

Chapter 25 Improving Systems and Mechanisms for Integrated Urban-Rural Development

We will establish a sound policy framework for equal exchanges and two-way flows of production factors between urban and rural areas to encourage the flow of production factors into rural areas and invigorate the development of agriculture and rural areas.

Section 1 Deepening Agricultural and Rural Reform

We will consolidate and improve the basic rural operation system, implement a policy of extending rural land contracts for another 30 years when the second-round contracts expire, and improve the system for separating ownership, contract, and management rights for contracted rural land. We will allow greater flexibility over land management rights. We will develop various forms of appropriately scaled agricultural operations, accelerate the cultivation of new types of agricultural businesses such as family farms and farmers' cooperatives, improve specialized and commercial agricultural services, and encourage small rural households to become involved in modern agriculture. We will deepen trial reforms to the system for rural residential land, speed up work to determine and certify the ownership and use rights for rural residential land, and explore ways to separate the ownership, qualification, and use rights relating to rural residential land. We will actively explore market-based transfers of rural collective land designated for business-related construction. On the basis of farmers' willingness and in accordance with the law, we will allow unused

residential land which has been purchased back by rural collectives and abandoned collective-owned land designated for public-benefit construction projects to be put on the market as rural collective land designated for business-related construction. We will establish a mechanism for determining public interest in land expropriations, and narrow the scope of such expropriation. We will deepen reforms to the system of rural collective property rights and improve the functionality of these rights. We will allow productive assets of collective economic organizations to be converted into shares and then allotted to individual members, and develop new rural collective economies. We will effectively lighten the burden on organizations at the village level. We will give full play to the demonstrative and leading roles of national experimental zones for integrated urban-rural development and rural reform.

Section 2

Guaranteeing Production Factors for Agricultural and Rural Development

We will improve the system for ensuring agricultural and rural investment, increase support for agriculture and rural areas with transfer payments from the central government and the proceeds from land sales and local government bonds. We will refine the system for supporting and protecting agriculture, improve the compensation mechanism for major grain-producing areas, create a new system of agricultural subsidy policies, and improve the minimum purchase price policy for grains. We will deepen the reform of supply and marketing cooperatives. We will improve mechanisms for ensuring the use of rural land to meet reasonable demands for land to be used for the development of protected agriculture and rural industries. We will improve the rural financial services system and encourage more financial support to agriculture, expand the scope of rural assets that

can be taken as collateral in mortgage financing, and develop agricultural insurance. People moving to the countryside to find employment or start businesses will be allowed to register permanent residence in their former or current domiciles and enjoy relevant rights and benefits. We will establish a system for encouraging research fellows to work part-time or start their own businesses in rural areas.