrouprepresentation, participation in order to achieve the purpose of interests achieving. In actual practice of land transfer, the collective members are in a low, ineffective state on the joint-stock reform of the land. Based on both subjective and objective reasons, members rights of the democratic management in the land transfer process are down or even denied, the members of the equity in their hands are very deep indeed. Members felt deeply that their equities are unreal.

(1) Objectively. Currently the main problems in land transfer process are members’ right to information (transfer purposes, allocation, standard and income distribution of the equity, business management condition of cooperation company and profit distribution management, etc.) cannot be guaranteed. As members cannot get the relevant information about the land transfer timely, so they are unable to participate in land transfer decision-making, supervision, let alone expressing their views. First of all, collective economic organizations which represents the interests of the members does not function completely, it cannot adequately provides members with timely information about the transfer of land; Secondly, investors generally will not allow members to be involved in the actual operation and management, only allowed to participate in simple production even simply making them "get all bonus," so, they do not have much voice in the set of equity, dividend Distribution, and charter development and so on. Leading members lacks both the participation in cooperative management of agricultural land shares decision-making and supervision and management rights. And the lacks of enthusiasm in supervising acts of public revenue and expenditure of community-based organizations are also existed.

(2) Subjectively, educational level of collective members generally is not high, their sense of participation in collective management are relatively weak, the majority of the members do not understand the village construction projects, financial budgets, personnel arrangements, major issues of income distribution programs. Members almost will let the Village Board to search for them the company to invest, set up factories in the local place. Most of the time it is decided by team leader of collective village, leader of village committee, ordinary members accept passively, which can not reflect the rights of management and supervision of the peasants and stock cooperatives. To the vast majority who have no investment management experience, how to choose investment projects, and conduct operations, management, administration and so on are all difficult questions.

3 Constructing social security mechanisms of rural land shareholding cooperative system management

Under modern market economy, industrialization of agriculture demands the collective members of the shack off the land, involve in rural land transfer and create large-scale operation. Although in the process of land transfer, members will loss their interests very seriously because of a variety of reasons, but we can not be unworthy, on the contrary, we should take
active measures while avoiding disadvantages. Based on particularity of share cooperative system of land transfer model and collective members are currently pursuing the land revenue of subjective purpose, I believe the priority is to build interests of the protection mechanism of co-operation of land shares on the current share cooperative system of land transfer model, set the worries of their participation, enhance their enthusiasm of partic-

ipation, while the other, such as democracy management and other procedural rights will spontaneously improve with the enhanced awareness of the collective interests of the members.

In this context, according to the “land for security” line of thinking, combining country-driven public social security system, building land share cooperative system management of social security mechanisms (Fig. 1).

**Fig. 1  Land shareholding cooperative system management of social security mechanisms**

### 3.1 Security object

Under land stock cooperative transfer system, generally speaking, only members who have land and use land taking part in stock cooperatives have insured status, and those who owned land but land unsuitable for large-scale cultivation can also be insured. However, it differs from the former in the sources of the social security funds; Social Security Fund of members involved in the transfer of land containing share cooperative enterprises’ investing, but Social Security Fund of members not involved in the transfer of land does not include the parts invested by stock cooperative enterprises.

### 3.2 Land transfer process

#### 3.2.1 Clear land transfer compensation standard

In the market economy environment, no matter by which forms of land transfer to get collective members of the land, shall make compensation and benefit distribut to members on fair market price. Only this way can protect the interests of peasants who lose their lands reasonably and fairly, make the farmers lose land but not really lose interests. In addition, under the background of our country densely populated, lands become more and more valuable, land prices become higher and higher. We should take full account of land value in the transfer process. However, the anticipated value is difficult to be determined, so land transfer contract should be made by stages in the process of actual land transfer, later renew the contract according to land price at the time in order to better protect the collective interests of members.

#### 3.2.2 Establishment of a land transfer intermediarys

The emergence and development of intermediary organization play an important role in improving land transfer mechanism and perfecting land administration system and form an unified regulatory land transfer market. Currently, village committee takes the role of intermediary organizations in most places. In the initial stage of land transfer, this way is very favorable on the efficiency of land transfer transactions and reduces transaction costs. However, besides to facilitate land transfers in a high-efficiency and low cost way, the other role of intermediaries is to assess the price of land. Village committee as a grass-roots self-government organization, whose primary function is in line with the primary government to manage grass-roots community, rather than a neutral intermediary. And secondly, the assessment of the land price requires a higher professional level of staff from intermediary. Therefore, with the land transfer to the advanced stage of development, the shortcomings of the village committee acting as intermediaries will emerge; On the one hand the opportunities of exchange of information between members and market will be greatly reduced, also leading to poor information between land supply and demand. The source and number of information appear inadequate and lagging behind. Thus to a large extent it delays the land transfer process, increases the transaction costs of land transfer, high transaction costs hindering enhancement of benefits from land transactions. On the other hand, in the land transfer process, it is difficult to reach a fair market price between members and stock enterprise. Therefore, it is necessary to establish an independent agency.

It is worth noting, although the land transfer mainly bring about by the intermediaries, however, the government can not stand by doing nothing. In the process of cultivating intermediary organizations of land transfer, the government must introduce intermediary organizations ordinance of land transfer, regulate functions and responsibilities of land transfer intermediary; finalize Land Transfer Assessment Certification of our land transfer, Land transfer price assessment agency accreditation and charge standards, basic principles of assessment of land transfer and procedures and operation methods in the form to the system^

#### 3.2.3 Exert the function of collective economy organizations

Members from collective economic organizations are in a large quantity and lived in scattered areas with less position agricultural land. Members are often in a disadvantage in the land transfer market. The group can use the historical formation of the collective economic organizations to link members together and raise the same request through collective action plans to change their disadvantaged status, carrying out effective activi-
ties for its members interests and protection.

3.3 Sources of funding In the land transfer process, properly solve the problem of living of the collective member, participation of the land transfer in order to address the members of the worries and establishing a social security system compatible with the collective membership, funding source are the core issue. Our country with a large population, the development of social security especially rural social security are still in its infancy. Currently our state has a heavy financial burden, fully funded by the state to solve social security problems of landless peasants, it is neither possible nor realistic. Therefore, in order to fully protect the collective members interests, establish a basic social security, fund sources should take multi-faceted approaches, according to the principle of reciprocity of rights and obligations, which are the rights and duties of main parties involved in the process of land transfer, committed by individual members, land-use side (joint-stock cooperative enterprises), the Government three parties. Among them, the government-funded part of the protection is not less than 30% of the total funds, disburse from the state and local governments social security funds; Joint-stock cooperative enterprises part of the protection is not less than 40% of the total funds, disburse from revenue of its transfer operation; parts committed by individual members counteract income distribution from land transfers operation. For those, whose land is not suitable for large-scale farming and do not take part in land transfer, their source of funding for Social Security Fund account can only be individuals and the government.

3.4 Fund operation Currently, the main task in funds operation of social security is to preserve and increase the value and safety. Therefore, on the one hand, strengthen fund management, establish an independent supervision body and an efficient operation institution of social security funds, complete the appropriate system of financial accounting, auditing, and supervision, form a combined supervision network of internal oversight audited by the regulatory body, administrative departments and the professional sector monitoring and supervision of public opinion and the masses, promot Fund balance open, transparent, secure, efficient, so as to ensure safety and integrity of the Fund and prevent the social security fund misappropriation, corruption. At the same time, enrich the risk funds of social security, take the method of drawing part of the benefits from joint-stock cooperative enterprises, put in part of revenue from government finance and the members themselves pay part of it and improve the social security fund anti-risk ability and emergency payment ability. On the other hand, we must find ways to achieve maximum income of the Fund and preserving and increasing the value. This can be achieved by various methods when land transfer develops to the advanced stage having a strong anti-risk ability and introduce international advanced experience in fund management, reform the mode of social security fund investment and operation, relax the restrictions policy on fund investments appropriately by buying financial bonds etcs. Areas where conditions permit can also explore the establishment of fund investment agency system, launch market attempt of combination of capital and the largest appreciation step by step and encourage social security fund of land transfer into investment fields appropriately.

4 Conclusion At present, the sharing cooperative system of land transfer mode is still in its infancy, based on a variety of constraints, rights of collective members in the land transfer can not be fully protected, Land transfer to promote industrialization of agriculture, the scale of operation, the transfer of rural labor force and income increase of such areas has not been fully realized. In the current objective situation of developing market economy, land transfer compatible with the market economy should be established as soon as possible, make the interests of collective members continuously adjust and improve with the economic development.

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