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Integrated Approach of Rural Development in China

Findings from Rural Development in Germany

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Summary

Rural development problem known as “Sannong Wenti” is an urgent social problem in China today. It affects not only agricultural modernization and economic development, but also influences poverty reduction, social stability, environmental protection, and overall modernization of the society. It is not an isolated issue that is simply related with agriculture, but a comprehensive one that covers economic, social, cultural and environmental fields. The objective of the thesis is to study and research the reasons that caused rural development problem, so as to set up proposals and an integrated model on rural development in China.

The research reviewed a series of international theories and concepts in addition to the concepts from China. Meanwhile, definition of integrated rural development that interpreted by various organizations and theories about the significances of rural development combined together help to address the hypothesis covering small town development strategy, land tenure, dual track, agriculture development, gap between rural and urban areas and administration. Case studies on China, rural development program and system analysis on Germany and the comparison of the key criteria of rural development between these two countries led to the hypothesis finding. Due to the weakness and shortage of current rural development in China, recommendations to rural development in China are addressed.

The proposals for rural development finally appear as an integrated rural development model in China. It is based on system theoretical approach, with a sequential proceeding system and countervailing principle. It is directed by an integrated management system, emphasizes that rural development as an integrated strategy, should be based on specific laws, set up clear policies, regulations and concrete strategies or programs. Besides the “top down” process, “bottom up” process that represents local people’s wishes and desire is also necessary. The effective link between “top” and “bottom” is an integrated management system which includes public participation, capacity building, net working and good governance that embody efficient coordination of concerned organizations. This model intends to solve the existing problems in China’s rural development.

Zusammenfassung

Die ländlichen Entwicklungsprobleme in China, dort als "Sannong Wenti" bezeichnet, zeigen heute bereits ernsthafte soziale Auswirkungen. Nicht nur die Modernisierung der Landwirtschaft und die wirtschaftliche Entwicklung sind betroffen, sondern auch die Verringerung der Armut, die soziale Stabilität, der Umweltschutz und die allgemeine Modernisierung der Gesellschaft werden beeinflusst. Es ist kein isoliertes Problem nur der Landwirtschaft, sondern eine umfassende Entwicklungsaufgabe, die wirtschaftliche, soziale, kulturelle und ökologische Bereiche umfasst. Das Ziel der Forschungsarbeit ist, die Gründe für die ländlichen Probleme herauszufinden so wie Vorschläge und ein integriertes Modell für die ländliche Entwicklung in China aufzustellen.

Dazu werden eine Reihe von internationalen Theorien und Konzepten, aber auch chinesische Entwicklungsstrategien aufgezeigt. Zusammen mit dem Begriff der integrierten ländlichen Entwicklung, wie er von verschiedenen Organisationen interpretiert wird, und einigen Theorien über die Merkmale der ländlichen Entwicklung werden Hypothesen aufgestellt bezüglich der Entwicklungsstrategie von Kleinstädten, dem Bodenrecht, dem sog. zweigleisigen Entwicklungsweg (Dual Track), die Entwicklung der Landwirtschaft, der Kluft zwischen ländlichen und städtischen Gebieten sowie der Verwaltungsorganisation. Mit drei Fallstudien von chinesischen ländlichen Entwicklungsprogrammen und mit der Systemanalyse der ländlichen Entwicklung in Deutschland sowie mit dem Vergleich der wichtigsten Kriterien für die Entwicklung des ländlichen Raumes zwischen den beiden Ländern werden Befunde für die aufgestellten Hypothesen hergeleitet. Auf Grund der gegenwärtigen Schwäche der ländlichen Entwicklung in China werden Vorschläge für die Lösung der aufgezeigten Entwicklungsprobleme aufgezeigt.

Die Vorschläge für die ländliche Entwicklung in China münden in ein integriertes Modell für die ländliche Entwicklung, das auf dem systemtheoretischen Ansatz mit einem sequenziellen Verfahrenssystem und dem Gegenstrom-Prinzip basiert. Es wird geleitet von einem integrierten Management-System, das eine integrierte Entwicklungsstrategie tatsächlich auch ermöglicht und sich auf einen rechtlichen Rahmen für die Entwicklung des ländlichen Raumes mit einer klaren Politik und Vorschriften sowie konkreten Strategien oder Programmen stützt. Neben dem "top down"- Prozess ist ein „bottom up“- Prozess genauso wichtig, welcher die Wünsche der lokalen Bevölkerung widerspiegelt. Die effektive Verbindung zwischen „oben“ und „unten“ bildet ein integriertes Management-System, das die Beteiligung der Bürger, deren Weiterbildung und den Ausbau ihrer Fähigkeiten, das eine Netzwerk-Struktur und good government ermöglicht, eingebettet in eine effiziente Koordinierung der betroffenen Organisationen. Dieses Modell soll dazu verhelfen, die bestehenden Probleme bei der ländlichen Entwicklung in China zu lösen.

摘 要

农村发展问题即“三农”问题是当前中国社会迫切需要解决的问题。它不仅仅决定农业现代化和经济的发展，同时也对减贫、社会稳定、环境保护和整个社会的全面现代化有着深远的影响。它不是个只涉及农业领域的问题，而是关联到经济、社会、文化、环境等多方面的综合问题。该论文的研究目的即找出当前存在的农村问题背后原因，提出适合于中国农村综合发展的整体模式。

该研究在总结各不同国际机构及德国对农村发展概念概述的基础上，提出了中国整体农村发展的概念，同时基于一系列的国际国内相关理论和农村发展的意义，提出了关于包括小城镇发展战略、土地产权，双轨制、农业发展、城乡差距、管理体制等多方面的假设问题。对于中国的案例研究和德国农村发展项目和机制的研究以及两国之间关于农村发展相关因子的比较，推导出假设的结论。部分整体农村发展所要求的因素在现存中国农村发展过程的缺失迫切地需要一个整体农村发展模式的出现。

整体农村发展模式是基于包括持续发展体系和双向原则的系统理论方法，在整体管理体系的指导下而提出的。它强调农村发展是个整体的发展战略，应当遵循相关法律、清晰的政策框架，运用具体的发展项目来实现。此外，“自上而下”和充分反映民意的“自下而上”程序应该是并存的，后者更是不可或缺。“上”与“下”之间的最有效衔接即整体的管理体制，它包括公众参与、能力建设、相关部门高效合作的良好政府管理等等。该研究希望能在解决中国农村发展的现存问题上提供参考。

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1 General Introduction

Rural areas are home of up to 80% of the population of developing countries and about 75% of the people living in absolute poverty (Kohlmeyer et al., p.9). The main characteristic for the people are low income, lack of education, inadequate economic opportunity and social security, and exclusion from the political and economic decision process that not even closely relates with their own life and future. As the majority of the world's poor live in rural regions, rural development makes a tangible contribution to structural poverty reduction and social development. By the words of the Secretary General of the UN ECOSOC Session 2003 in Geneva: it is necessary, “after a period of neglect to bring back rural development to the centre of the development agenda, noting that the world’s rural areas are where the needs are greatest and the suffering most acute”(cited from Magel, 2008b).

China as a country with most of the population, the situation is more typical. Traditionally, most of the people live in rural areas. With urbanization and economic development, rural population has reduced in recent years. In 1982, rural population accounted for 69.1% of the total population. It has reduced to 55.1% in 2007, 54.3% in 2008 (NBSC, 2007/2008). Nevertheless, in a long term, rural areas and rural people are still and will be a large part of China. As a traditional agricultural country, the problems concerning rural development are interpreted in Chinese media as “san-nong-wenti”, which means issues concerning agriculture, farmers, and rural areas, attract much attention in China and international field. In detail, “san-nong-wenti” can be explained as “the rural areas are so poor, farmers so toilsome, and agriculture so dangerous” (Lin, 2004, p.23). It shows as the following:

- Low Agricultural Productivity
- Poor Rural Construction and Environment
- Farmer’s poor Economic Situation and Social Status
- Migration to municipalities
- Non-clarified land tenure
- Un-adapted Institutions

The problems in rural areas cover not only low agricultural productivity, poor rural infrastructural construction and environment, but farmers’ inequality economic situation and social status in the society, non-clarified land tenure system and un-adapted administration institution, etc. Rural development problem is not only a key issue on building a stable and prosperous society in China, but also have a profound impact in the world.

1.1 Intention and Choice of the Topic

After the Resolutions on Some Questions Concerning the Acceleration of Agricultural Development were adopted at the Third Plenary Session of the Eleventh Central Committee of the CCP in December 1978, “House Hold Responsibility System” has been applied in rural areas. Since then, a great change has happened in rural China. Farmer’s potential enthusiasm burst out and grain production reached a highest point in history. Farmer’s income and living condition improved a lot. But the following urban reform and development soon deepened the gap between the urban and rural people. Statistics shows the urban-to rural income ration was 2.6:1 in 1978, 1.8:1 in 1984, back to 2.6:1 in 1992 (Lin, 2004, p.25), 3.32:1 in 2007, 3.31:1 in 2008 (NBSC, 2007/2008). To maintain social stability becomes an urgent issue in front of central government of China. In 2004 and 2005, central government issued two so called No.1 documents regards to rural issue and in which, the agricultural tax that existing for thousands years in China was canceled. These policies did improve rural situations. On December 20, 2005, in the meeting of CPPC, central government discussed rural issues and made rural development as a new strategy of present government in the new century. It becomes one of the main tasks of “11th five year plan” and shows the strong decision of Chinese government to solve the rural problem.

Chinese farmers are one of the poorest and hardworking people in the world, any social workers and researchers with conscience should pay attention to their problem. Though “san-nong wen-ti” has been discussed about 10 years since it was first mentioned through a true report letter to Chinese Prime Minister by a town leader, many different ideas and approaches have been addressed, there is still no effective and clear model to totally fit the rural development situation in China. Most of the scholars and experts in this field have learnt the experiences in United State that the experiences are not so referable to China regards to land use, land right, population density and etc. This research is trying to base on present research achievement in this field, focus on rural development problems in China, by adding international ideas and especially the knowledge which could be found from the experiences in Germany, to develop a way on solving rural development problem of China. As HSS is one of the earliest organization of Germany that cooperated with Ministry of Land and Resources of PRC on rural development program, meanwhile, many years’ experiences on rural development in Germany, especially after World War II, Germany tried to develop rural area and realize the equivalent living standard between rural and urban areas, so that to maintain the rural population not rush to big cities. Such experiences are very important and significant on rural development of China at present stage.

1.2 Research Objective

The objectives of the research are:

- based on data collection and deep analyzing, try to find out the reason and root behind the rural development problems in China
- by comparing the rural development experiences in German, to find out which aspects or parts the integrated rural development in China should need or change
- to set up an integrated model on rural development in China

The research term is just as the moment that Chinese government began to realize the necessary and importance of integrated rural development in China and wish to solve rural problems eagerly. So it will meet the need of reform and rural development trend of China in the new century and it would be a possible policy reference for government policy making concern rural development.

Rural development is an integrated program that related with many aspects and fields. So the following research questions that oriented to reach the research goals are divided into several groups and cover different aspects.

1.3 Research Questions

Agricultural situation, rural living and production condition

- 1a. How is the present agricultural, rural production and living condition in rural area of China?
- 1b. How is the situation of existing gap between rural and urban area? How does it come from? What results does the 'dual track' system bring? How to deal with it?

Administration works in rural development

- 2a. What is the present administration framework for rural development in China?
- 2b. How about the public participation work in rural development?
- 2c. What policies and programs are carrying out by rural development in China?

Land tenure system

3. What is the present land tenure system in China? What kind of land conflict and problem that present land tenure system can lead? What kind of improvement is necessary on land tenure system reform?

Migration problem and small town strategy

4. How to overcome the migration problem? What is the small town development situation in China? What are the good and bad effects of small town strategy until now?

German experiences on rural development

- 5a. What is the rural development situation and experiences in Germany?
- 5b. What can be adapted to China's practice from this research on Germany?

Proposal and integrated model on rural development of China

6. According to the existing problem, what kinds of proposal or models are required for rural development in China?

1.4 Methodology

The methodology for the research is mainly following the line as shows in the Figure 1. Based on existing information, observation and working experiences, the research addresses the main rural development problems existing in China. According to the existing problems, the research set up the objects that designed for finding the reasons behind and meanwhile, by analyzing rural development experiences of Germany, to create an integrated model on rural development of China. In which, qualitative research method has been adopted.

In order to reach the research result, a group of concerned topics were analyzed. The topics were addressed around agricultural situation, rural living and production condition, the gap between urban and rural; administration framework and its role in rural development; land tenure system; migration problem and small town strategy; German experiences on rural development; finally a proposal on an integrated rural development model of China. As rural development is a comprehensive topic that related with many aspects, this research cannot cover everything. It will mainly focus on the several key questions that more significant to China and try to answer them.

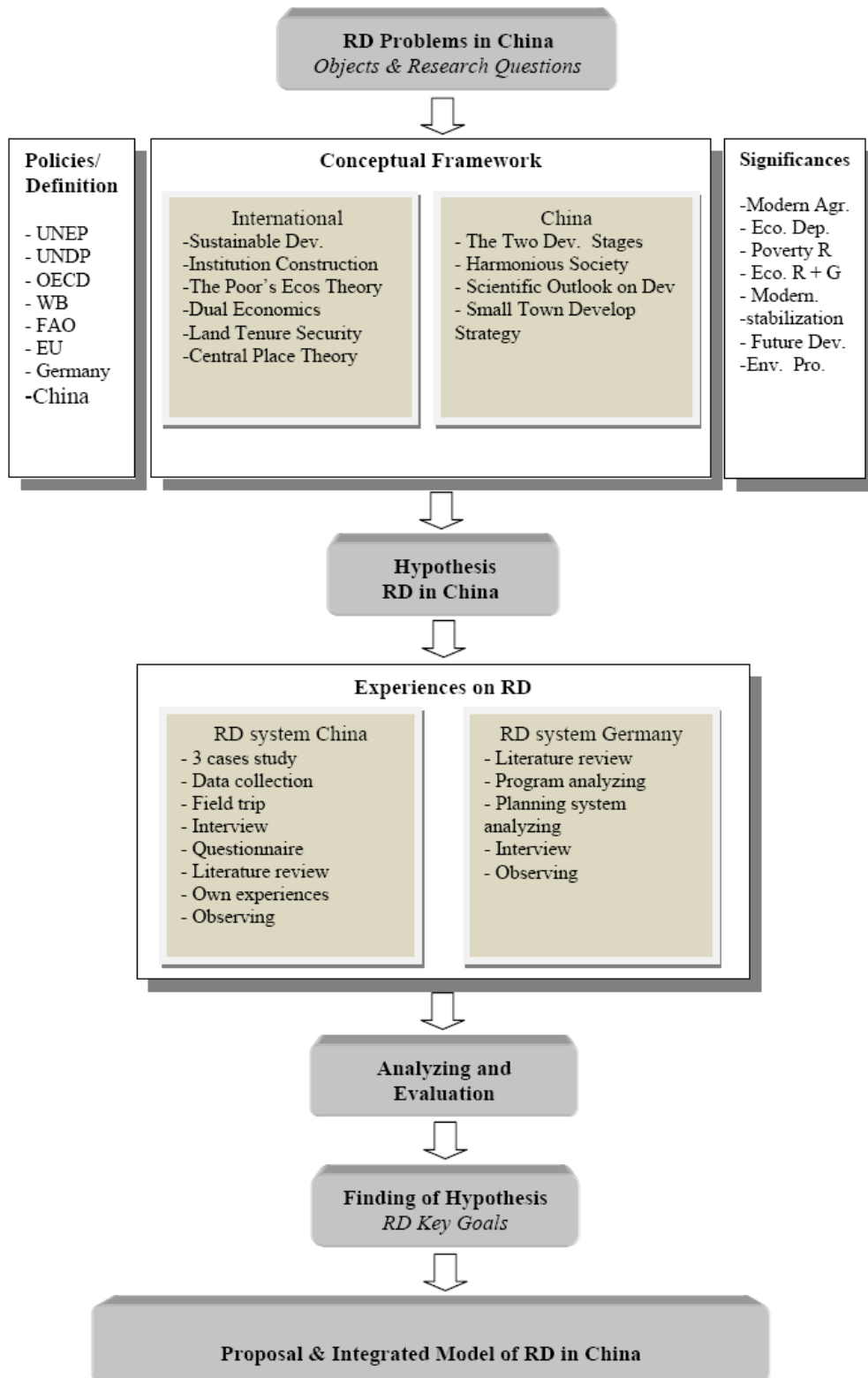


Figure 1: Flow Chart for Development an Integrated Rural Development Model of China
Source: Author

For the sake of answering the addressed questions, the research bases on amount of literature review, refer to the different definition from different organization on its own start point, gives its own definition on integrated rural development. It is very important to define what integrated rural development is required and what criteria it includes. With this definition, the research can analyze how rural development in China is going and if it is integrated and which aspects are still missing in the following research work. Later, the importance of rural development are listed to give a deeper insight on rural development significant of China.

During this research process, large amounts of literature review that aim to analyze different concepts and theories that are related with the topic are required. As the situation in China is so different from other existing experiences in the world, the research also refers to some concepts from China. In order to give a clear view, these series of concepts and theories are listed in two groups: concepts and theories of international and China. These concepts and theories help to explain rural development problems in China, and lead to several hypotheses.

In the next research step, primary data collection, such as questionnaires, interviews, case study and observations, and secondary data collection such as document review and many unpublished documents/materials direct from local area will be adopted. As the research content includes both China and Germany, research conditions and related background between the two countries are different, the adopted research approaches are varied. In China, the research chooses three cases in study areas. The first two case study areas are located in Jiangxi Province and Guangdong Province. In each of the two provinces, the research chooses two counties or districts for analyzing. The start point for choosing the case study areas is that it can represent both developed costal areas and undeveloped inland areas so that later, the research result can have significance and be beneficial to the rural development of China in general. As there is no exactly nationwide rural program in China, and economic, social situation in different areas of China are varied, case study in this research use the information not only from exactly the case villages ,counties/districts, but also related information from the cities or provinces levels as background so that to better analyze the case situation. The third case study area is Village Nan Zhang Lou in Shandong Province, a joint venture project that being carried out 20 years ago. The purpose on choosing this study area is to see what the factors that influence rural development in Nan Zhang Lou are and if there are any references to other rural development project in China. The cases study shows at present, how the rural development program in China going, what kind of progress it has achieved and what kind of problems are still existing. Regards to Germany, as rural development programs are carried out as

national program and sub-national program at local levels, the research mainly focuses on its system and development.

240 questionnaires were distributed and got 231 valid feedbacks. In Xingguo County, questionnaires are carried out in 3 villages of Gaoxing town. Totally 120 questionnaires were distributed. Most of the questions are close questions considering farmers' education level and the willing to help. 113 valid feedbacks gave the answers to concerned questions. Other questionnaires are carried out in 15 villages of 9 towns of Ganxian County with local working staff's help. 118 valid answers among 120 questionnaires were collected (see Appendix).

Refer to officials at different level (nation, province, city, county, town, and village), experts and important participants (sort out in Table 1), the interviews are based on open questions in China. It is the same for the German part research because in such case, the respondents can express their own view and ideas completely so that the research can get more related materials, in-depth and broad opinion. The respondents including the people from different groups such as administrations, experts, participants therefore, the collective materials can reflect the attitude and opinion all-around based on the same questions. It will help the research to get a relative general and comprehensive picture.

Observations offer the social researcher a distinct way of collecting data. It does not rely on what people say they do, or what they say they think. It draws on the direct evidence of eye to witness events first hand (Denscombe, 1998, p.139). During this research work, observation is adopted.

Name of study area	Interviewee			Number of responds		
	farmer	official	expert	farmer	official	expert
Xingguo/Ganxian County(Jiangxi Province)	240	21	*	231	21	
Sanshui/Qingyuan District/County (Guangdong Province)	-	6		-	6	
NZL Village (Shandong Province)	-	6		-	6	
total	240	33	5	231	33	5

*experts are from different research departments on general issue of RD

Table 1: Overview of Data Collection in China
Source: Author

The research work on Germany chooses a different means. As rural development in Germany is mainly taken by Länder (state or province) level and different Länders can have very different policy and programs refer to rural development, it is difficult to choose certain case study areas for study. The research chooses several famous programs in rural development of Germany, combining with literature review, interview to officials, experts and participants (see Appendix), and try to analyze the successful experiences and existing problems, after comparing with China, to find out the references for rural development in China.

2 Rural problems in China and Theoretical Discussion

This chapter will show the main rural problems in China; list the definition or understanding of rural development concept addressed by different organizations and what an integrated rural development is supposed to be. The significances of rural development are also discussed.

2.1 Rural Problems in China

Generally speaking, agriculture, rural area and farmer are the main fields of rural development in China. The present situation in China has its own historic and social reasons. Meanwhile, it is not only due to its special historic background, but also special political, economic policies and some other deep reasons as well. In order to find out the reasons, it is necessary to analyze the problems concretely and in detail.

2.1.1 Low Agricultural Productivity

Too Small Amount of Available Agricultural Land

Land use scale shows farmer's capability. In 1994, per rural labor in China can manage 0.18 ha cultivated land, which accounts for 17% of the world average level (1.05 ha). In the rural areas of China, the unit for working is family. In 2000, there are about 241 million families in the rural areas and the available per capita cultivated land is 0.13 ha. Each family member is about 4.25 persons and available per family cultivated land is about 0.56 ha. But Japan as a small island country with farmer that only accounts for 2.36% of the population, available per family cultivated land is 22.9 ha. Therefore, the available agricultural land in China is very limited. The situation of more than 68.4% of the total rural population work on the small amount of cultivated land leads to low productive land use (Liu, et al., 2003).

Low Agricultural Productivity

Agricultural production was very low before 1949 (when PRC was set up) and the later community time (from end of 1950s to 1970s). Since 1978, the rural area in China began to carry out "Household Responsibility System" (HRS) that is to allocate land to farmers according to family members. The policy brought a great change for Chinese agriculture and the rural areas. Agricultural production has been growing rapidly, especially during the last 80's and 90's. But one thing that cannot be ignored is, such a system limited agricultural modernization at the same time due to the land fragmentation. The grain production of per agricultural labor in China in 1994 is 766 kg, which accounts for 50.6% of the world average level, 0.75% of output of America, and 18.6% of Japan. Though the different agricultural product people choose to plan

can partially influence the output, that means, the above number cannot explain productivity absolutely, it still reflects the problem in a way. Meanwhile, the average per rural labor only produced meat 91 kg is equal to the 58.7% of world average level, 0.98% of American level, and 10.6% of Japanese level. The average output of Chinese agricultural labor force in 1991 was only USD 422, equal to the 39% of the world average level, 9.3% of Japanese level and 0.8% of American level (ibid). On the other hand, many labor forces are wasted in agricultural field, agriculture is not intensively used in China.

Low Comprehensive Education of Rural Labour Force Limits the Update of Agriculture

Compare with many developed countries, Chinese rural labour are less of education. According to statistics, the average education level of rural labour in present China is less than 7 years, farmers that with systematic agricultural occupational education is below 5%. According to the survey carried out by Chinese Association of Science and Technology in 2001, farmers who have scientific knowledge are only account for 0.4% of the total number (Zeng, 2003, p.50). Such situation really blocked the application of modern technique and innovation in the future agriculture.

2.1.2 Poor Rural Construction and Environment

Poor Infrastructure Construction in Rural Area

Lin, J. (2004, p.28) has mentioned that in China, “countryside lacks almost any type of infrastructure system that would be associated with people’s daily lives, such as water, electricity, and schooling”. Before 1979 reforms, only 11% of centrally-directed investments went to agriculture and the rural areas, which were for 80% of the population (Johnson, 1992, p.31). Due to long term lack of investment, the infrastructural construction in the rural areas is very poor and far behind the urban area. Road construction in the rural area is not enough to meet the need. Road construction and maintenance are short of money. Water conservancy is also another problem. In 2005, some related departments surveyed in some parts of rural area, the result shows that there are 96% rural area without sewage system; 89% of the villages just pile up their rubbish in front or back of their house, water side, water source surrounding area, or even the pond. There is nobody in charge of the rubbish disposal (Zhu, 2006).

In 2005, the state financial income was 3000 billion RMB, but the money that goes to rural roads, water conserve and watering, drinking water system, electricity supply and etc. is only about 29.3 billion RMB. It is less than 1% of the state financial income (Ren et al., 2005). Such uneven development increased the difference between rural

and urban, and leads to emigration of over-surplus labour in a way.

Poor Environmental Situation

As many township enterprises in China are much undeveloped in technical, production method and management, generally speaking, the production situation there is very bad. Meanwhile, as most of the managing persons there are original farmers that come from rural area and with low level education, they have no sense of environmental protection and sustainable development. Creating more profit in a short period of time is their most important object. In such situations, the rural areas are being seriously polluted. According to statistics, in recent years, the discharge of township enterprise has reached 50% of the total amount of industrial discharge (Su, 2006). Meanwhile, household garbage is a main cause of pollution in rural areas. There is about 120 million tons of living rubbish produced in rural areas which pile up in open spaces without any processing, 25 million tons of sewage just directly discharged to the nearby field and river (ibid). Living conditions in most of the rural areas is very poor.

2.1.3 Farmer's Poor Economic Situation and Social Status

Farmer's Poor Economic Situation

The statistics of "National Economy and Social Development Report" issued by National Bureau of Statistics of China shows the absolute poverty situation and low income problem in China as table 2 and 3. As the Chinese government pays more and more attention to the rural poor people, especially in recent years, the data about absolute poverty is available only after 2002 and low income data is after 2004. These data are selected and surveyed in the same measure and standard so that they are easy to compare and analyze.

Years	Standard(RMB)	Total Rural population	Absolutely Poverty Population(million)	Ratio (%)
2002	627	782.41	28.20	3.0
2003	637	768.51	29	3.1
2004	668	757.05	26.10	3.4
2005	683	745.44	23.65	3.1
2006	693	737.42	21.48	2.9
2007	785	727.5	14.79	2.0

Table 2: The Absolute Poverty Standard, Population and Ratio in Rural Areas of China (2002-2007)

Source: Adopted from National Bureau of Statistics of China

It is obvious to see that since 2002, the population of absolute poverty is reducing from 28.2 million in 2002 to 14.79 million in 2007, the ratio of absolute poverty among the total population is reducing from 3 % to 2% within these 6 years; low

income population is reducing from 49.77 million in 2004 to 28.41 million in 2007, the ratio of absolute poverty is also reduced from 6.6% in 2004 to 3.9% in 2007. But the population of absolute poverty and low income are still very large numbers.

Years	Standard(RMB)	Total Rural population	Low Income Population(million)	Ratio (%)
2004	669-924	757.05	49.77	6.6
2005	684-944	745.44	40.67	5.5
2006	694-958	737.42	35.5	4.8
2007	786-1067	727.5	28.41	3.9

Table 3: The Low Income Standard, Population and Ratio in Rural Areas of China (2004-2007)
Source: Adopted from National Bureau of Statistics of China

Low Social Status

Since the set up of the People's Republic of China, the central government has been relying on agricultural accumulation to support industry construction. Therefore, farmers contributed a lot to industrial development. According to statistics, in the past 29 years before 1979, agricultural industry offered about 450 billion RMB to support urban industries. Some duties that should have been the responsibility of the state shifted to farmers, such as rural public facility construction. In recent years, people's income in rural and urban area becomes a big gap. In 2003, farmers' per capita average income was 2622 Yuan, while urban citizen is 8500 Yuan, the difference is 1: 3.24; in 2006, and farmers' income is 3587, while urban citizen is 11759 Yuan, the gap reached to 1: 3.33 (Zeng, 2007, p.16). In recent years, though farmers' income has been increasing continually, the gap between urban and rural income is still very big. Considering the housing, health care, education, transportation and public service that urban citizens enjoyed, the realistic gap between rural and urban area can reach 1:6 (ibid). Sicular et al. (2008, p.30) concluded that the studies of China's inequality almost universally report that the gap between urban and rural household incomes in China is large, has increased over time, and contributes substantially to overall inequality. China is one of the highest urban-rural income ratios in the world.

In the long term, national finance in supporting agricultural field is far behind. In 1980, national financial support to agriculture is 14.995 billion Yuan, account for 12.2% of the total amount. In 2000, the investment increased to over 100 billion Yuan, but the percentage to the total financial investment decreased to 8% (Zeng, 2003, p.240). It shows national financial support to agriculture is much less. Meanwhile, before reform and opening up, the central government invested 80% of the financial income to urban area. After the reform, the situation still exists. Township owned

enterprises are difficult to get support loans to develop because of unidentified land right.

Farmers seldom participate in public affairs and decision making in the past. Usually, farmers have no representative organization or in name only, so that they have no channel to negotiate with government regards to important issues. As a weak group with the most population in China, this is unfair and deviant. Among the deputies of national people's congress, only several of them are farmer representatives. Nowadays, such situation has been improved: public participation has been emphasized in many programs and areas, farmers have right to vote village head. But in fact, public participation has not really been implemented in practice and village voting process reflects problems such as corruption, faction and gang. In many areas, village committee can not really represent farmers' intension and interests. In spite of that, democratic voting in rural China is only at village level. Farmers have no influence on appointment of town or county government officials. Democracy in rural areas has obviously a long way to go.

Regards to education, health insurance and social welfare, there are also many unfair treatments to farmers. One of the typical systems is "Hukou", which means the citizenship management system. Most of the cost for "nine years' compulsory education" is paid by the state government in urban areas while in rural areas, more than 70% of the cost is collected from farmers. National payment to rural education is less than 2% (Zeng, 2003, p.22). In a long term, it leads to far behind education level in rural area, especially in inland and west China (see Figure 2). Since 2006, such situations have changed gradually with the carrying out of compulsory education system reform and effective until 2007, children in rural areas are free of charge for education. It in a way eases the problem of school dropout children in rural areas. In many rural areas, it's very common that teachers cannot get their salary on time. This affects the education level because it's difficult to keep good teachers in rural areas. Moreover, if a rural migrant worker got a child in the city, he can not get the "Hukou" there, that means he has to pay additional money for his child to go to school.

Without urban "Hukou", rural migrated workers usually can not get same good job and treatment as urban citizen.

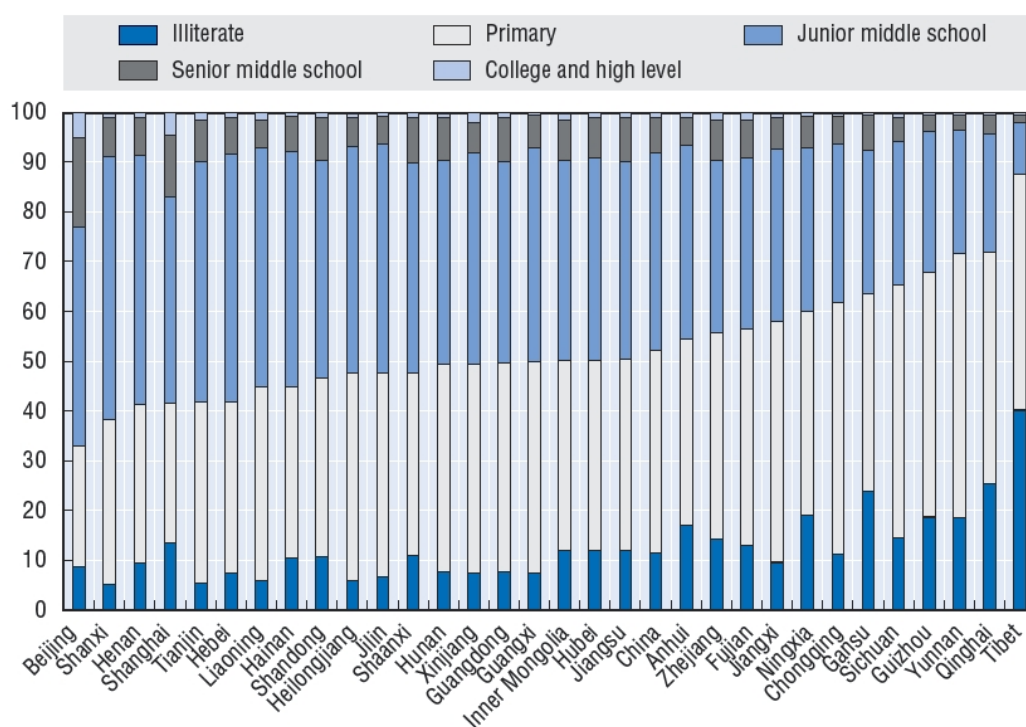


Figure 2: Level of Education of Rural Population across Province (% , 2006)

Source: OECD, 2009, p.61. Cite from NBSC, China Population and Employment Statistic year Book 2007.

In the field of health insurance, the number of urban people joining the health insurance is increasing from 27% in 1993 to 44% in 1998 while in rural areas; the number is decreasing to 10% of rural population in mid of 1990s. Though the rural people who benefit the new type of rural cooperative medical care system accounts for 91.5% of the rural population until 2008 (Wen, 2009), the capacity of the insurance for helping farmers during heavy sickness is very weak because the financial support is still very low. In urban areas, low incomer's insurance is provided by national finance while farmers have to support by themselves (ibid).

2.1.4 Migration to Municipalities

Generally speaking, there is more labour supply than needed in a long term in China. With the carrying out of HRS, farmers' productivity and enthusiasm was inspired. The increasing per capita productivity and limited cultivated land lead surplus labour in rural areas. The migration of rural surplus labour has two characteristics: one is from agricultural to non-agricultural industries; another is that a large amount of farmers migrate from rural areas to cities (Hu, 2010). According to the statistics, there are about 150 million surplus labours in rural areas at present. The number will continue to increase with the coming of breeding peak time in last 80s (Zeng, 2007, p.49). Meanwhile, with the development of urbanization and industrialization, urban areas will need more and more labour force. It offers an opportunity for rural over surplus

labours.

Another reason that cannot be avoided for migration is that the big gap between rural and urban areas. The disappointed and unsatisfied to present rural living and production condition, the desideration to the urban life becomes another motivation to lead rural over surplus labour emigrated to urban area. They have a special name “farmer worker” or “rural migrated worker” (Nongmingong) which means the workers who have rural Hukou, but nearly don’t work on agriculture or traditional agricultural productive activities. If including the number of non-agricultural workers in rural areas, nowadays, the immigrated workers should be more than 210 million in China, accounts for more than 50% of the total workers (Zou, 2007, p.22). With the development of urbanization and industrialization, the trend will continue (see Figure 3).

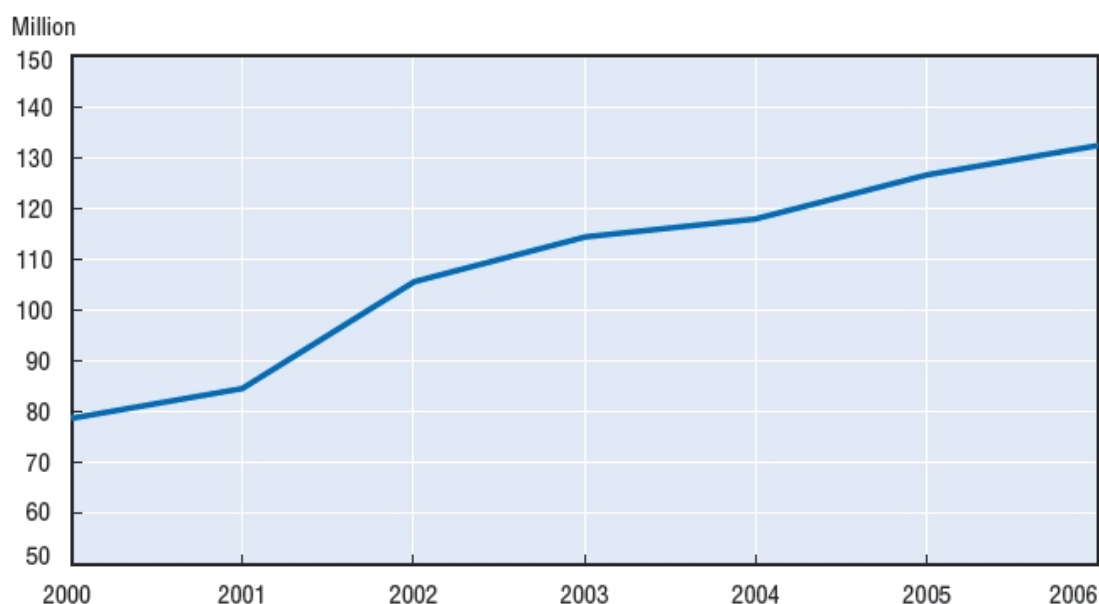


Figure 3: Total Number of Rural Migrants, 2000-2006

Source: OECD, 2009, p.53. Cite from NBSC, China Rural Household Survey Yearbook, 2007

2.1.5 Non-clarified Land Tenure

As an agricultural country, China has been facing the land issue from the very beginning of its history. Review the development of Chinese history, each change has began through land system reform. PR China’s set up is also combined with the large scale land reform. With the carrying out of the economic reform and opening policy in the end of 1970’s and beginning of 1980s, China began to apply the famous “household responsibility system” and agriculture achieved a great success. There are a series of data that show the great achievement: in 1978, gross agricultural

production value was 139.7 billion RMB, it was going to 321.41 billion RMB in 1984. In this year, grain and cotton production in China reached the top of the world. It is also the first time for China to become an export country in grain and cotton since 1949 (Fu, 2004, p. 96).

But history is always developing. A good reform is also limited by times and can be far behind the time. With the urbanization and industrialization, land issue comes on seriously:

1. Urbanization is based on rural land expropriation
2. Industrialization also needs the transfer of agricultural land

Such transfer should be realized on the rural land. The common point above is to transfer a great amount of farmers into urban citizens.

Land problem shows as the following:

- Farmers haven't really become the owner of land. The article 8 of Land Administration Law of PRC (2004) defined that "Land in the rural areas and suburban areas, except otherwise provided for by the State, shall be collectively owned by farmers including land for building houses, land and hills allowed to be retained by farmers". But it doesn't clarify how to operate collective owner right. In practice, such right is ambiguity. Usually, village heads and heads of township government have the right to decide if the land should be transferred. Farmers have no speaking right on the land that they rely on. With the urbanization and industrialization, land conflict is becoming a very serious problem.
- Land transfer is difficult. For the farmers who depend upon land for living, they are afraid transferring of land may lead to a difficult life because of lack of production skills; for the farmers who go to cities and working there, though they don't really rely on land for living, they still hesitate to transfer own land because of lack of social security system in rural areas.
- There is no very clear definition for public land use and non-public land use. It leaves a possibility for unfair land expropriation.
- Lost land farmers have living problems. In many land expropriation situation, after farmers get monetary compensation, there is no employment training and opportunity for them. If they spend all of the compensation money, life in future will be difficult.

2.1.6 Un-adapted Institutions

There are mainly two aspects that show the shortcoming of present institution, one is lack of good governance, another is missing of public participation.

Governance is the manner in which political power is exercised in the management of a country's economic and social resources for development (WB, 1992, p.3). Peter Creuzer (2007, p.2) highlights in A Support to Good Governance in UNECE working party on land administration that "good governance finally means that the necessary political framework for a healthy and sustainable social and economic development of a state has to be in place and to be applied by the state."

The World Bank's definition of participation as "a process through which stakeholders influence and share control over their own development initiatives, decisions, and resources which affect them" (WB, 1994).

Actually, public participation is a process of creating mutual and continuous understanding between the decision maker and grass roots. It's a key factor that would bring about an explanation of constraints, problems, barriers and necessities or needs. By mutual consideration, public participation would ensure an adequate capacity for dissolving or mitigating problems and undesirable impacts of public projects.

Review the institution construction in China, there are many aspects that need to improve:

The Overlap of Different Functions

Nowadays in China, there are many administration from central (or Ministry) level are involved in rural development issue, such as Ministry of Land and Resources, Ministry of Agriculture, Ministry of Water Resources, Ministry of Environmental Protection and etc. Because of historic reasons, today many of these departments still from their own interests set up policies and regulations that may be collision or inconsistent of each other. Such problems also happened between administration department and function departments.

Top to Bottom Decision Making

On the other hand, all the policies and regulations are established from the central level and carried out by the local levels that mean "from top to bottom" system. As the policies are set up without listening to the opinions of the grass roots, there are many shortcomings or the factors that not consist with local reality, it will certainly lack understanding during implementation so it's difficult to be carried out. That's why in China, many policies are based on good start but get no good result in the end.

Weak Institution Construction of Grass Roots

Local governments are key factors for linking the higher level and local people, preventing serious criminals and violence happening in rural areas, etc. But by lack of financial support and administration power, in fact, it is not enforced to manage local issue. Working staffs of grass root levels usually work in a relative poor situation and workload is too much. According to China's present system, only the staff working above township level can get salary that is supported by financial departments. People working for village levels only receive very low salaries that are allocated by the township. Regards to future careers, they cannot be promoted or join the government servant team, that means after retired, they get no chance to enjoy the retirement fee and any social insurance at all. It caused that many village heads are not interested in their job and an embarrassing situation for grass roots administration. This not only impacts the implementation of central policies, but also influences social stability in rural areas.

2.2 Policies and Definition of Rural Development

It is not possible to understand the concept of integrated rural development without familiarizing oneself with some basic assumptions on which the concept has been built. Rural development is a process, in which typically a large number of actors in many different sectors of society are involved. It's a concept with broad contents such as village renewal, poverty alleviation, sustainable agriculture, sustainable livelihoods, regional rural development, community building etc. It has evolved from the concept that mainly focus on promoting agricultural production to a comprehensive cross-sector plan for the development of rural areas through system approach with a process-oriented implementation. It shows as the change in rural areas regards to living condition, working opportunity, development policies, health care, education, social security, infrastructure and etc.

As the concept of rural development is close related with economic, ecological, socio-cultural and political-institutional aspects, it has been interpreted as a manifold meaning by different organizations according to their main focus and function.

UNEP:

United Nations Environment Program has been involved in long term struggle of sustainable agriculture and poverty reduction work.

In 1992, the United Nations conference on Environment and Development developed Agenda 21 for action to achieve sustainable development. In chapter 14, it pointed out that by the year 2025, 83 per cent of the expected global population of 8.5 billion will

be living in developing countries. Yet the capacity of available resources and technologies to satisfy the demands of this growing population for food and other agricultural commodities remains uncertain. Agriculture has to meet this challenge, mainly by increasing production on land already in use and by avoiding further encroachment on land that is only marginally suitable for cultivation. Major adjustments are needed in agricultural, environmental and macroeconomic policy, at both national and international levels, in developed as well as developing countries, to create the conditions for sustainable agriculture and rural development (UNEP 1992, 14.1, 14.2).

The major objective of sustainable agriculture and rural development is to increase food production in a sustainable way and enhance food security. This will involve education initiatives, utilization of economic incentives and the development of appropriate and new technologies, thus ensuring stable supplies of nutritionally adequate food, access to those supplies by vulnerable groups, and production for markets; employment and income generation to alleviate poverty; and natural resource management and environmental protection. The main tools of sustainable agriculture and rural development are policy and agrarian reform, participation, income diversification, land conservation and improved management of inputs. The success of sustainable agriculture and rural development will depend largely on the support and participation of rural people, national Governments, the private sector and international cooperation, including technical and scientific cooperation (UNEP 1992, 14.2, 14.3).

UNDP:

In September 2000, United Nations Development Program addressed “Millennium Development Goal” form a blueprint agreed to by all the world’s countries and all the world’s leading development institutions. It declared that development and eradicates extreme poverty and hunger. It emphasizes: “we resolve therefore to create an environment, at the national and global levels alike-which is conducive to development and to the elimination of poverty”. The Millennium Development Goals addressed the further political, social and health development within the member states. The eight goals are:

1. to halve extreme poverty and hunger
2. to achieve universal primary education,
3. to empower women and promote equality between women and men
4. to reduce under-five mortality by two-thirds,
5. to reduce maternal mortality by three-quarters,

6. to halt and reverse the spread of diseases, especially HIV/AIDS and Malaria,
7. to ensure environmental sustainability, and
8. to create a global partnership for development, with targets for aid, trade and debt relief.

As most of these problems existing in rural areas, actually, the main task to realize the goals leaves in the global rural areas (UNDP, 2000).

FAO:

Food and Agriculture Organization of United Nations is dedicated to build a world without hunger, to promote agriculture, nutrition, forestry, fisheries and rural development, and to facilitating achievement of the World Food Summit goal of eradicating hunger. As a special agency of UN, FAO did not give an exact definition for rural development itself, but points out very clear that it dedicates on underpin and complement the activities that it directly targets to helping achieve the Millennium Development Goals. Based on document review, we can conclude that, the understanding of rural development by FAO is very close to UNDP. Meanwhile, it emphasizes more on the importance of agricultural development and poverty reduction.

OECD:

OECD (Organisation for Economic Co-operation and Development) is a unique forum where the governments of 30 democracies work together to address the economic, social and environmental challenges of globalisation. The Organisation provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies (OECD, 2007, p.2).

The focus of OECD's rural policy has been experiencing the change with the rural situation. As OECD mentioned, the diverse challenges and economic potential of rural regions across the OECD countries and the emergence of new factors shaping their development patterns highlight the need for a different approach to rural policy (OECD, 2006, p.39). As agriculture is no longer the backbone of the rural economy, the rural policy is changing according to the change. The focus of rural policy is changing from focus on place rather than sectors, on investment rather than subsidies. Meanwhile, over 75% of land in OECD countries is in rural areas, policies for rural places play an important role in land management and must integrate a range of environmental and economic development issues (OECD, 2006, p.57).

OECD's rural policy shows clearly that rural development nowadays is not only focussing on agriculture itself, but also environmental, land management, natural resources and cultural protection. It will not only concern the need and opportunities of rural places, but the rural people as well. Within all these factors, rural economic development can be an important element.

The World Bank:

The World Bank is an internationally supported bank that provides loans to developing countries for development programs with the stated goal of reducing poverty. Established in 1945, the mission of the World Bank is to achieve a "world without poverty" (Gilbert et al., 2001, p.87). Agricultural and rural development department of the World Bank is a faculty that mainly works to reduce poverty through sustainable rural development.

Though in 1997, World Bank began to develop rural development strategy "From Vision to Action" which identified rural poverty reduction, improvement in the well-being of rural people, and the elimination of hunger as the main objectives, it did not bring about anticipated results. With the entering of the 21st century, the world confronts major challenges in rural development. Most of the world's poverty is in rural areas and will remain so, yet there is a pro-urban bias in most country's development strategies, and in their allocation of public investment funds. The new strategy of rural development "Reaching the Rural Poor" published by The World Bank in mid 2003. The core of the new rural development strategy consists of a commitment to:

- focus on those that are the most disadvantaged –the rural poor;
- address rural areas in their entirety and promote broad-based rural growth and service provision both on- and off- farm;
- forge alliances with all stakeholders- with the rural poor, with governments, civil society, academics, international organizations and leaders, and with the business community;
- refine our approach to respond the changes in the ever-evolving global arena that have a direct impact upon our clients- including changes in trade policies, climate, agricultural science, and technology.

It is obvious to see that the concept of rural development addressed by World Bank is growing broad (WB, 2003, p.14). The objects of the new strategy "Reaching the Rural Poor" are geared to helping clients accelerate economic growth so that it is shared by the poor. It mainly focuses on (WB, 2003, p.21):

- fostering an enabling environment for broad/base and sustainable rural growth
- enhancing agricultural productivity and competitiveness
- fostering non-farm economic growth
- improving social well-being, managing and mitigating risk, and reducing vulnerability
- enhancing the sustainability of natural resource management

In short, the World Bank interpreted rural development as a comprehensive concept that not only includes agricultural and productivity, but non-farm economic growth, improving social well-being as well. It is a concept that contains social, economic and environmental sustainable development.

Regards to implementation of rural development, the World Bank emphasizes “common effort”. Just as president of The World Bank James D. Wolfensohn (2003) mentioned in the foreword of the book “Reaching the Rural Poor”, rural development needs the common effort of governments, civil society, and the private sector, the common effort of both developing and developed countries.

European Union:

European Union is a political and economic community with twenty seven member states at present.

In the European conference on rural development hold at Cork, Ireland in November, 1996, the Cork Declaration- announced the following ten points rural development program for the European Union (EU, 1996):

- Rural preference: sustainable rural development must be put at the top of the agenda of the European Union, and become the fundamental principle which underpins all rural policy in the immediate future and after enlargement;
- Integrated approach: Rural development policy must be multi-disciplinary in concept, and multi-sectoral in application, with a clear territorial dimension;
- Diversification: Support for diversification of economic and social activity must focus on providing the framework for self-sustaining private and community-based initiatives: investment, technical assistance, business services, adequate infrastructure, education, training, integrating advances in information technology, strengthening the role of small towns as integral parts of rural areas and key development factors, and promoting the development of viable rural communities and renewal of villages.
- Sustainability: Policies should promote rural development which sustains the quality and amenity of Europe's rural landscapes ;

- Subsidiarity: Given the diversity of the Union's rural areas, rural development policy must follow the principle of subsidiarity;
- Simplification: Rural development policy, notably in its agricultural component, needs to undergo radical simplification in legislation ;
- Programming: The application of rural development programmes must be based on coherent and transparent procedures, and integrated into one single programme for rural development for each region, and a single mechanism for sustainable and rural development.

Finance: The use of local financial resources must be encouraged to promote local rural development projects.

Management: The administrative capacity and effectiveness of regional and local governments and community-based groups must be enhanced, where necessary, through the provision of technical assistance, training, better communications, partnership and the sharing of research, information and exchange of experience through networking between regions and between rural communities throughout Europe.

Evaluation and Research: Monitoring, evaluation and beneficiary assessment will need to be reinforced in order to ensure transparency of procedures, guarantee the good use of public money, stimulate research and innovation, and enable an informed public debate. Stakeholders must not only be consulted in the design and implementation, but involved in monitoring and evaluation

This aims at reversing rural out-migration, combating poverty, stimulating employment and equality of opportunity, and responding to growing requests for more quality, health, safety, personal development and leisure, and improving rural well-being. It urges Europe's policy maker to raise public awareness about the importance of making a new start in rural development policy; to make rural areas more attractive to people to live and work in, and become centers of a more meaningful life for a growing diversity of people of all ages; to support this ten-point program and co-operate as partners in the fulfillment of each and every one of the goals, which are embodied in this declaration; to play an active role in promoting sustainable rural development in an international context (EC, 1996).

The creation of a common agricultural policy (CAP) was proposed in 1960 by the European Commission. The initial objects of CAP are (Wilson et al, 2001, p.74-75): to increase productivity, by promoting technical progress and ensuring the optimum

use of the factors of production, in particular labour
to ensure a fair standard of living for the agricultural Community
to stabilize markets
to secure availability of supplies
to provide consumers with food at reasonable prices.

Many important changes to CAP were already made in 1980s. But the real important change happened in 1992, with the MacSharry reforms. Production limits helped reduce surpluses. Farmers had to look more to the market place, while receiving direct income aid, and to respond to the public change priority. The change is intended to give farmers more freedom to choose for themselves those crops most in demand and reduce the economic incentive to promote environmental concept.

On 26 March 1999, at the Berlin European Council, the Heads of Government or States concluded a political agreement on Agenda 2000. The Agenda 2000 reform agreement established Rural Development Policy as the “second pillar” of the Common Agricultural Policy. Designed to accompany further CAP reform by addressing the multi-functionality of farming and challenges faced in a wider rural context, the Rural Development Regulation (1257/1999/EC) prescribes and governs the menu of options that can be used to support EU farmers and other rural actors according to need. (Neander et al, 2000, p.127)

Since the reform of the Common Agricultural Policy, Rural Development is playing an increasingly important role in helping rural areas to meet the economic, social and environmental challenges of the 21st century.

The rural development policy for 2007 to 2013 is focused on three themes (known as "thematic axes"). These are (EC, 2008):

- improving the competitiveness of the agricultural and forestry sector
- improving the environment and the countryside
- improving the quality of life in rural areas and encouraging diversification of the rural economy.

The Rural Development Policy 2007-2013 of EU shows that farming and forestry remain crucial for land use and the management of natural resources in the EU's rural areas, and as a platform for economic diversification in rural communities. The strengthening of EU rural development policy has, therefore, become an overall EU priority.

Rural Development in Germany

The traditional concept of rural life in Germany is mostly family farm and nature and the traditional structures of agrarian landscapes have managed to survive partly until this day. It is the rapid modernization process of agriculture combined with farmland consolidation which has been responsible for the gradual disappearance of these differentiated landscape structures since the 1960s (Billaud et al, 1997, p.13).

In Germany traditional and modern elements of rurality co-exist as social constructions and differing forms of socio-economic development (Billaud et al., 1997, p.15). But no matter in what historic period, the argue on environmental protection in rural development has never stopped and rural development is typically marked with environmental protection.

Because of historic reasons, rural development in West Germany after Second World War mainly focused on helping the recovery, stabilization and development of rural areas. Later, it changes to orientate to improve the natural and infrastructural production conditions and until the end of last 80s, the emphasis came to adjustments of agricultural structures. Besides the modernization and diversification of enterprises in agriculture and forestry and their respective processing industries, it covered the development and modernization of enterprises in branches outside the primary sector including tourism (Neander et al, 2000, p.121). Meanwhile, improvement of rural infrastructure, the natural environment and landscape, training of people's working skill were addressed.

In former East Germany, the foremost objective of rural development was the approximation of working and living conditions in agriculture and in rural regions to those in industry and urban centres in accordance with the ideology of the supremacy of the industrial working class (Neander et al, 2000, p. 122). In order to reach the goal, extremely large agricultural enterprises have been created since the late 50's.

In fact, rural development experienced several phases and became more comprehensive and mature until today in Germany. It consisted of agricultural and coastal protection, promotion of employment, recreating and unspoiled natural area, rationalize land parcel, support focuses on the implementation of an integrated village renewal which combine with traditional and cultural heritage protection, organic cultivation, transforming arable land to grassland in certain area, extensive use of pastureland, promoting and preserving extensive fruit tree cultivation and environmentally valuable meadows and pastures, and restoring waters to their natural state, etc.

The main emphasis in Germany's rural development programs is on the renewal and development of villages and consolidation of farmland, the promotion of employment and income formation outside agriculture, the qualification of persons for new employment opportunities by vocational training, and specific measures for environmental protection and landscape preservation. (Neander et al., 2000, p.128-129)

According to the explanation by Federal Ministry of Consumer Protection, Food and Agriculture of Germany, integrated rural development aims to harmonize the social, cultural and economic demands the region faces with its ecologic functions. The different demands on the rural region-economical, ecological and social-are considered jointly and across sectors (B öcher, 2005, p.1).

Magel (2008) highlights integrated rural development in Germany as a comprehensive concept that covering land consolidation, village renewal, rural construction, with the guiding of implementation, involving the different other ministries, private sectors in term of transportation, construction, water, energy, education and etc.

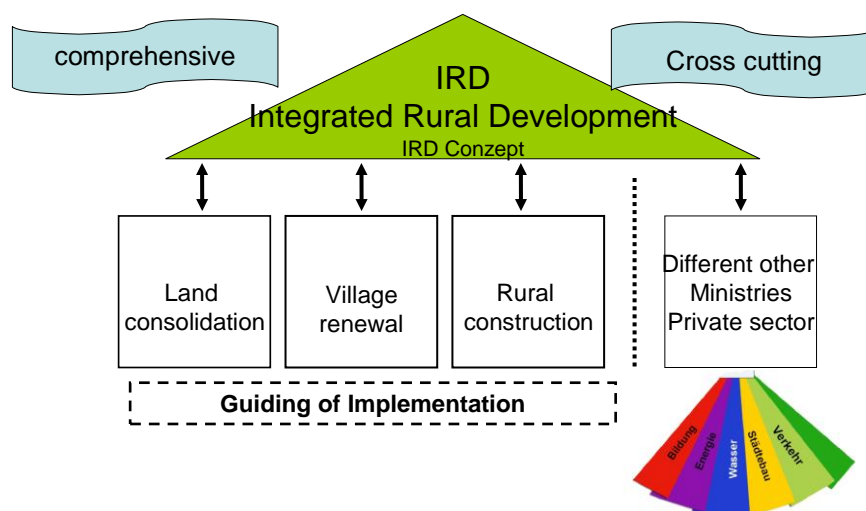


Figure 4: Integrated Rural Development in Germany

Source: Magel, 2008a

Rural Development in China

There is no literature to give a clear definition in regards to rural areas and rural people in China. According to China Statistical Yearbook, "Urban population refers to all people residing in cities and towns, while rural population refers to population other than urban population" (NBSC, 2008, p.106). Usually, people think that the areas, except for city, can be called rural areas. It is a traditional based methodology for measuring rural population. Qian (1996, p.2) mentioned that the definition of rural means all the places where people hold a rural Hukou (a Chinese residential system).

Zhao (2007, p.160) highlighted that nowadays many people confuse the concept of “rural population” that referring to the people living the areas administratively designated as “countryside” in China. The problem is further complicated by the official use of Hukou or the “household registration” system in classifying rural population. With the economic reform and the coming out of migrated workers, the Hukou definition is not complete anymore because farmers who classified by Hukou but actually are workers in urban areas based on the occupation. As OECD(2009, p.90) highlights that Hukou methodology has lost much of its meaningfulness as a reference for statistical purpose because many people registered with agricultural Hukou no longer carry out this activity and no longer live in rural areas.

Therefore, OECD addresses the census-based methodology in which it uses a combination of population size in administrative aggregates and population densities in order to distinguish between urban and rural areas. The following territories are defined as rural areas: villages of a town or township within cities if these territories have a population density of less than 1500 persons per km²; townships of a county. It is important to note that the census-based definition counts rural migrants as urban population if they live in urban areas for six months consecutively (OECD, 2009, p.90).

Regarding rural development, it has experienced several different develop period in China. It was called “countryside construction” in the 20’s and 30’s of the last century, by some progressive intellectuals. Rural development is re-mentioned by the central government in recent years, but renamed, as “build a socialist new countryside”, or “the new countryside campaign”.

The concept of rural development in China has also experienced different stages and improved step by step. In the last 20s-30s, “countryside construction” mainly emphasizes “countryside civilization” and “countryside modernization”. At that moment, maintaining traditional culture, education and developing infrastructure construction were the main content of rural development.

In 16th National Congress in 2002, the central government forwarded the goal of building a “xiaokang” (well-off) society. In order to reach the goal, President Hu Jintao said that both the difficulty and emphasis lie in the countryside. In 2005, the CCP’s Fifth Plenary Session of the Sixth Central Committee, rural development was first put forward formally. The following issued No.1 documents explained rural development in China as “growing production, better livelihood, cultural development, clean villages, and democratic management of village affairs”. It covers different

aspects of economic, social, cultural and environment.

Comprehensive Definition

Based on above presented literature review, combining with personal working experience, a definition of integrated rural development is concluded as Figure 5:

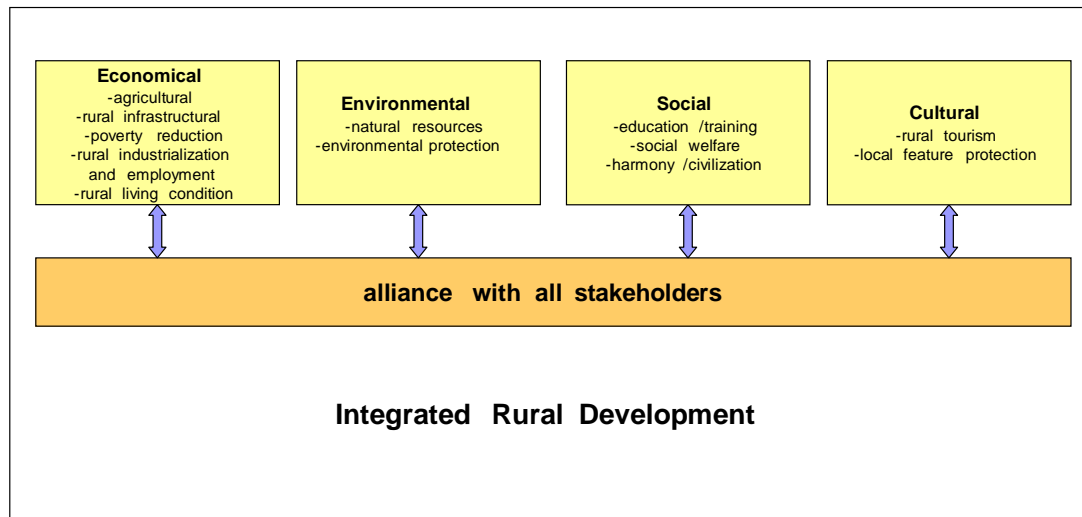


Figure 5: Integrated Rural Development

Source: Author

Integrated Rural development is a unifying concept, a comprehensive and all-embracing development approach, which reconciles economical, environmental, social and cultural aspects, with the effort and implementation of all stakeholders.

Integrated rural development means a broad range and sum total of development activities, such as agricultural development, natural resources, rural infrastructure, forestry, rural industrialization, credit and financial services, land-use rights, community development, education and training, social welfare, provision of physical and social infrastructure, with integrated management system. It should include the content of developing agriculture productivity, enriching rural people's income and improving rural infrastructure and living condition, promote rural industries development and encourage local employment, encourage public participation in rural construction and rural democratic process, improve education and social welfare system, advocate environmental protection and built up a modern civilized and harmony rural areas. In practice, rural development may show in the following patterns:

-village renewal

- land consolidation
- enhancing agricultural productivity (multifunctional agriculture as a way for rural development)
- rural infrastructure construction
- regional development
- social welfare and health insurance system
- rural education and professional training
- rural surplus labour's transferring
- clarifying land tenure system
- public participation in rural development project and management of local community
- market mechanism construction and rural enterprises development
- natural resources and environmental protection
- historic heritage and culture protection
- sustainable agriculture and agricultural modernization
- urbanization and small town development

“the effort and implementation of all stakeholders” is actually a process of management. It should include many factors that related such as administration, public participation, planning, policy making. As a very important factor during rural development process, land tenure system must be considered.

Rural development is an integrated strategy that designed to improve the economic, environment and social life of rural people. The goal of rural development is to extending the benefits of development to the poorest among those who seek a livelihood in the rural areas, mitigate the gap between the rich and the poor, urban and rural areas, change the undeveloped situation of rural areas and make it an attractive place for living, so that to realize the equal and harmony society at last.

2.3 Significances of Rural Development

Rural regions provide livelihoods for people without steady employment in the formal economy. And the wide range of environmental resources in rural areas supplies not only local inhabitants but national and global urban populations as well. Rural areas will need to change if they are to continue to provide a living for growing number of people and to avoid to slipping into poverty and falling prey to environmental disasters (Rauch et al., 2001, p.1). Secretary general of the UN ECOSOC in the session 2003 in Geneva also said that “it is necessary after a period of neglect to bring back rural development to the centre of the development agenda, noting that the

world's rural areas are where the needs are greatest and the suffering most acute”(Magel, WS 2006/2007).

2.3.1 Requirement of Modern Agriculture

Modern agriculture is a process on changing traditional agriculture, developing rural productivity; it is also a process for changing increasing agricultural mode, promoting health development on agriculture. Modern agriculture has four specific features.

-Breaking the limitation of traditional agriculture that only or mainly involve in the producing of primary agricultural products or raw material producing so that to realize the integrated producing on planting, livestock breeding, processing; integrated in producing, supplying, sale; integrated in trading, industry and agriculture;

-Breaking through the limitation of traditional agriculture that is isolated from urban area or has a clear boundary from urban area, to realize integrated economic development in urban and rural areas, so that to use the resources in urban and rural areas together;

-Breaking through the limitation of traditional agriculture on department's separation, overlap management, lagged service, to set up an overall, responsible management and serving system.

-Breaking through the limitation of blocked, low efficient and semi autarky of traditional agriculture, to realize the use of local advantage and circulation of agricultural products.

Actually, modern agriculture contains the following meaning:

-Modern agriculture is the way to guarantee grain security. Since agricultural revolution began in England in the last early 19th century, and chemical fertilize, agricultural machines were invented later, modern agricultural has been of great help in alleviating hunger from the world, though the world population increased from 2.5 billion in 1950 to 6 billion in 2000 (Prasad, 2005, p.252). In recent years, gross grain production in China has been increasing, but the number is limited; per unit agricultural output has been increasing, but the increasing range is limited too; the income on grain production has been declined. The potential for increasing grain production is limited. In order to increase grain production and maintains its health growing, we need not only good and benefit agricultural policy, but also agricultural science and technology.

-Only when modern agriculture developed, can the competitive power of agriculture be improved. With the entering of WTO, international agricultural market will bring a lot of pressure on price and quality of agricultural products in China. Agriculture in

China must improve its own competitive power so that it can survive in the new situation. Meanwhile, agricultural export can benefit rural employment, increasing farmer's income, optimize agricultural structure in its special advantage. According to the calculation, per 10000 USD agricultural exports can produce 28 jobs directly or indirectly (Cheng, 2000). In return, it will promote modern agriculture and rural development.

-Modern agriculture is an important way to increase farmers' income. Recent survey shows that in 2005, income for crop farming is only account for one third of the farmers' net income (ibid). Non-agriculture income is getting more and more ratio in farmers' income. By agricultural mechanism, new science and technology application in agriculture, agricultural income will increase. Modern agriculture is the only way to increasing farmers' income by agricultural production. It is also the important way to maintain agricultural production, promote agricultural development and support national economic development in high speed.

The development in China faces the pressure of both over population and limited resources. In 1994, an American scholar Lester Brown published a book "Who will feed China" in which addressed a very sharp question. In present China, the continue growing population and existing limited land becomes sever conflict. According to the data of MLR of China, in 2006, total cultivated land in China is 121.8 million ha, per capita cultivated land is only about 0.09 ha (1.39 mu), can not reach the 40% of the world average level. In which, middle and low productivity land is account for more than two third of the total land. How to use present resources integrated so that to achieve most effect? Modern agriculture is a good solution.

The rural working conference of China concluded on Dec. 23rd 2006, highlights clearly that the one of the main goal of rural development is to achieve modern agriculture. Actually, rural development requires promoting agricultural productivity, improving farmers' income and living condition, it is also the requirement of modern agriculture.

2.3.2 Requirement of Economic Development

Rural development nowadays has become a corner stone in economics in many countries, even in Europe. It has become a way that secures the viability of farms and maintains, or even recreates a "living countryside". Though the natural situation, economic situation and agricultural activities are so different between country to country, rural development practices are showing so different in different nations and

regions, one common fact is that rural development has played an important role in farm's income. Take Europe as an example. In Germany, Italy, Spain and Ireland, rural development generated at least 45% of farm incomes and has become more important than commodity sales. In other countries, such as Netherlands, UK and France, 30-35% of the total income generated by farm households comes from rural development practices (Kinsella et al., 2006, p.236).

In China, rural development has only been partly carried out in its history. Such as in 1949 when the PRC was set up, central government carried out a series of policies on land tenure reform. It stimulated farmers' enthusiasm on agricultural production. After 1978, with the carrying out of "household responsibility system", grain production has been growing rapidly. Though recent years, agricultural income relatively slow down compare with other rapid developing industries, with the adjustment of agricultural structure and improvement of mechanization, agriculture will be play a more important role in economic development.

As an agricultural country, economic development in China can not only rely on urban area, but rural areas. To expand domestic demand is a long term strategy and basic start point of Chinese economy. The great groups of potential consumer in rural areas are the reliable and sustainable resources of economic development. By rural development, rural economic and farmers' income will be improved, so that potential purchasing power in rural areas will be realized, and rural economic will develop. Especially the infrastructural construction in rural areas, such as road construction, housing, water conservancy and communication system, will not only improve producing and living condition of farmers, but digest the over throughput of some industries, so that to promote the development of related industries

2.3.3 Requirement of Poverty Reduction

More than 1.3 billion people are compelled to live on less than one dollar a day. More than 800 million people are hungry, and the numbers may exceed one billion people by the year 2020 (WB, 1997, p.1). With the urbanization, many people will immigrate to urban area, but there will be still nearly three-quarters of the poor continue to live in rural areas well into the 21st century (ibid). In most of the rural areas, people's mainly income is still from agricultural activities. As natural condition, natural resources and distribution are so different, drought, floods, natural disasters are so common, it leads many rural areas very poor. According to the World Bank's statistics, of the nearly one billion poor identified in 59 poverty profiles completed by the Bank, 72% live in rural areas (ibid). Only when the living condition in rural areas being

improved, can the poverty reduction in the world be realized.

In China, the situation is not better. As a traditional agricultural country, China has about 727.5 million of population that live in rural areas, account for 55.1% of the total population (NBSC, 2007). Though with the rapid economic development, the number has been decreasing in recent years, it is still a high ratio. Meanwhile, most of the rural people's living situation is not good. If take 785 Yuan RMB as absolute poverty standard, there are about 14.79 million people ; take 786-1067 Yuan as low income standard, there are about 28.41 million people in rural areas until the end of 2007 (ibid). So, it is very clear to see that the poverty in rural areas is still a very serious problem in China. This is only mention the poverty in economic aspect. According to present overall standard, that is the poverty also includes the aspects of culture, sanitation, health and etc, then the poverty problem in China is more serious than the above number has shown. Rural development takes poverty reduction as one of the main tasks; it is the requirement of poverty reduction.

2.3.4 Requirement of Economic Revolution and Globalization

Nowadays, globalization has become a trend that nobody can avoid. Globalization may improve growth rates, increase productivity, enhance technological capability, but it cannot redistribute created wealth and income in favour of the poor (Bigman, 2002, p.27). Meanwhile, nobody can deny that globalization can transfer the advanced technologies and the opportunities to undeveloped countries.

In the rural areas of many undeveloped countries, constraints on land availability and declining land quality, together with the continued rise in the rural population, reduce the marginal product of labour in the traditional sector to near-subsistence levels and drive the surplus of unskilled labour to urban areas (Bigman, 2002, p.31). This will incentive the production increasing in labour-intensive industries. Meanwhile, the rising demand for labour in this sector would gradually absorb the unemployed people in rural areas. Over time, poverty reduction and income inequality can be reached. Though the realistic situation in different countries and areas are varied, highly capital intensive industries may not totally absorb all these unemployed persons, skilful workers that after special training are always needed. It can be solved by human development that is a part of important contents of rural development strategy.

With the entrance of WTO, agricultural products in China can not avoid the violence competition in the international market. In China, agriculture is still weak compare with many developed countries. As agricultural scale of operation is small,

infrastructural construction is far behind, the level and investment on scientific field is low, the general capacity of agricultural compare with international market is low. Facing the new situation, the adjustment of agricultural structure, the training and education of the farmers are all required. Rural development strategy is just right to meet the need.

2.3.5 Requirement of Overall Modernization

In fact, many countries' economic development and modernization are closed related with agriculture, especially for some developing countries. Developing countries are very largely agrarian societies, with agriculture as the primary driving force of economic and social development. It makes a substantial contribution to the national domestic product, as well as support industries' development. Agricultural growth stimulates economic growth in non-agricultural sectors, which results in increased employment and reduced poverty. An adequate linkage of the rural and urban economies through the food marketing system is essential to foster growth across the national economy and sustainable growth of the rural economy (WB, 1997, p.2). Take China as an example, the economic growth rate of 9.5 % during the 1980s and 1990s was preceded by rural and agricultural policy reforms in the late 1970s and early 1980s (ibid).

In world extend, rural areas are the home of more than 80% of the population of the developing countries and about 75% of the people living in absolute poverty (Kohlmeyer et al., p.9). In 1999, the number of chronically undernourished people in developing countries was estimated to stand at 790 million, the majority of them lived in rural areas (ibid, p.10).

In China, the situation is more typical. China is a traditional agricultural country that agriculture maintains as a support of national economy in the history. The rural population constituted 84.61% of China's population just before national wide communization in 1957 and 73% in 1996 after eighteen years of economic reform (Chen, W, 1999, p.13). In short, there are two third of the population in China live in rural areas at present. It's similar to the overall world situation that most of the people living in rural areas are very poor. According to the statistics published by the National Statistics Bureau of China, in the end of 2007, there are 14.79 million of absolutely poor people and nearly account for the 2.0% of the total rural population.

Since the end of 1970's, economic reform was first carried out in rural areas of China. It soon spread out from rural to urban areas. After thirty year's economic reform, the

overall economic situation in China is improved and people's living level is going up. But it's clear to see that not all the people can share the achievement. Most of the inner land area and rural areas are still maintain almost the same level as before or just made a little bit change. The gap between the rich and poor not only disappeared, but is widening all the time. According to the statistics of National Statistics Bureau of China, in 2001, per capital net annual income in rural areas is 2366 RMB Yuan. But at the same time, per capital net annual income in Shanghai, Beijing and other big cities have already been over 10,000RMB Yuan. In 2002, per capital income in urban area is 3.11 times of the income in rural areas (Fu, 2004, p.3). If considering all the social resources and public infrastructure, the gap between rural and urban should be even bigger. In such situation, without the modernization and becoming rich of two third of the population, how China achieve the national modernization, becoming a rich and powerful country?

In rural areas of China, due to lack of infrastructural construction, water supply system and technical application, agricultural productivity is very low. According to the publication of the National Bureau of Statistics of China, after nearly 20 years of agricultural reform, the gross grain production is growing from 304 million ton in 1978 to 508million ton in 1999. In 2005, it was 484million ton. It's obviously to see that further agricultural productivity is limited in a way. Meanwhile, increasing agricultural production is not only necessary for agricultural modernization, but necessary on poverty alleviation as well. According to the publication of The World Bank, one percent increase in agricultural GDP per capita led to a 1.6 percent gain in the per capita incomes of the poorest one fifth of the population in 35 countries analyzed (WB, 2003, p.19). 10% increase in crop yields leads to a reduction between 6% and 10% of people living on less that \$1 a day (ibid, p.41). In short, one country's overall modernization can not lack of rural development.

2.3.6 Requirement of Social Stability

Rural development is also a means to realize social equality, reducing vulnerability, narrow the gap between the rich and poor, so that to maintain social stability.

Chinese farmers are very hard working group in the world and the contribution is great to China's economic booming. Since the mid-1980s, Chinese peasants have contributed enormously to China's becoming the fastest-growing economy in the world. Between 1980 and 1993, about 30 percent of China's increase in general social output value, 35 percent of the increase in national industrial output value, and 45 percent of China's total export were due to Chinese peasants (Chen, 1999, p. 101). In

contrast to their contribution, they have been living in a very bad condition for long term.

In many areas, farmers' burden is very heavy and the relationship between farmer and local government are intense. Different kinds of taxes and fees lead farmer complain so much. Since 1978 Chinese government began to carry out "Household Responsibility System", the payer became changed from per capital to per family. All the money goes to support the cost of the local government. Until 2002, there are many kinds of different taxes and fees charged on farmers, such as the tax levied by central government (agricultural tax, special production tax, cultivated land occupation tax, livestock killing tax and etc.), by local government (fees for township government's administration, such as birth control, school construction, transportation construction, the fees for village use, such as village owned enterprises, water infrastructure construction, village administration fees and etc.), other local fees levy, such as married registration fee, road construction fee, house construction fee, newspaper booking fee and insurance purchase fee that forced by different administration organization. Except the above list, farmers had to pay extra invisible money, such as free labour for flood control, road construction and tree planting. Though in China, central government provides nine years' compulsory education system, the short of money situation also need farmers to pay for their children on water, electricity, school construction, exam fees and etc. So many taxes and fees led farmers could not suffer anymore, the relationship between farmer and government become intensified. With the cancelling of the agricultural tax in 2006, such severe is released. But the fact is that a big amount of tax that in default should be collected. It still cost many work and still a difficult work to be finished for the local officials.

Besides, though central government call on for primary agricultural land protection, for their own interest, local government still occupied agricultural land illegally. According to the statistics published by Ministry of Land and Resources, since the application of new "Land Administration Law" seven years ago, there are more than one million illegal land use cases that covered more than five million Mu (about 333,333 ha). According to the land use survey by the MLR, until 2005, there is only 1.831billion Mu (0.122billion) agricultural land in China, and nearly reaches the primary agricultural land amount required by "11th five year plan".

With the application of household responsibility system, 30 years' contract faces a new challenge. The former land allocation is facing the reallocation. On the one hand, from the very beginning, central government promised that the contract will last 30 years without change; on the other hand, many farmers' family who didn't get land for

the new comer to a village caused by marriage, new birth or other reasons need land to be allocated before the end of use term. Land conflict becomes severe. The increasing appealing case regard to land expropriation, compensation and land use contract become a number one problem to Chinese government regards to agricultural field.

Though more than 30 years' reform changed people's life dramatically, life in rural areas is still far behind urban areas. In 2005, average farmer's income is 3255 RMB Yuan, urban citizen is 10493 RMB Yuan, and relative different is 3.22:1. The worse thing is that the different is getting bigger compare with the initial stage of reform when the income of most people was very low. In 1978, average farmer's income is 134 RMB, but average income of urban citizen is 343, relative different is 1:2.57 (Li, 2008).

Present land expropriate system is also a problem. In China, land can be divided into two types: state owned land and collective organization owned land. Usually, the land in the rural areas belongs to the collective organization. But in fact, such land is not owned by farmers. Farmers only own the right of using land. According to the present land administration law, primary agricultural land can not be used for construction purpose. But collective owned construction land can be sold only when it been transferred into state owned land by expropriation with compensation. During this process, some local official misused right, by cheating farmers and higher level governments, they even sold some agricultural land for construction purposes with very low price and compensate farmers a little bit. Many farmers were forced lose their land that the only living resources for them. Meanwhile, some local official got private money by such illegal action.

One social science research group of the Chinese Social Academy did a research about rural social situation. The research shows that land conflict has become a main issue that impacts the current social stability and economic development in the rural areas.

They made a special statistical analysis towards telephone call of one of the central media. From 1st January to 30th June in 2004, the media received 62,446 calls, in which 22,304 were related to rural issues, accounting for 35.7% of the total calls and become the No.1 problem. Among the 22,304 calls, 15,312 were related to rural land issue and accounted for 24.5% of the total calls, bringing the number of calls regarding rural issues to 68.7% of the total calls.

They also analyzed 20,000 letters another media got since August 2003. In the 4,300 letters that had been dealt with, 1,325 letters were related to rural land conflict, accounting for 30.8% (Yu, 2009).

Regards to the questionnaires to the 720 farmers who appealed for help in Beijing, the capital city, since June 15th to July 14th 2004, they got 632 valid questionnaires in which 463 are related with land conflict, account for 73.2 % of the valid questionnaires.

In the 130 cases of mass attacks that happened since 2004, collected by the research group, there were about 87 cases caused by land conflict, accounting for 66.9% of the total cases (ibid).

Chinese central government has already realized the serious problem and tried to find a way through. In a national work conference convened on October 26-31, 1994 by the CCP Central Committee and participated in by all provincial governors and Party heads and concerned government departments, Chairman Jiang Zemin pointed out that the farmer's issue direct affected China's stability, the CCP's position as a party in power, and the success of China's modernization program (People's Daily, overseas edition, Dec.27, 1994).

2.3.7 Requirement of Future Development

With the trend of economic globalization, as the most popular country, China can not avoid the challenges from economic, social and ecological ranges.

More than 30 years' economic reform and opening up, China's economic situation has improved a lot. But review the economic development situation, China's economic increase mainly relies on international trade (export) more than domestic market. Economic developed areas in China are mainly labour intensified industry. It's very fragile to the change of international market. Such situation also becomes an obstacle to Chinese future development. Actually, the most populated and powerful potential consume group are from rural areas. It is the most reliable and sustainable resource for Chinese domestic economy. With rural development, two third of the Chinese population can improve their condition, such as living, infrastructure, electronic communication public transportation and so on and it can also boost the development of related industries and improve employment. The huge domestic market not only benefit China itself, but to the neighbouring countries and all over the world as well.

In CCPCC's 16th congress, central government called on that China will develop itself as an industrial country in the future. The main meaning for it is that to develop high tech industries, using high tech industries to instead substitute traditional industries. The trend is that capital and technical will substitute a lot of labour. A large sum of labour will lose the opportunity in the future. The main over surplus labour will certainly not be the young people from universities and special training school, but the farmers who are lack of education and training in rural areas. By the end of 2004, there are about 900 million farmers among 1300 million Chinese. Among the 900 million, there are 500 million rural labours. Considering the 1900 million Mu agricultural lands only need 150 million labours, the surplus labour in rural areas is not less than 350 million. Except for the 100 million people that working for non-agricultural field, the real surplus labours should be over 250 million (Zou, p.44). All these labours will certainly go to urban area in which the employment situation has already been so severe. Rural development is a good way to attract the farmers in their homeland, so that to release the pressure in urban area and to guarantee the industrialization.

In the long term of period in the past, Chinese government carried out a series of unfair policies that sacrificed rural areas and farm's interest to support industry and urban development. It includes not only economic policies, but also the social politic policies.

Regards to economic field, before economic reform, the policy of "agricultural supporting industry" is mainly by the means of price difference between agriculture and industry productions. After economic reform since 1980s of 20th century, such difference is reducing. But at the same time, three new differences come out.

First, there is difference in financial loan. At present, the formal financial organizations are seldom providing financial support to rural areas. Most of the deposit they got from the rural areas flows to urban area. According to the statistics published by State Statistics Bureau, in 2003, the deposits come from rural areas is account for 18% of the total deposit, but the loan that went to rural areas was only 5% of the total loan being distributed (Wan, 2006).

Second, there is difference between land expropriations. According to the relative regulation, real estate land use should be expropriated by government first, then go to land market later. But the present situation is: the difference character between state land and collective owned land lead to the big price difference between the two types' land use. The extremely low expropriating land price and compensation to farmer

become an obviously contrast to the high selling price in land market.

Third, there is a big different payment between immigration worker and urban citizen. Some surveys show that the difference of average month payment between immigration worker and urban citizen is 300 RMB in 2004. Assuming that there are about 120 million immigration workers working in urban area, the amount of the different income between immigration workers and urban citizens would up to 1000 billions (ibid). In fact, the data does not include the welfare and social security parts that only urban citizen can get at present.

In short, all the existing phenomena will become obstacles of further development in China if they would not be solved on time.

2.3.8 Requirement of Environmental Protection

After the Second World War, traditional agriculture has changed dramatically. With the application of new science and technology, especially since the advent of the Green Revolution, modern agriculture has been striving to feed and clothe the ever increasing multitudes of the human species through improved technology, relying heavily on tremendous input of fertilizers, pesticides, and various other agrochemicals (Rosen et al., 1997, p. xi). Although these changes have had many positive effects and reduced many risks in farming, there have also been significant environmental deterioration costs, such as topsoil depletion, underground water contamination, air pollution, excessive exploitation of forests and open lands, continued neglect of the living and working conditions for farm labourers and etc.

The situation attracted a lot of concern in the past two decades. Many people began to doubt the influence of agriculture and therefore, sustainable agriculture and bio-agriculture concept were addressed.

As Zilberman (1997,p.556-559)addressed that sustainable agriculture neither means that “back to the past” has no future, nor “command and control”, that means farmers are greedy, they don’t care and don’t know the important of environmental protection during agricultural process, so that they need experts or scientist to teach or controlling. He pointed out that sustainable agriculture should include four objectives:

- efficiency, namely, more is better than less
- equity, more even income distribution is preferable to less even income distribution
- environmental quality
- safety

Schweisfurth (2004, p.24-25) pointed out that the aim of establishing sustainable agriculture and food production is to use human, natural, and technical resources to satisfy present demands without depriving future generations of the chance to make their own choices about how to use their resources. Ecological agriculture and food production are multifunctional. He concluded that there are five key dimensions in this respect:

- ecology and regional development
- health and consumer protection
- quality and the market
- technology and scientific foundations
- energy and renewable raw materials.

Bio-agriculture, as promoted by B.I.O. (Biotechnology Industry Organization), is a sustainable form of agriculture that combines elements of both traditional and modern methods. It produces food for all the people of the world without irreparably harming the environment or jeopardising the ability to feed future generations. Bio-agriculture promotes food security for everyone, minimises use of chemical inputs, promotes and protects soil quality, conserves water and energy resources, protects biodiversity, and contributes to the eradication of large-scale poverty.

Rural development emphasized that during the process of agriculture development, environmental will not be damaged. Rural areas should become a living place that attracting people. As sustainable agriculture and bio-agriculture have already become a trend of modern agriculture, they are certainly the important guarantee for environmental protection.

3 Conceptual Frameworks and Hypothesis

This chapter will explain the conceptual frameworks that back the research. In order to offer a clear explanation, the conceptual frameworks are divided into two groups: international conceptual framework and the conceptual framework in China. Based on the conceptual frameworks and theories in connection with rural development problems in China, a series of hypothesis are addressed.

3.1 Conceptual Frameworks

3.1.1 International Conceptual Frameworks

Sustainable Development

Since the 1970's, discussions on the "Limits to Growth" have led to a new economic theory, that of sustainable development concept. Sustainable development emphasizes that we need to change the traditional resources-based economies to technology-based economies; to consider social, economic, resources and environment in the round so that to achieve the harmonious development

"Our Common Future" issued by the World Environmental and Development Committee in 1987 defined "Sustainable Development" as the development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs.

Agenda 21 declared at the Rio Janeiro Earth Summit in 1992 strongly emphasized the need for sustainable development. Regards to social and economic dimensions, the following aspects such as combating poverty, changing consumption patterns, population and demographic dynamics, promoting health, promoting sustainable settlement patterns and integrating environment and development into decision-making are all related closely with rural development. To realize these final goals, rural development will play a key role.

China as the country with the most population in the world, should take the responsibility to ensure world harmony and development. China is committed to the implementation of China's Agenda 21 which provides a strategy framework for China to achieve its sustainable development. In 1994, China signed "China's Agenda 21" during the UNDP conference held in Beijing and shows the decision and common view towards world common future. China's Agenda 21, a White Paper on China's population, natural resources, environment and development forms the blueprint for

China's future development. China's highest priority is transforming the traditional economic development pattern from one that emphasizes quantity into one that emphasizes quality of development during China's transitional period in order to establish a market driven, energy and resource efficient economy. It also means that sustainable development has become a guideline for long term development and a development strategy in 21st century of China

Prior to the crisis, the depth of poverty had been reduced in almost every region

Poverty gap ratio at \$1.25 a day, 1990, 1999 and 2005 (Percentage)

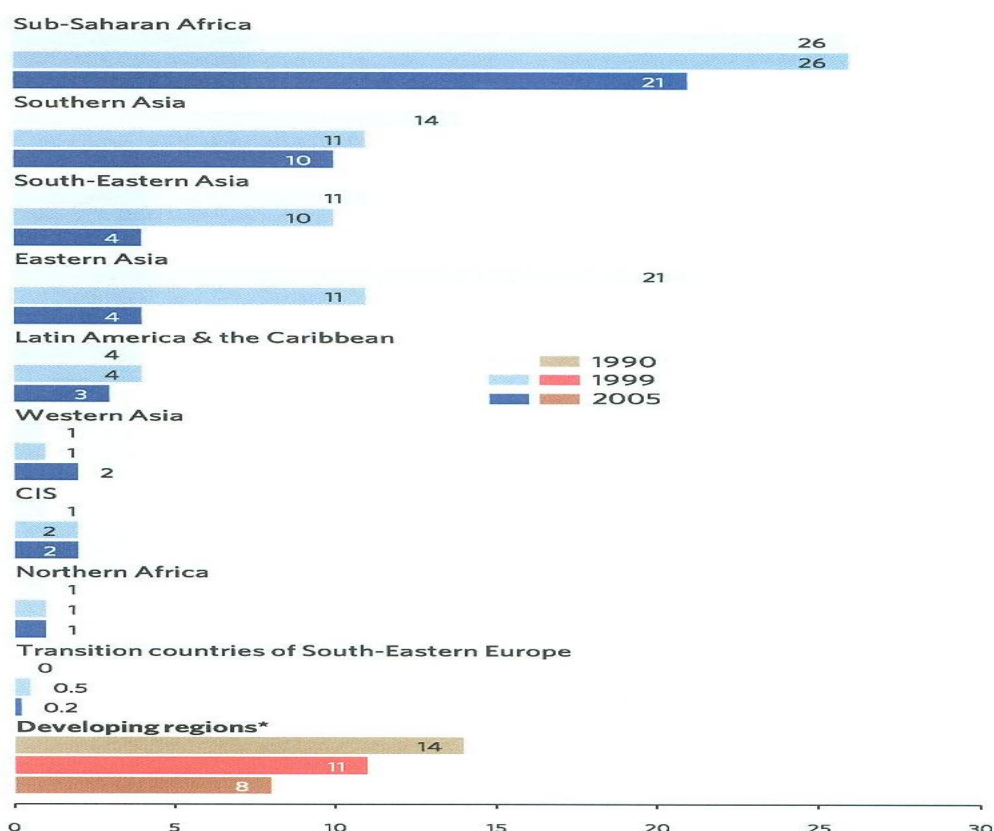


Figure 5: Poverty had been reduced in the World
Source: UN, 2009, p.7

In the Millennium Development Goals Report published in 2008 in New York, China was praised as being “successful on more than halving the proportion of underweight children between 1990 and 2006” (UN, 2008). In the report in 2009, it mentioned that the number of extreme poverty fell from 1.8 billion in 1990 to 1.4 billion in 2005. As a result, those considered extremely poor accounted for slightly more than a quarter of the developing world’s population in 2005, compared to almost half in 1990. There was a dramatic fall in the poverty rate in Eastern Asia-thanks in large part to rapid economic growth in China, which helped lift 475 million people from extreme poverty (UN, 2009).The achievement on eradicating extreme poverty and hunger in

the past several years shows the contributions by the Chinese government to south-east Asia, or even the whole world (see figure 5).

Institution Construction

The goal of institution construction is good governance. According to the definition provided by UNDP, with the label of “sound governance”, good governance should have the following factors (UNDP, 1995):

- political legitimacy
- freedom of association and participations
- a fair and reliable judicial system
- bureaucratic and financial accountability
- freedom of information
- efficient and effective public sector management
- cooperation with institutions of civil society

UNDP (1997) in a policy document highlights the characteristics of good governance as the following 11 points:

- participation
- rule of law
- transparency
- responsiveness
- consensus orientation
- equity
- effectiveness and efficiency
- accountability
- strategic vision
- subsidiarity
- security

Nowadays, governments are under pressure to respond to the demands of their citizens and to the increasing complexity and change in their global environments. On the one hand, they need to tackle a number of complex social and economic issues, including poverty, the spread of diseases, unemployment, poor education systems and environmental degradation. On the other hand, they need to readjust their policies and skills to effectively integrate into the world economy (Alberti et al, 2006, p. 1). The challenge is more severe for the developing countries, especially the country during the period of economic transition.

The World Bank highlights that good governance and institutions are indispensable for sound rural development; poor governance inhibits development. Over centralized

institutional structures characteristic of many government administrative systems also sap the effectiveness of development investments and policies (WB, 2003, p.xviii).

According to FAO, good governance should include features such as accountability, political stability, government effectiveness, regulatory quality and the rule of law, as well as control of corruption. It means that government is well managed, inclusive, and results in desirable outcomes (FAO, 2007, p.6).

UN-Habitat has argued that good governance should result in an impact on the welfare of the citizenry so that no individuals can be denied access to the necessities of life, such as adequate shelter, security of tenure, safe water, sanitation, a clean environment, health, education and nutrition, employment, and public safety and mobility (UN-Habitat, p.9, 2002). Another research by Kaufmann identified six groups of indicators of the process of governance (Kaufmann et al., 2006, p.1):

1. voice and accountability, showing the extent to which citizens are able to determine how their government is selected
2. political stability and the absence of violence
3. government effectiveness
4. regulatory quality
5. the rule of law
6. the control of corruption

Just as the UN “Millennium Development Goal” argued that to realize the goal of development and poverty eradication depends on good governance within each country (UN, 2000). Good governance or institution construction is very important for economic and social development.

China’s development history is long and unique. There are no exact experiences or models for China to copy in regards to rural development. Integrated rural development is also a very new term for China. There are many new situations and problems to come out. Present institutions, policies and administrations have already demonstrated that many problems cannot totally fit the rapidly changing situations and demands of the people and society. China must continue to modify, complete or adjust the policies or structures to match the demands of future development. Good governance is the guarantee of rural development.

The Economics of Being Poor

“The Economics of Being Poor” is the theory created by Theodore William Schultz,

an American Nobel economic Prize winner.

In his Nobel Prize Lecture Schultz (1979) summarized the motivation for his research as: Most of the people in the world are poor, so if we knew the economics of being poor, we would know much of the economics that really matters. Most of the world's poor people earn their living from agriculture, if we knew the economics of agriculture, we would know much of the economics of being poor.

What we have learned in recent decades about the economics of agriculture will appear to most reasonably well informed people to be paradoxical. We have learned that agriculture in many low income countries has the potential economic capacity to produce enough food for the still growing population and in so doing can improve significantly the income and welfare of poor people. The decisive factors of production in improving the welfare of poor people are not space, energy and cropland; the decisive factor is the improvement in population quality.

Professor Schultz was the first scholar to systematize the analysis of the influence of investment in education on agricultural productivity as well as on productivity within the economy as a whole. With a sure eye for the limitations of the method, he has defined and measured the size of educational capital as the cumulative total of investments in education.

China is not only a developing country, but it is also a traditional agricultural country. Farmers account for more than 70% of the total population and most of the low income people living in the rural areas. Different natural conditions, resources' distribution, and even policy incline can influence economic development. It is bad economics to attribute the lot of poor communities to indolence, to a lack of thrift, or to a lack of economic efficiency in allocation their resources (Schultz, 1993, p.6). With the improvement of agricultural productivity, infrastructure construction, social security and welfare system, education and etc, the overall economic development in rural and urban, in different areas is possible. Without the rural modernization, there will be no modernization in China. Rural development in China will be the practice of "The Economics of Being Poor" in China.

Dual Economics

In 1954 British economist Sir Arthur Lewis published a paper on 'Economic Development with Unlimited Supplies of Labour', which spawned a whole literature on 'dual economies' – small, urban, industrialized sectors of economic activity surrounded by a large, rural, traditional sector, like minute islands set in a vast ocean –

and put its stamp on the character of development economics for decades to come. As a leading figure and pioneer in developing country research, Lewis tackled issues which are basic to the causes of poverty among populations in the developing world and to the unsatisfactory rate of economic development while setting up two famous theoretical explanatory models. He argued that there is an agricultural sector functioning on traditional lines and primarily based on self-support which engages the labors of the greater part of the population, and a modern market-oriented sector primarily engaged in industrial production. The driving force in the economy stems from the latter sector, which expands with the support of unlimited supplies of labour by migration from the agricultural sector, and workers accept the low wages corresponding to the living standards and conventions in an underdeveloped agriculture. The profits in the modern sector ("capitalist sector") create the growing savings which finance the capital formation for expansion. When the supply of labour is still going on, the productivity in traditional sector is almost stopped. The productivity of traditional sector can only develop after over surplus labours have been absorbed by the modern sector. Traditional sector is secondary and dependent while modern sector is primary and the leading part (adopted from Lewis, 1954).

But his theory is only based on the condition that without unemployment and maintaining the same salary and ignoring technology development. Moreover, at the initial stage of addressing the theory, he only focuses on the development of industry but ignores the importance of agriculture in industrial development and the development of agricultural productivity can lead to labour immigrated to industry. Later, another two American economists Gustav Ranis and John Fei developed this theory (1961, p.533-565). They highlighted that Lewis' theory actually only mentioned the first stage of labour transfer from agricultural to modern sector. The second stage is that the transfer of labour leads to shrink of agricultural sector. The salary in modern sectors began to increase and agricultural product then falls short of supply. Agricultural sector has more advantage during the trade. At the third stage, traditional agricultural sector will be certainly improved to modern agriculture. The theory explains that improving agricultural productivity is very important for the surplus rural labour to immigrate to the industrial sector; the increasing of agricultural productivity is the guarantee for industry development and the immigration of surplus agricultural labours (Qin, 2006).

Dual Economic is a typical theory on industrialization and transferring surplus rural labours of developing countries. Actually, dual economics exists in any developing country, but in China, it is more obvious. Due to special social and historic situations, agriculture and rural areas are the most part of China. With the special policy, such as

Hukou, the differences between rural and urban areas are bigger and bigger. It leads directly that many over surplus in rural areas, rush to urban areas to work. As the most populous developing country, one of the key issues on the rural development of China is how to solve the employment of surplus labour in rural areas. According to this theory, after most of the surplus agricultural labour has been transferred to the industrial field, agricultural productivity can be realized. Whereas, the developed agricultural productivity is a guarantee for industry with its over surplus labours. In this way, agricultural and industrial fields will develop mutually. This theory provides a good reference to China's rural development. Meanwhile, China still needs to modify and explore its new way.

Land Tenure System

Land Tenure can be defined as the mode by which land is held or owned, or the set of relationships among people concerning the use of land and its products. Property rights can similarly be defined as a recognized interest in land or property vested in an individual or group and can apply separately to land or development on it. Rights may cover, inter alia, access, use, development or transfer and, as such, exist in parallel with ownership (Payne, 1997, p.3).

UNCHS (1996, p6) describes that tenure security as an agreement between an individual and group to land and property which is governed and regulated by a legal and administrative framework. The security derives from the fact that the right of access to and use of the land and property is underwritten by a known set of rules and this right is justifiable.

In the rural areas of most developing countries, land is not only the primary means for generating a livelihood, but is often also the vehicle available to accumulate wealth and transfer it between generations. So the ways in which access to this resource are regulated, land rights are assigned, and conflicts around land ownership are resolved have broad implications beyond the sphere of agricultural production (Deininger et al., 2001, p.407).

In fact, different counties or societies have their own different land tenure system depending on their own values, interests and the legal constitution. The property rights are seen as a bundle of rights because the rights to land are tied up with a set of duties, charges, fees and restrictions of all kinds (Choguill, 2000, p.226).

Baharoglu (2002, p.23) argued that "a person or household can be said to have secure tenure when they are protected from involuntary removal from their land or residence,

only in exceptional circumstances, and then only by means of a known and agreed legal procedure, which must itself be objective, equally applicable, contestable and independent”.

Land tenure systems in China have experienced many changes following the changes of reign system. In a long term of history, China was a feudal or a semi-feudal and semi-colony country, land was owned by small group of people. Most of the farmers only lease land or work for the land owner. After the setting up of P.R. China in 1949, land was distributed to farmers by government but this only lasted a short time. By 1958, land was concentrated as collective owned and farmers only worked for the community, sharing the output together. This lasted until the end of last 70's when the house hold responsibility system (HRS) was carried out, and farmers began to have 30 years' land use right coupled with being able to decide on how to use the agricultural land by themselves. The HRS in China experienced improvement during the past 30 years from inciting agricultural productivity to reveal shortcomings on land tenure. Many years' of development and experiences proved that land tenure is an important factor that decided agriculture development and rural development situation.

Central Place Theory

It was first addressed by German geographer Walter Christaller in 1933. The theory suggests that there are regulations determining the number, size and distribution of towns. He assumed first of all that there was a boundless and homogeneous plain with soil fertility and other natural resources being the same in all parts of it. This plain was settled uniformly, and the farmers everywhere had the same levels of income and the same demand for goods and services. Travel across the plain was equally possible in all directions, and the costs of travel and of transporting goods were a function only of the distance travelled. Consumers would travel only to the nearest central place that provided the goods and services that they demanded. He assumed that a well-developed urban system with one large city, a smaller number of towns, and a large number of villages and hamlets already existed in his hypothetical region.

The cornerstone of Christaller's theory was the idea of a functional interdependence between a town and the surrounding rural areas. He argued that population alone couldn't measure the significance of a town. The focal point of Christaller's attention was the central place with its central goods and services (King, 1984, p.28-37).

3.1.2 Conceptual Framework of China

The Two Developing Stage Theory

In September 2004, Chinese president Hu Jintao addressed in the 4th session of 16th

people's conference about the theory of "two trend". It points out that reviewing the development process of many industrial countries during the initial stage of industrialization, it's very common that agriculture supports industry. But when the industrialization reached a certain level, it is also a very common phenomenon that industry supports agriculture, urban areas supports rural areas.

After the setting up of P.R. China in 1949, in order to develop economy, the Chinese government insisted on the system that agriculture supports industry to promote heavy industry development. The development of agriculture and industry was very much unbalanced and a "dual track" structure was formalized in the national economy, and industrialization was pushed forward somehow under the sacrifice of agriculture and the peasants (Long et al., 2009, p.2). Chinese farmers contribute a great deal to industrialization. Since opening up and economic reform began in China 20 years ago, the overall economic situation has been improved and now it is time for industry to support agriculture in turn. In the new century, the average GDP in 2003 had already grown to over USD 1000, urbanization ratio had reached 40.53%. According to the statistics published by Development and Research Centre of State Council, in 2005, the production structure between agriculture and non-agriculture is 14:86, urbanization has reached 43% (Fu, 2006, p.9). All the index show that China has already stepped in the medium stage of industrialization and is now mature enough for the industry to support agriculture.

Another rural development expert Zeng Yesong the secretary-general of rural problem research center, points out that by over viewing China's development process, China is just entering the stage of industry supporting agriculture, urban areas support rural areas. Most of the countries in the world have passed such a period in the history during industrialization. At the beginning of the transfer from agricultural country to that of an industrial country, the country can only get money from traditional agriculture at the initial stage. With the industrialization developing to middle stage, urbanization and industrialization is speed up, urban support rural areas and industry support agriculture becomes an unavoidable trend (Zeng, 2006).

Many other countries' experiences show that nowadays, China is on the key moment of an economic development period. Different social conflicts are intensified. The terribly weak agricultural basis combine with farmer's low income, undeveloped rural areas, lack of education and health care, undeveloped infrastructure and lack of social security system in rural areas will seriously impact the overall social development and stability. The "Two development stage theory" clearly identifies China's historic development stage and becomes the development strategy for China at this special

historic moment.

Theory of Harmonious Society

The theory of “setting up harmony society” was addressed during the 4th session of 16th people’s congress in 2005 by Chinese central government. The main content of “harmony society” theory actually includes four aspects:

1. Different social resources, such as different ethnic groups, parties, religious can stay together and develop together;
2. Social structure should be reasonable. Social structure that means population structure, nationality structure, family structure, regional structure and etc. should be reasonable;
3. It should be a legal society. Social moral rule and other regulation should be the guideline of human activities;
4. We should have a suitable method to allocate the natural resources so that all the social parts can benefit equally by the social development.

Reviewing more than 30 years’ reform and opening up, Chinese economy has been developing at a rapid pace. The overall living standard in China has made a great progress. But social problems have arisen at the same time. Most of the social fortunes go to a few people, with the gap between the rich and poor, especially the gap between rural and urban area is becoming large and more noticeable. According to a UN report in 2006, 10% of the population in China own 41.4% fortune of the society which is lower than the 44% difference in Germany, 56% in Britain, 61% in France, 69.8% in United States, 71.3% in Switzerland. But if considering the background of China’s development, the fortune accumulation degree has developed only within about 20 years based on equalitarianism, now the Gini coefficient of 0.4 is still making people worry (Lu, 2006). That is why in China, people’s feelings toward such as uneven fortune distribution is so strong. Nowadays, social conflict is becoming severe. It shows especially serious between rural and urban areas. How is it possible to allocate social resources reasonably and yet make the reform achievements and economic developments benefit all of the different social parts in present China? How is it best to set up a harmony society in China? Rural development is a right way to solve such problems. By rural development, the central government can enforce the rural infrastructure construction, education, health care and social security systems, so that to eliminate poverty and realize the overall development of the whole society. This is also a key point for maintaining social stability.

Scientific Outlook on Development

Rural development is the requirement of scientific outlook on development theory. It was first addressed in 3rd session of 16th people’s congress in October, 2003. *The*

main content of this theory is that insist on people first, overall, harmony, sustainable development, so that to promote the overall development of economic, social and human being. In fact, the Scientific Outlook on Development should be more understandable named as Overall Development. It emphasizes integrated urban and rural development, integrated regional development, integrated social economic development, integrated people and nature development, integrated domestic and international development. In details, “people first” is to take most of people’s advantage as priority, to meet the people’s need in different aspects. “Overall” means that economic development should be accompanied with the development of social civilization. “Harmony” means the development between rural and urban area, different regions, domestic and abroad should match each other. “Sustainable” means to deal with the relationship between economic development and population growing, resources consuming and environmental protection. It is becoming more and more important and has been added into the Constitution of Communist Party of China in 17th National People’s Congress (2007).

According to the theories, people’s basic need should be considered first, and people, no matter in rural or urban area have the equal right to share the resources and benefit from our common society. The uneven development between rural and urban area is obviously not matched with the theory.

Rural areas are the main part of China with farmers accounting for two thirds of the national population. Rural development means to take the advantage of most of the people as priority. Only when the rural economic developed, can society be developed evenly, only when rural people’s living situations are improved, can the harmony and balance of the social development be reached. Otherwise, social development will show unbalanced with social conflicts being unavoidable. It certainly causes the social instability or even possible violence.

Small Town Development Strategy

Small town development in China mainly began in the last 90’s. As an agricultural country with primarily a large rural population, small town development can not only aid for rural infrastructural construction improvements, but is certainly a main measure for solving the problem of over-surplus labor from the rural areas.

The small town development theory in China is a typical Chinese town development theory that based on existed western experiences as Central place Theory. As a centralized country, policy plays an important role in urban and rural development in China. In China, the research in term of rural urbanization development has divided

into two groups: one group is mainly focused on how to offer the suitable policy for rural urbanization according to the need, such as “Policy and Practice of Small Town Development” by project team of research office, State Council-1994; “System and Innovation of Urbanization in China” in 1999 and “The Research on Farmer Worker’s Citizenized” by Liu Chuanjiang; “System Change and Policy Analysis on Small Town” in 2003 by Zou Bing and etc. Different from the above group that mainly focuses on what system and policy rural-urbanization need, another group is mainly focused on the detailed urbanization policies, such as Hukou policy, land policy, employment and social security policy, etc. “Go to City: Social Security of Farmer Worker” by Lu Haiyuan (2004), “Land Use Research on Urbanization Process” by Song Ge (2005), “The Survey of Farmer Worker in China” by research team of State Council Research Office (2006), “The Problems of Migrated Workers in Urban Area of China” by Zou Xinshu (2007) are the represent research work. No matter what they focus on, they both agree that small town development is a trend. In no long time development, China continually faces new problems such as unlimited and aimless land expropriation, un-updated land planning, low infrastructural construction and lack of investment. In practice, how to avoid the problems of mega city, how to construct reasonable centre according to purchasing power and service function, how to use the development of centre to influence and promote rural development, central place theory is a good reference.

Small town development should not only focus on town’s construction, but should also consider economic, social, cultural and environmental developments together; consider integrated rural and urban development; consider sustainable development, that is, during the small town development period, should insist on the policy of agricultural land protection, consider environmental protection in rural areas, stop the pollution and environmental damage activities.

Meanwhile, small town development in China has its typical Chinese feature, cannot copy any example abroad. During the development period, Hukou (residential registration) administration system, rural labor’s training, and local township enterprise’s development are all the important aspects need to focus.

3.2 Hypothesis

Based on the existing problems in China, the concerning policies, definitions and rural development significances, the above conceptual frameworks, seven hypotheses are offered as follow:

1. Improving farmers' living and production conditions not only relies on increasing agricultural productivity, but also requires rural infrastructural construction, environmental protection, training and education for the rural population.

Existing rural problems show that rural development problems are closely related with low agricultural productivity, poor rural infrastructural construction, poor environmental situations and the lack of training and education of rural people. *Sustainable Development Theory* and *The Poor's Economics Theory* strongly support the importance of rural education.

2. The development of small towns' construction can help to solve rural problems.

Central Place Theory, *Small Town Development Strategy* and *Dual Economics* explain the importance of dealing with the problem of surplus rural labor and small town's development in China's rural development.

3. Narrowing the gap between rural and urban areas, reducing poverty in rural areas is the important work of rural development.

Scientific Outlook on Development, *Theory of Harmony Society* highlights the important on equality rural and urban, narrow the gap between the poor and the rich.

4. To clarify land tenure and protect farmer's interest is important factor in solving rural development problem. The land tenure can be various.

Land Tenure Security theory explains why to secure land tenure system is so importance for rural development and social stability.

5. The present administration institutions in China are un-adapted in a way and are in need of reform so that they can benefit rural development.

Institution Construction concept highlights that good governance is indispensable for sound rural development. Public participation, bottom up policy making system, avoiding overlap, and adjust institution function and etc are all the important aspects of institution construction. The management of rural development has to integrate all stakeholders into an integrated management system.

6. Rural and urban "dual track" is not suitable for the present development situation and needs to be changed.

The Two Development Stage Theory points out that the "dual track" system that used had existed in China for a long term has already hampered present rural development, and needs to be changed. It is now the time for industry and urban areas to support the

agriculture and rural areas.

7. The present approach of rural development in China is not actually integrated.

Rural development is not only the issue in one aspect, but it is related with many aspects. *Sustainable Development Concept* emphasize that rural development should consider economic, social, cultural and environmental aspects. *The Two Development Stage Concept* explains that after the industry and urban development stage, rural development becomes an urgent task consecutively. *Scientific Outlook on Development* is an overall development with integrated demands.

4 Rural Development in China

China is a country with 1.3 billion populations and covering 9.6 million km². After 1949 when the People's Republic of China was set up, big changes happened in China. The "Great Leap Over" in last 50s and "Cultural Revolution" in 60s-70s disturbed normal economic development, damaged national economic foundation in many ways. The economic reform that has been carried out since the end of last 70s in rural areas and in urban areas later has brought big changes to Chinese society. The economy experienced steady and fast growth. In 2008, China's GDP was 24.66 trillion Yuan, an increase of 65.5% over 2002, the average increase per year is 10.6%, rank from top 6th to the top 4th in the world (RWG, 2008).

Nowadays, there are 23 provinces, 5 autonomy regions, 4 municipalities directly under the jurisdiction of central government, and 2 special administrative regions in China.

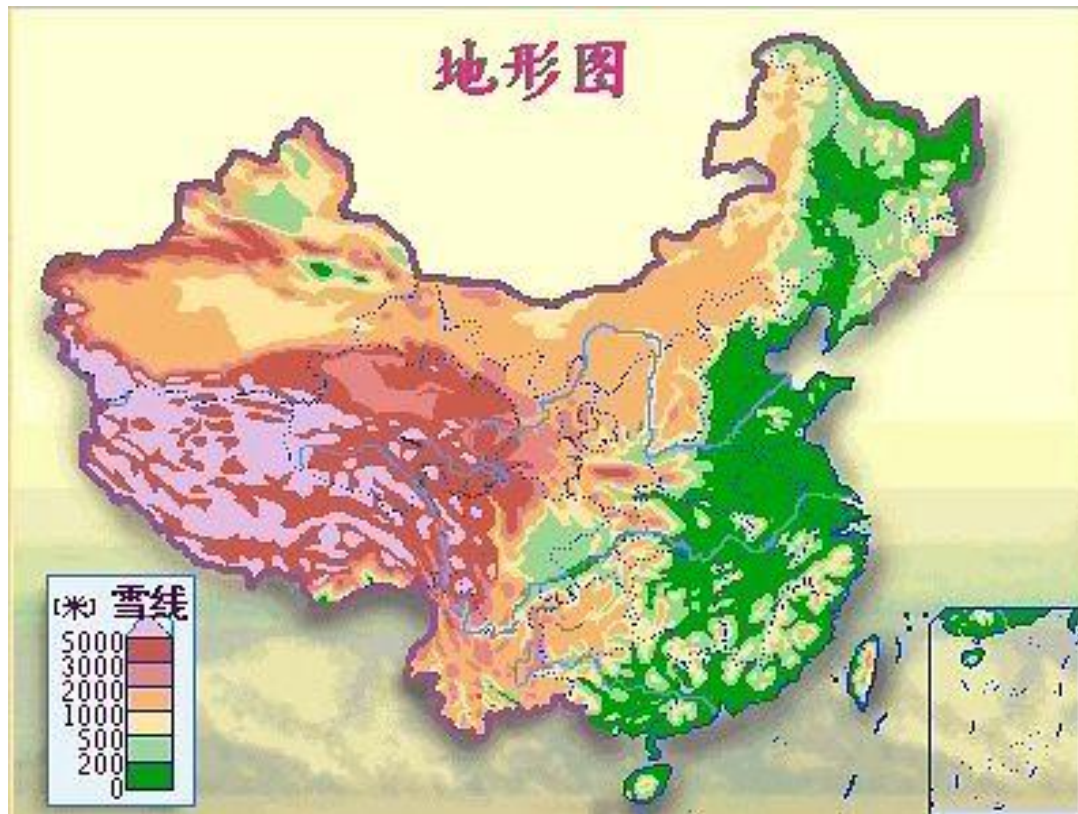
4.1 General Situation in China

Located in East Asia, China's area is nearly equal to the whole European Continent. With Pacific Ocean in the east part and Asia continent in the west, natural environment diversifies greatly among provinces.

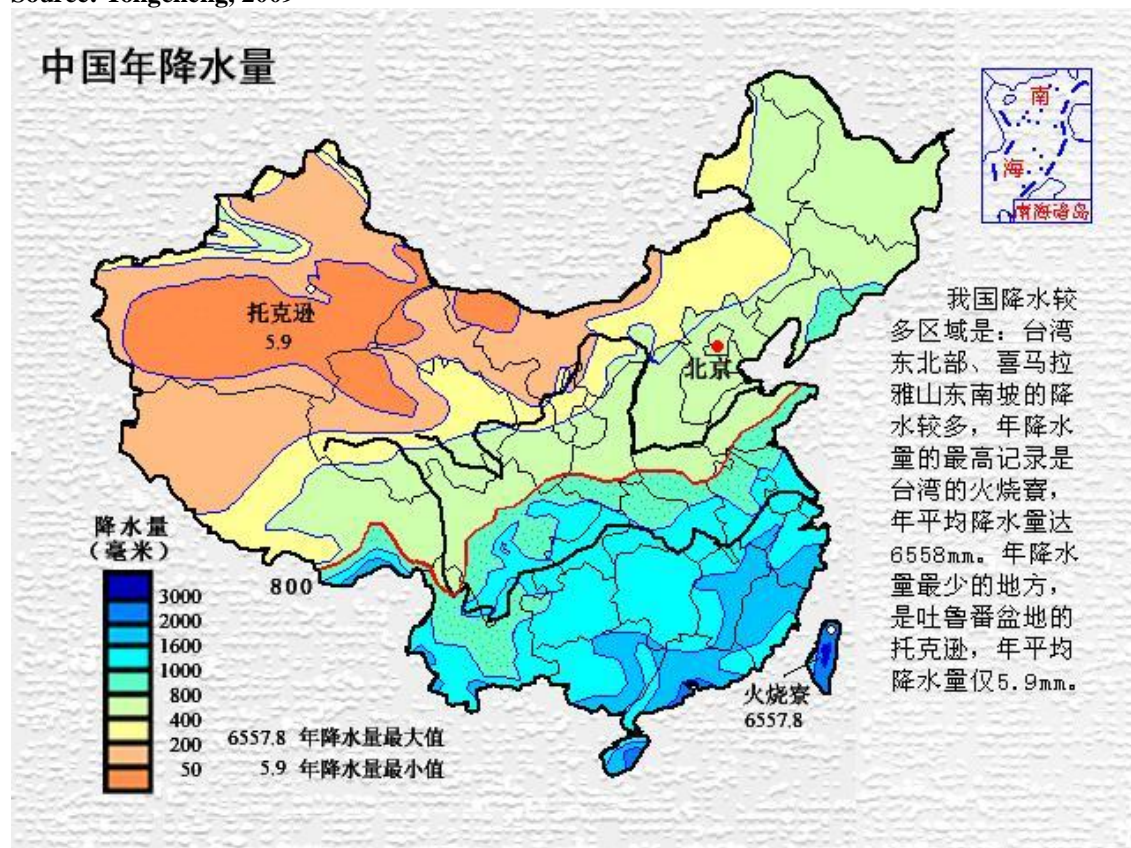
4.1.1 Natural Situation

The topography of China is high in northwest and low in southeast. Mountain, plateau and hilly area account for 67% of the continent area of China. Basin and plain area account for another 33% of the continent (map 1).

Because of the coverage of large area, climate is so different. The nation can be sectored from the south to north into equatorial, tropical, sub-tropical, warm-temperate, temperate, and cold-temperate zones. The temperature difference in January between northeast point and southeast point of China can be more than 50 C°. Rainfall allocation is also very varied. The main trend is the amount of rainfall decreases from southeast coastal area to northwest. Rainfall amount in most of the southeast area can reach 1600 mm while in the northwest area, it can only reach 50 mm. The large area of China covers humid, semi-humid, semi-arid and arid zones. Agricultural land only takes up 13.5% of the total state land and 90% of the agricultural land located in southeast coastal area (map 2).



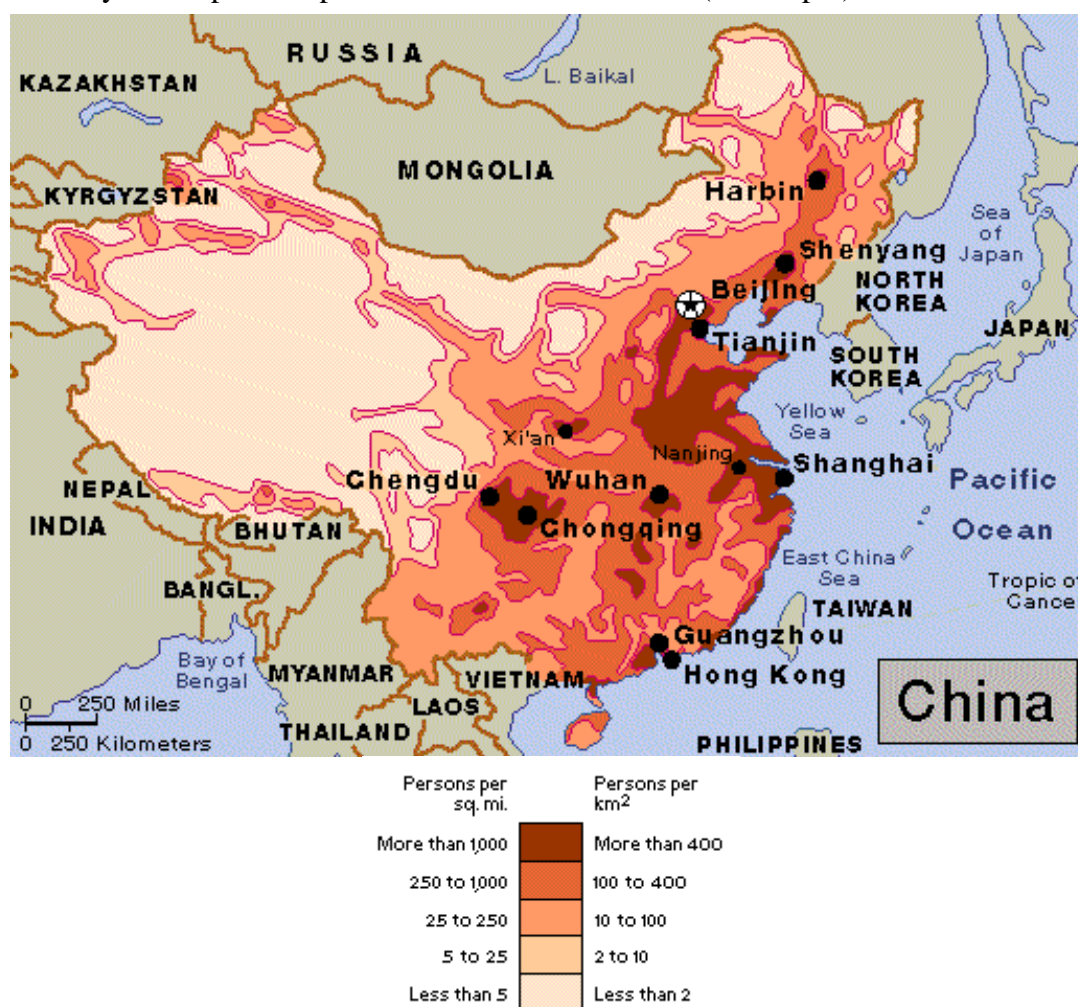
Map 1: The Topography of China
Source: Tongcheng, 2009



Map 2: Annual Rainfall in China
Source: Zhou, 2009

4.1.2 Demographic Situation

The distribution of population in China is uneven. About 94% of the total populations live in east and coastal area that only accounts for 44.9% of the total national land while only 6% of the population live in northwest that accounts for 57.1% of the national land (Guangxi University, 2000). As the weather and natural conditions are good in east and coastal areas, transportation and economy in these areas are relatively developed compared with other inland areas (see Map 3).



Map 3: Map of Population Distribution of China

Source: <http://ishare.iask.sina.com.cn>, 2008

There are about 1.32 billion people totally in China, in which rural population is about 727.5 million, account for 55.1% of the total amount (NBSC 2007).

4.1.3 Agricultural Structure and Basic Situation

According to the statistics published by the Ministry of Land and Resource (MLR) in October, 2006, there are about 121.8 million ha agricultural land in China, in which arid area accounts for nearly half. Per capita agricultural land in China is only 0.09 ha,

much lower than the average level in the world. Due to the long history of planning economic system, agricultural production is rather uniformed. Meanwhile, because of low agricultural mechanization level, per unit production is limited and cost is high. The ability of farmers' anti-natural disaster is very low. Farmers' achievement is mainly relying on climate situation. Under the situation of market economy, farmers are lack of the experience and ability to manage their products to meet with market requirement. With China's entry into WTO, agricultural products are certainly not competitive to the international market.

With the application of "Household Responsibility System" since the end of 1970's and beginning of 1980's in rural China, agricultural productivity has been increasing a lot (Table 4). Except for the year when natural disaster happened such as 1980, and the adjustment of agricultural structure in 1985 when grain planting area decreased, grain output are almost continue increasing.

Year	Grain Output	Year	Grain Output
1978	30475	1994	44450
1979	33217	1995	46500
1980	31822	1996	49000
1981	32502	1997	49250
1982	35343	1998	49000
1983	38728	1999	50800
1984	40712	2000	46251
1985	37898	2001	45262
1986	39109	2002	45711
1987	40241	2003	43067
1988	39401	2004	46947
1989	40745	2005	48402
1990	43500	2006	49800
1991	43524	2007	50150
1992	44258	2008	52850
1993	45644	-	-

Table 4: Grain Output 1978-2008

Source: Author (data adopted from NBSC 1978-2008)

Though grain output is continually increasing, rural living and production condition has not been so much changed. Especially after 1997, grain is difficult to be sold in grain market. It hurt farmers' enthusiasm on agriculture to some extent, and also affected the increase of farmers' income. The adjustment of agricultural structure, agricultural industrializing, over-surplus labor transferring have surfaced. How to improve farmers' living and production condition became a new issue at present

stage.

4.2 Rural Areas and Rural Population

In Modern Chinese Dictionary, rural areas are the place where people who are mainly carrying out agricultural industry dwell. This area is not only different from urban area but also differ from natural zone as well (Commercial Press, 1998, p.934).

According to the definition by National Bureau of Statistics of China, rural population means the population that live in rural areas, no matter what kind of occupation they are engaged in. As the levels of urbanization and industrialization are varied, the situation in different countries are varied, the percentage of rural population in different countries are different. In 1982, the percentage of rural population in China is 69.1% of the total population (NBSC, 2000). The number is continually decreasing from 60.9% in 2002 to 55.1% in 2007, 54.3% in 2008(NBSC, 2008). According to the data from the World Bank in 2006, China is still a predominantly rural country with the second largest rural population in the world, after India (see Figure 6).

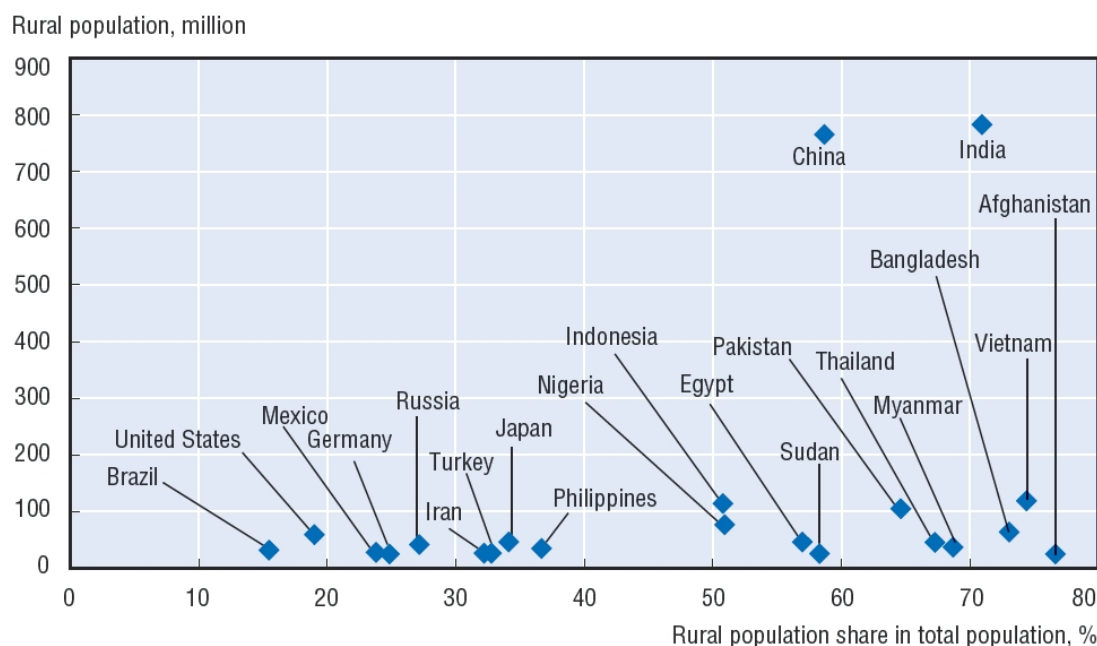


Figure 6: Countries with the Largest Rural Population in the World, 2006

Sources: Cited from OECD, 2009, p.52

Before 1949, rural-urban distinctions in China were not so clear. After 1949, The People's Republic of China introduced household registration system (which called Hukou system in China) that divided society into rigid classes and treated differently people who were labeled "workers" or "farmers" (Faure et al., 2002, p.1). Meanwhile,

considering the economic situation at that moment, the central government carried out “Dual Track System”, which means agriculture supports industries. After that, government’s investment on infrastructural construction, public facilities, social welfare and security, education and the treatment many aspects between rural and urban are different on many aspects, the gap between rural and urban has been clearly divided and formed. Furthermore, free immigration from rural to urban was also restricted.

4.3 Rural Development History

In fact, rural development in China is not totally a new idea. In the last 20’s-30’s, there are a group of intelligent people such as Yan Yangchu, Liang Shuming and Lu Zuofu have already done the research in rural areas.

One research carried out by Yan Yangchu (1890-1990) in Dingxian County, Hebei Province attracted a lot of international attention at that moment. In his research, rural development is called “Rural Reconstruction”. He pointed out that China is an agricultural country, rural and rural population is the main body of the country. He also mentioned that farmers tended to possess the weakness such as being uneducated, poor, inferior and selfish. The main purpose of “Rural Reconstruction” is to realize the reviving of Chinese nationality. Based on his finding, he emphasized that education is the tool to solve the problem (Chen, 2006).

Liang Shuming (1893-1988) as a famous ideologist, philosopher and one of the founders of rural movement in Chinese modern history, highlighted that due to domestic and international situation, China can not follow the example of Japan or Soviet Union and develop industrial and commercial industry. Economic construction in China must build on rural development, that is, must be based on rural revival. He thought this is Chinese own way that based on China’s situation. Meanwhile, he addressed that Chinese spiritual life is Confucianism. To combine western attitude and Confucianism attitude toward life is a good solution. This task would be implemented by some intelligent people like him through rural construction. In his book “Rural Construction Theory” (1937), he pointed out that the work that solves China’s problem should began in rural areas; must depend on the rural people themselves mainly; the key point for solving China’s problem rest in the new constructed society that its political and economic focus are all rooted on rural areas. His rural construction work mainly carried out in Guangdong, Henan and Shandong Provinces. In Henan, he set up a Village Management College to educate special people for village management. Later in Zouping County of Shandong Province, he set up a

Rural Construction Institute and carried out rural construction experiment in 1931.

Lu Zuofu (1893-1952) has not only focused on rural education and poverty, but also on how to improve or change the situation. He inspired to build a modern village as a demonstration to other village in China. He took "Rural Modernization" as a goal. By building many enterprises in rural area-Beibei, a remote area of Sichuan Province, he wanted to change the undeveloped situation in rural areas by infrastructural construction, setting up factories, markets and banks, and many economic construction activities. Based on economic development, education, cultural and sanity of this area had been improved too. All his efforts did change Beibei's situation within 20 years (refer Liu, 2008).

Though the idea of these three typical persons are not exactly the same, and their exploration and experiment were stopped due to the break out of Anti-Japanese War, their spirit on improving rural development according to China's own experiences and situation, not by copying western example blindly, can still be referred by China today.

Since P.R. China was set up in 1949, "Rural Reconstruction" has been mentioned many times. For example, in 1956, when Advanced Agricultural Organization Statue was published, China Daily, that one of the most important official newspapers published a comment to point out that the statue is the legal principle to guide rural development. In 1960, in his speech of people's congress, Deputy Prime Minister Tan Zhenlin who was in charge of agriculture at that moment approved the above saying. But at that moment, his speech was quoted as "The Building of New Socialist Countryside" (Chen, X., 2006). During 1970's, combining with the "Agriculture Learning from Dazhai" (Dazhai is a model village at that moment), "The Building of New Socialist Countryside" was carried out again but with a very strong political feature and didn't achieve the expected goal.

Actually, rural issue has always been the most important issue in China as Chinese revolution success is largely relies on that CCP solved farmers' problem very carefully. The Maoist model of development from 1958 to 1976 failed because it caused peasant discontent by binding peasants' physically on land and politically under the people's commune system (Chen, W., 1999, p.101). Beginning at the end of 1970's, with the system so called "House Hold Responsibility" practice, agricultural productivity has been increased dramatically. Later, the adjustment of agricultural structure becomes a hot topic for agricultural policy. Since the mid-1980, dramatic economic changes have taken place in China. But farmers that account for most of the Chinese population still

lived in a very poor situation. The big difference between rural and urban appeared. In October 1994, Jiang Zemin, the former president of China pointed out at a national work conference convened by CCP Central Committee and participated in by all provincial governors and Party heads and concerned government departments, that the farmers' issue directly affected China's stability, the CCP's position as a party in power, and the success of China's modernization program (ibid).

In fact, rural issue is the most important issue concerning the reform in rural areas. Since 1982 to 1986, central government issued five "No.1 Documents" (the important document that issued at the beginning of the year to show its importance) successively to deal with rural problem. In 2003, rural issue was re-mentioned in "No.1 Documents". In the following 2005, 2006, 2007 and 2008, "No.1 Documents" all emphasized different aspects of rural problem.

4.4 The Present Rural Development System

Theoretically, the term "rural development" was readdressed by Prof. Lin Yifu of Beijing University in 1999. Later in 2001, Prof. Wen Tiejun from the School of Agricultural Economics and Rural Development at Renmin University, led his students to carry out many researching projects in rural areas. During the research process, they used the former term "Rural Reconstruction" created by Yan Yangchu and Liang Shuming, as the name of their rural research project.

In the 16th National Congress of 2002, Chinese Central Government emphasized that agriculture, rural areas and farmers are the most important issues need to be solved. In the following Third Plenary Session of the Sixth Central Committee in 2003, policy making and reform issue were discussed. In this meeting, central government declared that giving up the guideline that taking GDP as the only goal to reach, and endorsing the integrated development as a goal. Among several integrated development goals, urban-rural integrated development was taking as priority. All these new policies and ideas have been concluded as "Scientific Outlook on Development" later. The No.1 Document during this period shows significant emphasis on rural development issues. On the meeting in term of rural work in Jan. 2003, President Hu Jintao emphasized providing more financing for grassroots public expenditure in rural areas; more agricultural funding to small projects that related closely with farmers. All these ideas became a series of policies that benefit farmer.

During the period of National Congress and Political Consultative Conference in 2004, Chinese Premier Wen Jiabao first addressed the policy of "zero agricultural tax within

5 years”. It was implemented at the beginning of 2006. This policy effectively meets central government’s macroscopic readjustment and control strategy so that it helped maintain the economic development in healthy and stable direction. The idea of “Creating Harmony Society” came out later.

It is very clear to show that the background for addressing rural development by the central government is within the period of carrying out new strategy and put forward new governing idea and new development theory. As the former structure has existed for a long time and is very complicated, it’s necessary to unify different ideas as “Scientific Development” and “Harmony Society”. In such situation, many problems in term of rural field were addressed frequently. Officials in different levels are asked to be consistent with central government and take rural development as top priority.

On the other hand, the address of rural development is also caused by economic reform. Long term planning economy has been substituted by marketing economy and the different kinds of coupons that were used to limit people’s requirement of daily life such as grain, oil, clothes and etc. were eliminated. The over-surplus rural labor rushed to the urban area. It was called “flood of migrated worker” by scared urban people at that moment. The fact is, the number for this “flood of immigrated worker” is continually going up from more than 40 million in 1992 to 225 million at the end of 2008 (NBSC, 2008). These people live in urban area for the long term, but they can not get the same treatment as urban people on social security, health insurance and employment.

Another typical phenomenon is that at the beginning of economic reform, Deng Xiaoping as the “General Designer of Reform” encouraged “part of people becoming rich”. He thought that “poverty is not socialism”. He meant to encourage such group of people to take the leadership and help the other people to develop. But in reality, it leads to polarity between the rich and the poor, which has a clear impact on national stability. All these situations contribute to the strategy of rural development in present China.

4.4.1 The Main Goal of RD

In the CCP’s Fifth Plenary Session of the Sixth Central Committee in 2005, rural development was officially put forwarded for the first time. According to the explanation of the meeting and No.1 Document of 2005, the main goal of rural development in China can be summarized as the follows:

“Growing Production, Better Livelihood”: is the main task of rural development.

Material basis is important. Without high productivity and the improvement of farmers' life, rural development will lose its economic base, and farmers will lose their passion on it. Therefore, raising productivity, increasing farmers' income, and paying more attention to solve the most urgent problem regarding to farmers' living is important.

“Cultural Development”: The essence for this content is to enforce the spiritual civilization construction. It includes culture, custom, social security and etc. To narrow the gap between the rich and the poor, between urban and rural areas, China must pay more attention to education. Establishment of harmonious society needs the influence of good tradition and culture. Rural development should not only base on the economic development, but on the great culture and education as well. It's also the important factor to maintain the social stability.

“Clean Villages” (orderliness of village landscape): Try to take the issues that the most urgent, more direct, more concerned by farmers and benefit farmers as priority. At present, living condition in rural areas is still very poor, there are many problems need to be solved. Some are so urgent and the others can go step by step. Nowadays, the important and urgent problems existing in rural areas are inside village lane construction, water supply function, sewage system, garbage disposal, unplanned construction and building, co-habitation of human being and livestock, pollution of waterway and pool, protection of historical village and construction.

“Democratic Management of Village Affairs”: It is the requirement of improvement of political civilization in rural areas. Farmer's Self Governance is the key for democratic management in rural areas. To improve and strengthen administration at grass root level is important. The administration at grass roots' should promote service function and play more important role in changing the lag behind situation of rural areas and leading to the improvement of the local farmers livelihood.

4.4.2 Institution Construction

The Report on the Work of the Government delivered by Premier Wen Jiabao at the Fifth Session of the Tenth National People's Congress on March 5, 2007, highlighted that “the government must constantly work harder to reform and improve itself in order to function well under the new circumstances.”

The institution structure in China at present can be showed as Figure 7. Usually, central government sets up the general policy and principal guideline. Different functional ministry and committee that are in charge of different fields will address

specific regulation and method according to its own functions. Meanwhile, under the central government, there are provinces, municipalities directly under the central government (MDUCG), city, county and township several levels of local governments. It shows heavily centralized administration. According to China's constitution and relative law, approved by the above government, local governments at different levels can set up some functional department, bureau, and committee. These functional departments have certain administration right to manage business under their functions. After the reform of government institution in 2008, there are 27 ministries at central level, such as Ministry of Land and Resources, Ministry of Agriculture, Ministry of Water Resources, State Forestry Administration, Ministry of Environmental Protection and etc, in charge of different fields.

In China, the administration system combines vertical and horizontal branches, which means at local levels, not only the corresponding administrations are in charge of rural development issue, but the local governments at different levels are involved in the work too. To some extents, it leads to complicated implementation and coordination. Taking MLR for instances, in 2004, a new regulation was issued in which, the right of approval of land use application and appointment/promotion of the leaders of land administration departments that under provincial level would not be controlled by corresponding local government, but by the superior MLR department. This helped avoided avoid abused land use and expropriation in a way.

Rural development in China is just carried out according to the normal mechanism. First, central government issued policy, then, provincial, city, county and township governments set up relative policies according to their own situation and requirement. Meanwhile, different functional department that related with rural development issue, such as Ministry of Land and Resources, Ministry of Agriculture, Committee of National Development and Reform and etc all addressed policies and regulations regards to rural development and in charge of specific issues. In practice, these functional departments must coordinate with varied local governments so that the implementation work can be carried out. It's very common that one national program is supervised and examined by several departments in horizontal and vertical administration. It is the fact that present policy making is still according "top-down" process, power/administration overlap and centralization is very common phenomena. Local levels are relatively lacking of independent power.

Presently, governments at different levels and functional departments focus more on inspecting and supervising but not servicing. Such working attitude influenced working efficiency, especially brought inconvenient or even burden to grass roots.

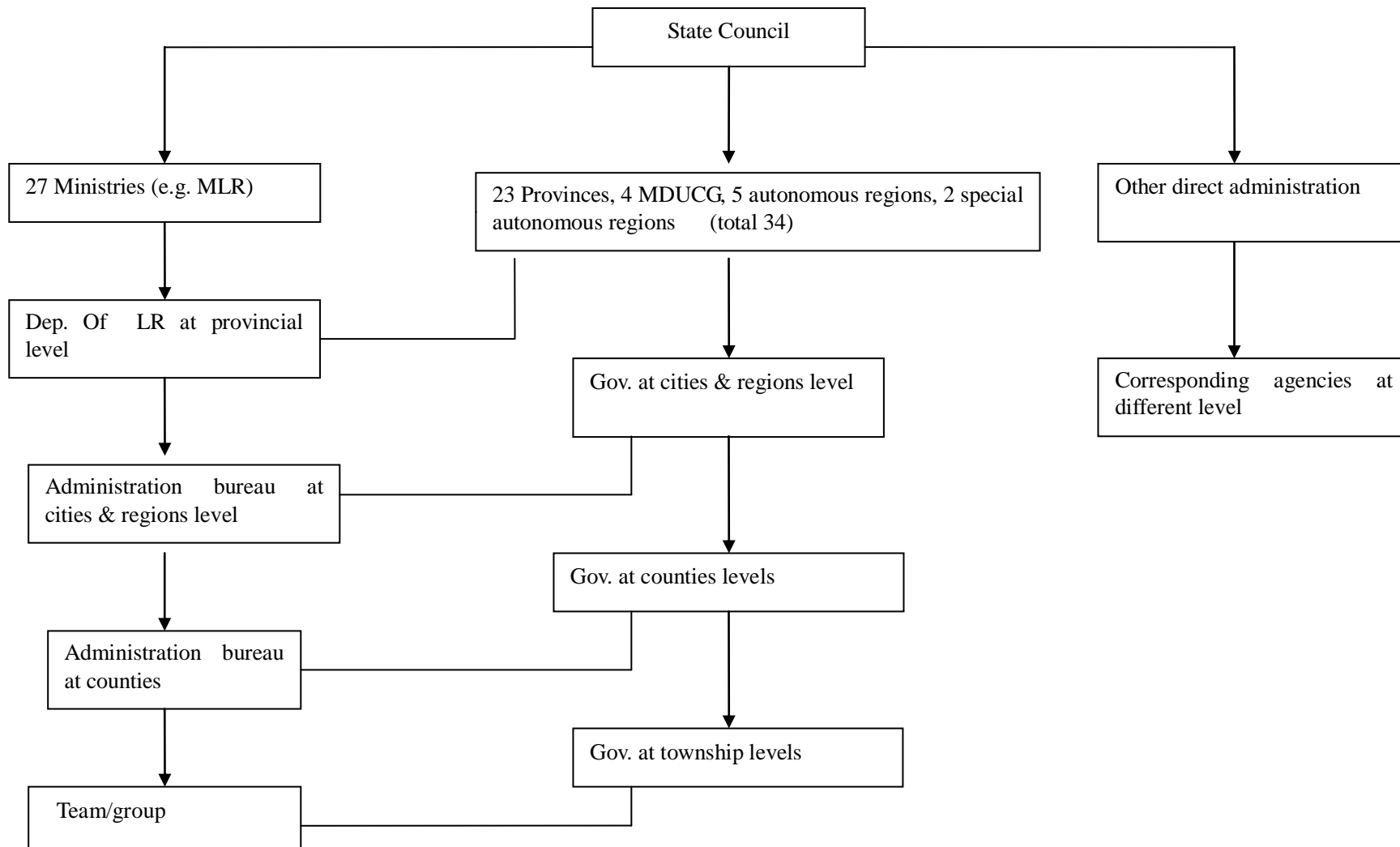


Figure 7: The Institution Structure at Present China
Sources: Author

4.4.3 Participation Parts

As most of the event or action in China, rural development movement has comprised different local government and related functional departments. Though in some areas, rural development was carried out earlier than the central government called on, it is only a part of the rural development work. The real and overall rural development is under the guiding of central government.

The special feature of participation on rural development is that local governments, especially the government or organization at grass roots, such as county, township and village play a very important role. Village leader group as a typical leader group at grass root that used to be very weak in the past has been improved and strengthened during rural development process.

Another significant phenomenon is that public participation has been improved in many ways. Most villages applied villager voting system so that villagers can decide whoever they will choose as village leaders. In the daily life, publishing village affairs to public, villager meeting, village financial open system and etc allow villagers to engage in their own affairs' decision making to some extent. But general speaking, the public participation has not become a mechanism yet. It only exists in some pilot areas or certain projects.

4.4.4 Policy Support

On December 29th, 2005, the 19th meeting of 10th Standing Committee National People's Congress of China approved that the "Statute Agricultural Taxes" that being carried out since 1958 would be canceled on January 1st, 2006. It means that agricultural taxes that last more than 2600 years in China will disappear from farmers' daily life. Farmers began to get rid of heavy burden of taxes. It is also the important step of reform on taxes and fees in rural areas.

On December 31st, 2005, central government of China issued "The Suggestion on Promoting Building of Socialist Countryside". It highlighted that integrated rural-urban development; promoting modern agriculture construction; accelerating farmers' income; enforcing infrastructural construction and improving living condition in rural areas; speeding up the construction of public affairs, such as education, training, health care, cultural, social security and good moral; deepen rural reform, such as tax and fee, rural financial system; improving house hold responsible system and the compensation mechanism on land expropriation; enforcing democratic construction at grass roots, protecting farmer's right on public participation; encouraging full support of society on building socialist countryside, etc.

The second part of "the 11th five years plan" entitled as "building new socialist countryside". In which, develop modern agriculture, increasing farmers' income, improving rural

infrastructural construction and environment, accelerating social security and rural education, etc. were emphasized.

The policy of “Agricultural Subsidy” regulated that subsidy should be allocated directly to farmers that involved in Grain Growing so that farmers’ enthusiasm on agriculture is encouraged. The subsidy has been increasing by years. This policy has been applied in some pilot areas for two years before been extended nationwide in 2006. So, it is very practical and welcomed by farmers.

“Report on the Work of the Government” in 2006 and 2007 all mentioned “building new socialist countryside”. In 2006, the report mentioned “building new socialist countryside, first of all, is to develop modern agriculture, promote stabilized grain production and continually increasing farmer’s income”. It also emphasized rural infrastructural construction and overall rural reform, such as enforcement of reform of agricultural tax and fee, deepening the reform on compulsory education, township institution, and etc.

In the part of “Promoting Both Sound and Fast Development of the Economy” of government report in 2007, it is addressed that “we will develop modern agriculture and promote the building of new socialist countryside”. In which, “strengthen government policy, funding, application of science and technology, and reform”, “to consolidate, improve and strengthen the policy of supporting agriculture and giving favorable treatment to farmers” were emphasized.

Meanwhile, provincial and county levels also set up related policies and regulations under central guideline to meet the practical need according to their own situation.

4.4.5 Programs and Measures

Government at different levels, different functional departments try very hard to promote rural development:

-college graduates go to countryside for education assistance: In 2006, Ministry of Education issued the “Training Plan for Master Education for Rural School”. In this plan, university bachelor student can continue for master course after 3 years’ working in rural school; they will come back to the university that they belong to for one year’s course, and then in the fifth year, go back to rural school to continue their education work. After one year’s “learning by doing”, finally finish their study. The term is 5 years. Within this term, the students will be financed by government in tuition fee, living cost. Beside, they will have salary.

-nine actions promoted by Ministry of Agriculture: It contents: demonstrating building new

socialist countryside; increasing grain production; high quality agricultural products industry; develop agricultural science; adapt increasing pattern on stock raising and aquaculture; agricultural industrialization and process industry on agricultural products; bio or security of agricultural products; bio-farmland; livestock and poultry disease control system.

-improve grain subsidy system: means that continually increasing grain subsidy, especially to good quality, products, agricultural machine. Meanwhile, continue the subsidy policy to main grain producing area.

-enforce infrastructural construction: during the period of “11th five years” (2006-2010), will solve drinkable water supply issue for 160 million rural people.

-electrical construction in rural areas: Realize “same electric net and same price in rural and urban area”.

-“ten, hundred, thousand, ten thousand” project: Government of Guangdong Province organize 10 officials at provincial level, 100 officials at city level, 1000 officials at county level, 30000 officials at section level of administration departments, to go to rural areas every year. Some of the officials should stay in villages for some time. Each of them should in charge of a certain village, especially the poor village. Each term lasts 3 years.

-agricultural science and technology go to farm house: The program called on by Ministry of Agriculture, especially during the “11th five year plan” (2006-2010). To explore effective mechanism for new agricultural science and technology go to farm house by setting pilot farm house. Increase national special fund, increasing convert ability on agricultural research achievement.

-advocate and extend economic agricultural technology: To advocate the technology such as water saving irrigation technology, change agricultural planting technology and method, etc.

-China green poverty alleviation project: Sponsored by UNDP, Ministry of Science, and Ministry of Commercial together, this 4 years’ project tries to help western rural poor area of China to develop new energy material. It was implemented starting at the end of 2006. The project can not only offer employment opportunity for local people, but will benefit local environment as well.

-green energy project: National Development and Reform Commission called on reproducible energy use in rural areas. It includes electric energy generated by wind, water, and solar energy; improving rural living condition by using reproducible energy; to 2010, set up 50 green energy pilot counties (NDRC, 2008).

-one village one specific product: according to local natural situation to develop new, special project such as horticulture, agriculture, countryside tourism and etc. to meet present market need. Though it has been carried out for several years in Ganzhou City, Jiangxi Province, it was addressed as a development project only in 2007. The project emphasized that Ganzhou will set up 50 such pilot towns and 1000 pilot villages.

-construction of agricultural products circulation system: To construct circulation system such as “market of thousand villages and ten thousand towns”, “modern circulation net of new villages”, “commercial information service project”. Improve the market situation for farmers who are going to sell agricultural products. The typical one is “market of thousand villages and ten thousand towns” that launched by Ministry of Commerce in 2005. The goal for the project is that within 3 years, develop 25 “farmer’s shop” in certain pilot areas, so that to create consumer network based on towns and villages of rural areas, offer commercial service to rural population and narrow the consumption gap between rural and urban area.

-sunshine program: a project financed by central government and has been carried out since 2004. The project mainly focuses on professional training for the farmers so that the labor forces transferring from rural to urban area or other non-agricultural business is possible. The project is divided into 3 stages. In the first stage (2004-2005), mainly focus on the areas such as grain producing, immigrated worker assembling area, poor area and the goal for training is 5 million; The second stage is between 2006-2010, training and transferring rural labor 30 million nationwide; the third stage is after 2010, try to improve training level and expand training population (Ministry of Agriculture, 2004).

-free charge system for the students: All students that during 9 years compulsory education term in rural areas national wide got free education since 2007. Pay more subsidy to the students coming from poor family. Reduce or no charge on specific professional training, such as planting, husbandry in some areas that can support it.

-institute reform in county level: In “No.1 document” of 2006, the reform of township government has been addressed. The main contents for it are: carry out township level reform in some area that condition is mature; within 5 years, township governor number will not increase; in some areas, to carry out institution reform that put province in direct charge of county; change the function of government at different levels from governing to serving.

-setting up small town pilot area national wide: In 2004, Small Town Reform Development Center, National Development and Reform Commission, called on to set up pilot areas in national extent. It covers the reform experiment on administration function; development of small town infrastructural construction; creation of employment opportunity; the reform on

land tenure system and “Hukou” system.

4.4.6 Small Town Development

Actually, small town construction came out in China with the economic reform in rural areas since 1978. But it was only considered seriously later. Small town program began to be carried out in China national wide since 1995, and it is not seriously emphasized until 2000. The background for address of this strategy is that more and more rural population rush to cities. According to the research report of OECD, the number of rural migrant workers increased from around 2 million in 1983 to 78.5 million in 2000 and then to 132.1 million in 2006 (OECD, 2009, p.52). The number will be still continually going up.

The main consideration for developing small town focuses on the transfer of surplus rural labor that caused by massive job creation in the cities and low unemployment rates in urban areas so that to maintain sustainable rural development. At the very beginning, small town development is closely related with township enterprises. As farmers were encouraged to work in such enterprises, free market came out soon after. It is the initial development of small town. In the mid 1980s and beginning of 1990s, with the speed up of township owned enterprises, the number of small town growing rapidly. According to the data of Chinese Academy of Social Sciences, the ratio of urbanization is as Table 5.

Year	Ratio of Urbanization (%)
1958	18.2
1978	17.9
1999	30.9
2007	45

Table 5: The Change on Ratio of Urbanization in China

Source: Lu, X. 2008 data quoted from CASS

After many years' development, urbanization has achieved a great success, but it is still behind the speed of industrialization. According to international situation, with development of industrialization and urbanization, the population of farmers will decrease. But in China, since the great scale industrialization in 1958, up to 2006, rural population (actually farmers) has increased 447.65 million, about 8.45 million per year (ibid). It is unusual in the world. Some experts think that it is because the pace of urbanization is slower than or can not match industrialization pace. But the research shows the main reason behind is lack of township or middle and small size local enterprises in such areas.

Meanwhile, small town development in China shows many problems, such as lack of financial support on infrastructural construction, lack of land use plan, lack of scientific urban

planning, waste of land resources, lack of town planning, lack of necessary environmental protection methods and etc. As small town itself has no enough enterprise to offer enough employment opportunities, farmers have to leave for other big cities for living and income. In the town with local enterprises, technique and production model are usually lag behind and environmental pollution is very seriously.

Besides, Hukou policy, land policy, employ system, social security system are the various factors that influence small town development. E.g., without Hukou, farmers may face a lot of difficulties on employment, children's education and daily life. According to present law, farmer's cultivated land and homestead site will not belong to them after their occupation have changed and have moved in cities or towns. This policy has already affected farmers' choice and influenced small town development. One survey in the "village in city" (chengzhongcun) of Guangxi Autonomous Region organized by Renmin University shows that only 8.88% of the villagers willing to become city citizens. The main reasons behind are the lack of updated social security system for such citizens (Ye et al, 2010, p.67).

4.4.7 Land Tenure System

Land Administration Law of PRC first issued in 1986. It was amended in 1988, 1998 and 2004 for three times according to the rapid development situation. It highlights that "The People's Republic of China practices socialist public ownership of land, namely, ownership by the whole people and collective ownership by the working people". In the Chapter II "Ownership of Land and Right to the Use of Land", it regulated that "Land in the urban areas of cities shall be owned by the State. Land in rural and suburban areas shall be owned by peasant collectives, except for those portions which belong to the State as provided for by law; house sites and private plots of cropland and hilly land shall also be owned by peasant collectives." Article 9 mentioned that "State-owned land and land owned by peasant collectives may be lawfully determined to be used by units or individuals. Units and individuals that use land shall have the obligation to protect and manage the land and make rational use of the land."

In practice, state owned land is clearly defined. Meanwhile, there are some problems on land in rural and suburban areas. As "peasant collective" can be interpreted as peasant collective, village committee, production team or village group etc., during the transferring process of rural collective construction land, each farmers' interest is easily encroached by township or village committee because of interest of different parts, each village group or each farmer's vulnerable position. It causes many conflicts during land expropriation. Furthermore, collective owned land can not be mortgaged in bank. It in a way hampers economic development (Gao, 2007).

Meanwhile, Article 47 of Land Administration Act regulates that "land requisitioned shall be

compensated for on the basis of its original purpose of use”. “Compensation for requisitioned cultivated land shall include compensation for land, resettlement subsidies and attachments and young crops on the requisitioned land. Compensation for requisition of cultivated land shall be six to ten times the average annual output value of the requisitioned land for three years preceding such requisition. Resettlement subsidies for requisition of cultivated land shall be calculated according to the agricultural population needing to be resettled. The agricultural population needing to be resettled shall be calculated by dividing the amount of requisitioned cultivated land by the average amount of the original cultivated land per person of the unit the land of which is requisitioned”. Since 2006, new compensation standard on requisitioned land that required by Ministry of Land and Resources has increased. In practice, when farmers are not satisfied with the compensation or don’t want to lose the land because of worrying about future employment problem, many local leaders will make their own decision on economic reason without considering farmers’ interests. Moreover, some local governments even deduct the requisitioned land compensation to farmer or delay the payment which often caused land conflicts. In 2004, there are 70646 illegal land use cases under investigation (Sun et al., 2005).

Act 43 of Land Administration Law has also regulated that “all units and individuals that need land for construction purposes shall, in accordance with law, apply for the use of State-owned land, with the exception of the ones that have lawfully obtained approval of using the land owned by peasant collectives of their own collective economic organizations to build township or town enterprises or to build houses for villagers and the ones that have lawfully obtained approval of using the land owned by peasant collective to build public utilities or public welfare undertakings of a township (town) or village”. But in practice, local governments define public utilities land use according to their interest very often. It in a way leaves room for abuse land use.

Most of the scholars now in China are against land privatization. One of the representative persons is Wen Tiejun. He strongly opposes land privatization and thoughts that the development history and situation of western world is so different from China: China as a most populated country that has no long industrial development history, no oversee expanding process, land privatization will cause city slum and a lot of social problems as India, Brazil and many developing countries (Wen, 2009).

Another important person is Li Changping. As a first person who wrote letter to prime minister of China in which mentioned “Sannong Wenti” and gained central government’s attention on rural areas, he is totally against land privatization. He thought most of the farmers (except for the farmers in urban fringe belt) have no such desire or willing to at present, so the urgent issue is to clarify the tenure of collectively owned land; privatization at this moment may desolate vulnerable farmers become lost land farmers because of poverty or debts that

existed before; land is an important elements of social security for farmers at present China (Li, 2003, 2008).

“Sannong expert” Zeng Yesong, Secretary-general of “Rural Development Research Central” thinks that according to the present situation, state owned, collective owned, and private owned should be existing together. But one important thing is to legalize and clarify land tenure, such as farmers’ home site land. In one of his questionnaire among 800 heads of counties regards to land privatization, the result shows that only 45.8% the respondents agree with the idea “collective owned land should belong to farmers and become private owned”. More than 50% of the respondents are against it. Therefore he thought that land tenure system should depend on farmers’ will and development of productivity (Zeng, 2007, p.234).

Magel H. as a German professor and expert on rural development, with many years’ working experiences on this field both in Germany and in China, also thinks that public or private land ownership is not the key issue for China now. The key point for ownership is that how to implement ideas of sustainable land management, soil protection, sustainable development; keeping the tenure system stable and maintain it in long term so that to protect farmer’s interest, enthusiasm toward land; protecting agricultural land and try to use land efficiently (interview).

4.4.8 Main Achievements

Though the national wide rural development in China has not been carried out for very long time, it has achieved certain achievement in some extent:

-developed from grain benefit country to grain donor country. China stops the history as a grain benefit country to donor country in 2005. With only 9% cultivated land in the world to solve the food problem of 20% of world population, China makes a great contribution to the world.

-free compulsory education was made available to all rural students. Rural students during the period of 9 years compulsory period began to be free on tuition, miscellaneous fees, text book since 2007. Offer subsidy for the boarding school students that come from poor family. It benefits 150 million students and 7.8 million boarding students from poor families in the past five years (Wen, 2008).

-offer professional training to farmers that leads to 8 million rural labors being employed in non-agricultural industries each year (ibid).

-new system of cooperative medical cares in rural areas being improved and has covered 86% of the counties, 730 million farmers in China (ibid).

- low income guarantee system was set up in 2007 and 34.519 million people in rural areas have been covered by the guarantee system (ibid).

-rural per capita income has increased from 2476Yuan in 2002 to 4140 Yuan in 2007 (ibid).

-agricultural tax, pasture tax, and tax of special local product have been canceled. Farmers' burden was reduced by 133.5 billion per year (ibid).

-with central and local government's financial support, during the period of 2002-2007, an additional 6.667 million ha of farmland was equipped with water-saving irrigation facilities; methane gas was made available to 16.5 million more households; 1.3 million km of rural roads were built or upgraded, and safe drinking water was provided to an additional 97.48 million rural residents. (number adapted from Wen, 2008). In 2008, another more than 48 million rural people's drinking water problem is solved (Wen, 2009).

-small town construction strategy improved rural people's living condition and urbanization. There are total 19249 administrative towns in 2007, 17076 more than that in 1978 (NSBC). Infrastructural constructions in these areas have been greatly improved. In 2004, 10 small towns that have been constructed in Guangzhou achieved total products 27.5 billion, increased 14.3% than last year. Among per capita farmers' total income, salary income is 3661 Yuan, accounting for 55.5% of the total income, became a main part of the income. Some people that have changed to urban citizens joined endowment insurance system. The cost for insurance is covered by share holder company, individual and local government. This is a key step to totally eliminate discrimination towards farmers and rural areas (Li, 2005).

-the agricultural tax was rescinded, ending the centuries-old practice of farmers paying taxes. China's grain output rose for the fifth consecutive year and totaled a record high 528.5 million tons (Wen, 2009).

-rural health care system has been improved. A total of 814 million people, accounting for 91.5% of the rural population, now benefit from the new type of rural cooperative medical care system (ibid).

5 Case Studies on Rural Development in China

The size and diversity of China make the selection of study areas difficult. The best solution is to choose typical or representative research area and conduct deep study on it.

As mentioned in chapter 1, the research chooses 3 cases that will be analyzed in 5.1, 5.2 and 5.3 later. Case 1 focuses on Xingguo County and Ganxian County of Ganzhou City in Jiangxi Province; case 2 covers Sanshui District of Foshan City, Qingyuan City of Guangdong Province. These two provinces were chosen because of their different economic development background. Furthermore, another pilot area Nanzhanglou Village of Shandong Province that totally follows German experiences will be analyzed in case 3. These consist of 3 cases as mentioned in Chapter 1 (see Map 4).



Map 4: Map of China

Source: <http://www.google.com/imgres?imgurl=http://library.thinkquest.org/07aug/01105/China/chir>

5.1 Overview of Ganzhou City, Jiangxi Province

Case 1 chose 2 main areas, Xingguo and Ganxian counties, in Ganzhou City, Jiangxi Province as main study cases. The main reason is that Ganzhou is not a coastal area with developed economy. In 2004, per capita income in rural areas of Ganzhou is only 2553 Yuan, about 383 Yuan lower than national average level (Shi, 2009). It represents most of the undeveloped inland areas in China. The research in such area will have representative significance. On the other hand, Ganzhou carried out rural development relatively earlier than other areas in the

nation, so it provides good research references.

5.1.1 General Introduction of the Areas

Ganzhou City is located in the south part of Jiangxi Province. It covers 18 counties or county-level cities, 1 economic technology development area, 283 townships. The total population in Ganzhou City is 8.45 million, in which 6.78 million are rural population, accounting for 80% of the total population. Ganzhou covers 39400 km² of which farmland takes up nearly 4 million mu, that is about 26.7 ha. In 2004, GDP in Ganzhou City is 42.6 billion RMB, and farmers' per capita net income is 2553 Yuan. In 2008, GDP is 83.5 billion, and farmer's per capita net income is 3570 Yuan (GZSB, 2009). Xingguo and Ganxian Counties are the two main counties among the 18 counties of Ganzhou City, 70 counties of Jiangxi Province.

Xingguo County located in the middle south part of Jiangxi province, north part of Ganzhou City (see Map 5). The total area of Xingguo County is 3215 km²; there are 25 townships, 304 administrative villages and 740,000 people.

There are mountain areas in the east, west and north of Xingguo County. Hilly area is located in the middle and south. The lowest village in the south is 127.9 m above sea level and the highest point in the north is 1204 m above sea level. Both east and west areas are more than 1000 m above sea level. The hypsography is falling from east, north and west to the middle south and becomes a basin at last. Water network is densely distributed at 0.23 km per km² in this county.

With sub-tropic monsoon climate, the area is warm and rich of rainfall. The annual rainfall in this county is 1515.6 mm. The annual frost-free season is 284 days. Average temperature is 18.8 C^o; sunshine period is 1926.5 hours. This area is suitable for different kinds of crops.

In the past war times, because of the hypsography, Xingguo used to be "Red Area" in China's liberation period, and many people sacrificed their lives for the establishment of P.R. China. In the planning economic period, the mountain area was very poor and becomes a "poor alleviation county" (means the central government will give financial and technical assistant during development). This system is still in effect today.

Another study area is Ganxian County. It is located in south part of Jiangxi Province. Surrounding the urban area of Ganzhou City, Ganxian enjoys big advantages in terms of geographic position. It has 580,000 people, 19 townships and covers 2993 km² area (see Map 5).



Map 5: Location of Xingguo County and Ganxian County in Ganzhou City

Source: Wang, 2007

Sub-tropic monsoon climate brings rich sunshine and moderate temperature to this piece of sandy soil. Annual average temperature here is 19.4 C°; annual average rainfall is 1438.3 mm, annual average frost-free season is 281 days, and an annual sunshine hours is 1855 hours. With a total of 704 rivers, Ganxian County has abundant water resources. It is suitable for agriculture.

The government of Ganzhou City began to carry out rural development movement since 2004. Actually it was initially due to the worry of the local governors. In the 50-70s of last century, people's community system kept all farmers at work according to the same timetable and same regulation, got almost same payment at last. Farmers could not have their own extra

farmland to work with. In fact, they had to obey and contribute to their community. It became a “norm” in local officials’ mind that farmers should be under local government’s “control”. But since the end of 1970s’, with the carrying out of “Household Responsibility System”, farmers had more freedom. They don’t need to work at the same schedule and they can choose whatever they want to plan in their own fields. After the elimination of different fees and taxes in rural areas continually, many local officials were totally confused about the role they played as their former workload was totally gone. They faced the new problems such as how to adjust and change local government’s function; how to deal with the severe challenges in agriculture development after China’s accession to WTO; what about the problem of transferring over surplus labor in rural areas during urbanization and industrialization. Later, some practical problems come up in rural areas: many country roads need to be rebuilt and water supply conservation need to be maintained. It seems that the local government still has a very important role to play, not only for governing, but for organizing and serving. In September 2004, after seven months’ research work, Ganzhou government decided to carry out rural development movement. Meanwhile, central government has been doing a lot of research work regarding to the rural issue. Soon after, national wide rural development movement was carried out. Actually, Ganzhou is a forerunner, but the rural development in Ganzhou City is based on special local economic and social situation, and with its special local feature.

5.1.2 The Main Goals of Rural Development

The main goals of rural development of Ganzhou City was concluded as: Within 5 years’ hard working, to enable 60% of villages and towns to realize economic and social development goals; achieving agricultural industrialization; improving living standard; restoring beautiful and clean environment; developing an atmosphere in society that fosters civilized and ethical behavior; providing public service facility; and maintaining the harmony between human beings and nature (GZNCC-1, 2006, p4).

The specific objectives of rural development in Ganzhou City are: “three cleaning and three changing” and “five new and one good”. “Three Cleaning and Three improvement” is a very practical measure which mainly consists of clean garbage cans/storage, clean ditches, and clean road-block; upgrading water supply, improving traditional toilet, enhancing village road. By reaching the basic goal, then the final specific goal can be interpreted as that the local village will set up new industry, new mechanism, new village, new spirit style and feature, new farmer and one good leader group (own interview).

5.1.3 Institution Construction

Provincial Level:

Jiangxi Provincial Government supported and encouraged rural development practice in

Ganzhou City since the very beginning when central government has not issued any policies and regulations regards to this field. They encouraged the forerunner-Ganzhou City to explore and research the model of rural development in this area. The provincial government set up a special “Office of Building New Countryside” in which the governor of province plays the role as office leader. It shows clearly the supporting attitude of provincial government towards rural development. Furthermore, provincial governments continually increase investment in pilot areas of rural development. Direct investment that used for rural development is 621 million RMB in 2006. It reached to 1.6 billion in 2007 (Wang et al., 2007).

County Level:

In the county level, local government set up a leader team on rural development work (see Figure 8). The head of the county plays the team leader role and is in charge of the overall work. The team consist of several parts or organizations that in charge of water construction, economic organization, new farmer’s training, new industry development, new village planning and construction, administration office, supervision and coordination, new style and feature construction, new school etc. Different groups are led by the leaders from different administration bureaus such as water resources bureau, agricultural bureau, personnel bureau, education bureau etc. For example, in Xingguo County in 2007, there are 2 leaders were appointed to be in charge of the 6 most important projects; 52 sub-projects that related with the 6 projects were mainly the responsibility by one standing leader. This standing leader should arrange, allocate, review and publish the work report once a month (interview from Liao, 2007).

Meanwhile, they tried to improve performance review and evaluation system. According to the “Regulation on Incapable Leaders’ Cognizance and Disposal”, county governments carry out leaders’ selection system based on last year’s working performance and achievement strictly. One important part of their work is rural development.

Village and Township Level:

Township Level: Usually, township level plays the role that links the village level and county level. It not only needs to guide village with policy and law in practice, carry out the principle and plan made by county government, but also need to serve village in financial and planning, village renewal and land use etc in many details. Governor is the main person to responsible for daily work.

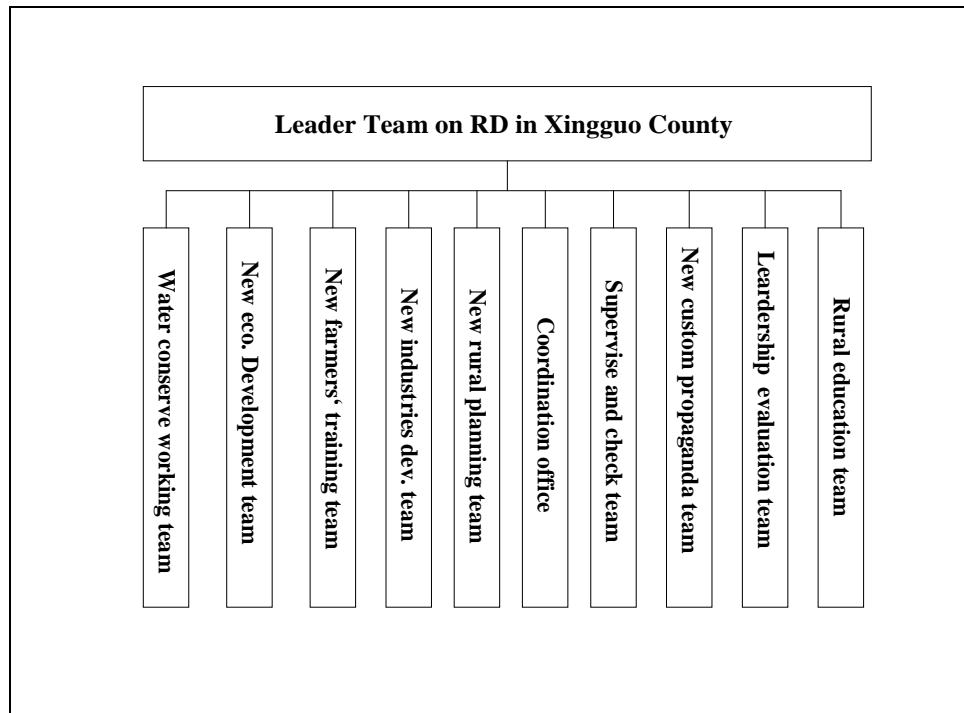


Figure 8: Working Institution of RD in Xingguo County

Sources: Author

Village Level: In village level, village head is the main person in charge of the work. Usually, rural development work is done by four groups: CCP group, villagers' autonomy committees (or administration committees), farmers' council and another supervising group.

CCP Group is consisted of local leaders. In practice, *CCP group* is a cornerstone of rural development. It is the leadership for rural development and its function is to according to the laws and principles, leads local farmers to carry out villager autonomous activity and democratic right, reaches the final goal of rural development.

Villagers' Autonomy Committee (Cunweihui) is an organization that is voted directly by ordinary villagers. According to the "Law of Organization of Villagers' Committee" issued in 1998, the function for this organization is "to deal with public affairs within the village". Every 3 years, the election for next office term will be carried out.

Farmer's Council (Lishihui) is selected by the farmers' meeting and consisted of some retired old leaders who previously worked in cities and return back to their hometown, and other prestigious senior people who live in the village for many years, senior CCP members in the village, retired teachers and some active young people. *Farmer's council* is mainly in charge of the detailed work during rural development. Usually, farmer's council consists of 5-15 people that are selected by farmers. Regarding to the certain project, farmer's council will organize all the villagers to vote. When the votes exceed 98%, the council will report the project to village and township governments. Upon approval, the council will lead the

villagers to carry out the project from the beginning to the end. They did the work as volunteers.

Supervising Committee is consisted of some members of legal supervision committee at township, some members from CCP group and farmers' council. Its function is to supervise the financial allocation and the project bidding process. They should collect suggestions and opinions of ordinary farmers and reflect them to CCP group, farmers' council and villagers' committee on time.

Summary:

In fact, as an undeveloped rural area, township and village administration authority are very weak. On one hand, they have to face the financial challenge of administration and other daily work; on the other hand, working staffs at local levels have to manage a lot of trivial work that close related with villagers. Villagers judge central policies by the performance of such local working staff. So they face a lot of pressure. Many of them seldom have regular working days or holidays for years (interview).

Meanwhile, the special leading groups from province to county are created during the process of "construction of socialist countryside". They are not standing organizations. Such method can avoid overlapping and conflicts among related organizations. But it can only solve the problems temporarily.

5.1.4 Participation Parts

The government of Ganzhou City takes public participation as a very important part of rural development. They are very clear that rural development project can not go smoothly without villagers' involvement. The leaders' group attached great importance to public participation during their meetings and their issued documents.

In practice, every stage of rural development shows clear public participation features.

1. Project application must be first offered by villagers themselves. For each application project, the village should hold a meeting that includes all villagers. During the meeting, villagers will vote on the project to express their opinion. If the approval rate is lower than 80%, it can not be submitted to the county government.

The flowchart in Figure 9 shows the application process of village renewal project:

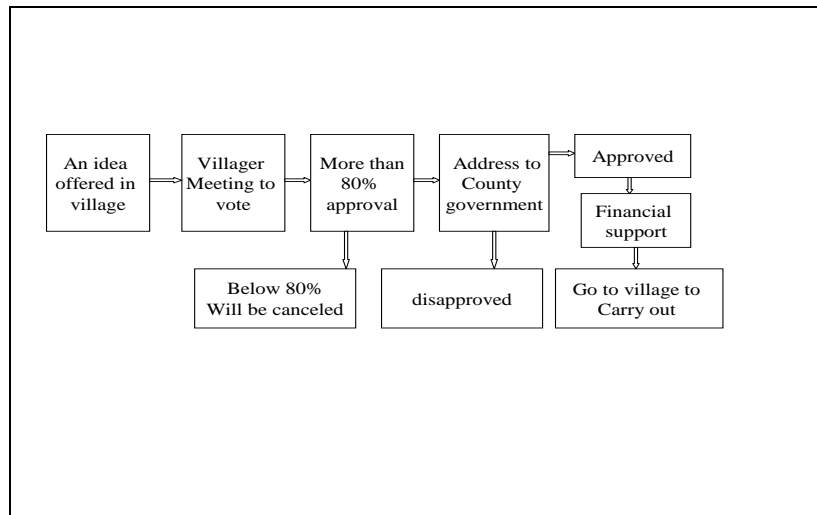


Figure 9: Application Process of Village Renewal Project

Sources: Author

2. Regards to financial support, the policy mandates the governments, farmers, social organization donate together. If farmers' investment can not reach 70% of the total requirement of the project, it also can not be carried out. This method is not only easing the financial burden, but more emphasizing farmers' participation and involvement. In this way, farmers will not think that rural development is a task that required by government, but it is their own heart desire. Based on the above principle, the final result must be satisfactory to farmers.

5.1.5 Policy Support

Since September 2004 the rural development has been carried out all over in Ganzhou City, governments at city, county, township and village levels paid a lot of attentions to rural development work. Jiangxi Provincial Government issued "*Application Suggestion on Boosting Building Socialist New Countryside*" in Jan. 2006 and "*The Suggestion on Promoting Building New Countryside by Science and Technology*" in February 2007. Ganzhou Government issued "*The Resolution on Enforcing Building New Countryside*" in Sep. 2004 and "*The Working Strategy of Rural Economic and Social Development Based on Building New Countryside*" in March 2005. The policies and documents highlighted the importance and urgency of rural development, clarify the main principle, guideline, goal, requirements and measures on rural development.

According to the situation that sometimes many farmers built house on farmland illegally, some happened even after the rural planning, Ganzhou City issued "*Prohibiting illegal Housing Construction in Rural Areas, Promoting Building Socialist Countryside*" in 2005. In which, it stipulated the different practical punishment before and after January 1st, 2005. For example, it regulated that after January 1st, 2005, for all the illegal construction that not according with overall land use plan and township construction plan, if they have already been fined or charged before, then the punishment is invalid. The charge or fine will be

returned back to the house owner, and meanwhile, the constructed house should be pulled down. For some construction that occupied farmland, the regulation required a certain term for re-cultivation. For some unauthorized house construction, if the occupied land is not in the area of new village planning area, should complete all the documents and approval process. For the land that has been leveled off, but does not bring any illegal income yet, then land use right should be taken back. If the farmland has already been damaged, the requirement for re-cultivated within certain term is mandatory.

In 2006, Ganzhou Government published *“The Suggestion on Enhancing the Development Quality of Rural Economic Organization”*. It pointed out that enhancing the development quality of rural economic organization is very important for rural economic reform and suitable house hold responsible system. It should take increasing farmers’ income as tenet and base on farmers’ will. The goal is to improve high production and high quality, extraverted agriculture development. Furthermore, it also clarified that different department such as tax, rural bank, agriculture, science and technology, education training bureau should offer certain policy support and specific favorable measure to rural development.

Subsequently, *“Rural Planning and Land Use Management”* came on. It clarified rural planning compilation should combine with old village’ renewal and construction; construction should use uncultivated land; term of rural planning is 5---10 years. Regarding the application of rural planning, it regulated the process of application and approval of villagers’ house building, the application process of public construction building in planning area. Besides, it also pointed out the management of rural homestead, rural construction and planning, farmhouse registration and environmental protection, etc.

“To Mobilize Social Force in Rural Planning” encouraged different social departments and organization to join the rural planning. The pattern can be that offering rural planning with or without payment, or donating money to different village according to village’s scope. It benefited rural planning standard, so that helped rural development in a way. *“Application Detailed Rules of Special Monetary Management on Rural Planning Making”* made more detailed management rules for money use on rural planning making.

Besides, *“Standard of Pilot Area on Socialist Countryside Building”* described the detail requirement on rural development such as planning, facility construction, farmhouse, environment, community and social moral, etc.

Meanwhile, government at county, township and village levels set up their own detailed regulations, for example in Xingguo County, they set up their own *“New Countryside Planning Management Strategy”* according to the principle of *“Township Planning and Construction Management Scheme of Jiangxi Province”*. These policies and principles

intended to keep the rural development on the right track.

The policies and regulations covered different fields and some of them in great details. They not only guide the direction and development way of rural development, but regulated many detailed rules so that during the practice, people can follow and implement easily. Meanwhile, the influences of government's encouragement can not be neglected. Different social organization and department's contribute in spirit, financial and policy support which did promote rural development in this area.

5.1.6 Programs and Measures

The main program and measure in Ganzhou City can be concluded as the following:

-Adjust the attitude toward rural development: The government required that the government staff adjust attitude and working measure to be more detailed and deep. They should go to farmers and understand what they really want and need, to solve the problem that urgent to farmers first.

-Officials going to grass roots: Organized cadres from different levels going to countryside to help local leaders' on "leaders' group construction". Since the beginning of 2005, Ganzhou Government called on officials from different levels going to villages to experience the life of grassroots, discovered the problems there and helped local people to solve the urgent issues. There are 1000 officials from Ganzhou City and 9000 from counties and towns joined the movement. They were divided as 18 teams with county head as the team leader, another leader who has a lot of rural working experiences as standing vice team leader. Each team must go to very local villages. This movement last till the end of 2005. During this period, team member can shift when they stay more than 2-3 months. They were asked to live in different farmer family and pay to eat with the family. The main goal for this movement is to advocate rural development policy, enforce farmers' training program, promote village autonomous construction and help farmer on agricultural industrial development planning. The final review of this movement concludes that what the urgent rural development is. It offered a good reference for city government policy making on rural development.

-More advocating work: Government staffs go to different villages and farmhouse, organized farmers and introduced the content and importance of rural development. They make friends with farmers and offer consulting service to them in term of government policies and rural development knowledge. Different advocating measures such as broadcast, posting, flyer and performance are so welcomed and easily accepted by farmers.

-Financial support.

1. Trying to use all possible financial resources, which is, government, villagers, supporting institution, social donation, marketing, banking support and policy benefit. Since the

beginning of rural development in September 2004 until October 2005, the total investment from Ganzhou city is 500 million RMB. Of which, government's financial investment reached 63 million RMB, special financial fund 120 million RMB, social financial support is 310 million RMB. The research data shows that per capita government investment is 1856.3 RMB, per capita total investment is 3640 RMB, and government investment is accounts for 51% of the total investment. Of which, per capita government investment in public facility in rural areas is 1459 RMB, accounting for 61.5% of the total investment; per capita government investment on family facility is 398 RMB, accounting for 31.3% of the total investment. (Zhang et al., 2006)

2. Changing the traditional method on financing allocation. Reward money allocation system is set up to award those who complete the planning. City government will offer 10000 RMB as reward to the winning villager. During the construction of marsh gas tank in Xingguo County, county government supplies subsidy of 800 RMB to each family who satisfies the requirement.

-Setting priority: To tackle the problems that are of the most concerned and urgency to farmers. During the research, government staff found out that farmers had a strong desire to change decade-long unclean and disorderly living. So they decided to carry out several things the at very beginning: clean rubbish, clean roadblock, set up water supply system, road construction and clearing. These actions cost little money but shows good results, so its impact is really good.

-Changing "Kongxinfang" (empty house): By land consolidation, reclamation and village renewal, Ganzhou City has changed 870 "Kongxinfang", organized 42000 families building their new house according to the new plan. It reduces the agricultural land using caused by farmer housing to 85%. Meanwhile, by land consolidation and village renewal, Ganzhou has increased agricultural land of 1400 ha in 2006 (interview).

-“All Benefit System” (generalized system of preferences): It was forwarded by Xingguo County in 2006 and later accepted and popularized by Ganzhou City. Instead of the understanding in international trade, the main content of the system here can be explained as that the first, financial reward and subsidy will cover not only village renewal, but also industrial development, farmers' training, watering infrastructure, environmental protection and etc. Second, the covering scope should not only include the selected pilot areas, but also all the villages that wish to carry out rural development projects. This system show maximum fair, equitable and open principle.

-Farmers' education project: It was offered by Ganzhou government in March 2004. The project planed the training of 2 million farmers within 5 years. It emphasized that the project

should not only focus on the number, but farmers' useful and practical technology and knowledge. To the end of 2006, the project finished training 1.58 million people (times), 169100 got certification that above initial level. They also carried out a plan called "one village one university student," recruited 1477 people for university study; "one village one technical secondary school student" in provincial poor village (interview). In Xingguo County, four ranks as county, town, village, group (team) training net was set up. There are internet training centers in 25 towns and 46500 times or people accepted training (Liao, 2007). There are 71% of respondents got professional training in Xingguo and Ganxian County. Farmers have realized the importance of education more and more (questionnaire).

-“Hydraulic Work”: As most of the hydraulic work in rural areas existed now were constructed in last 50-60s and lack of renovation, some of them run out of their service time. They can not suffer the natural disaster and meet the present requirement. In 2006, after the survey on hydraulic work in Xingguo County, “seven small hydraulic constructions” programs were carried out. It means the construction and renovation of small aqueduct, small river bank, small pond, small drainage ditch, small driven well, small pump station, small cistern. It enforced farmers' ability on irrigation, drainage, anti-disaster. Some farmland that only relies on good weather before now can be cultivated and harvested again.

-“New Countryside, New School”: In beginning of 2007, to combine with the village renewal work, another important event was initiated. As school condition in Xingguo usually in a very poor situation and many farmers complained that children had great difficulty going to school in rainy or bad weather. There was no hard soil or cement playground in many schools so children's activities were limited. It set back normal teaching activities and children's health in a way. During the program, local government made an overall plan on school construction. The dilapidated schools were rebuilt, old and poor schools were renovated. At the end of 2007, there are 56 schools in Xingguo County completed reconstruction.

5.1.7 Land Tenure System

As most of the other rural areas in China, House Hold Responsibility system stimulated farmers' enthusiasm on agricultural production at the very beginning in Ganzhou too. But with the economic development, Ganzhou as an undeveloped area didn't offer further development chance to farmers. Many young farmers migrated to urban areas for non-agricultural related activities. The questionnaire in Ganzhou shows that 74% of the families have 1-3 family members working in the cities. For these families, only senior people with the young children stay at home. As the population working outside the village nearly reaches one forth of the total populations in this area, large pieces of land laid idle without cultivation. It is not common for the farmers to transfer land to others for cultivation and get lease fee (Gao, 2007).

In order to protect the interest of both parts on land transferring, guarantee the land use efficiency, in 2005, Ganzhou Government issued “Rural Land Transferring Method” for implementation. It regulated that the agricultural land and forest land can be transferred according to voluntary principle and its agricultural use feature can not be changed. This method clarified the details required for transfer parties, condition, and period regards to agricultural land transfer in Ganzhou. It not only solves the problem of idle land use, but also avoids the potential conflict caused by land transfer.

5.1.8 Main Achievements

In the past five years, Ganzhou has achieved great progress in rural development. The changes in many aspects are noted.

-Farmers’ living habit, local infrastructural construction and environment of rural areas changed: During the process of rural development, the local government in Ganzhou based on their undeveloped economic situation and natural protection requirements, insists on “not destroying mountain, not filling up pool with soil or waste, not cutting trees”. The construction must base on the natural topographic feature, natural village’s region and boundary line rather than on administration region boundary line. According to farmers’ different requirement and the natural location, they change the water supply system by different setting such as group families supply system, single family supply system and mountain spring water supply system. Water closet toilet thoroughly changed farmers’ habit that last for hundred years. After the application of marsh gas, for the first time, farmers experienced and got chance to take hot water shower at home after work. The village road that used to cover by dirt and mud in rainy weather has been changed to a clean cement or tidy car friendly road. In Xingguo County, rural development project covered 47.4% of the natural villages, about 54000 households (Liao, 2007). The questionnaire from Xingguo County shows that about 41% respondents are very satisfied with present rural infrastructural construction; 58% thought it’s generally good; only nearly 1% respondents are not satisfied with present situation. It shows that with rural development program, most of the rural infrastructural constructions have been improved.

The concept of environmental protection is becoming more and more important in people’s mind. In Xingguo County, in order to promote economic development, the local government tried to introduce one joint venture project from Hong Kong. After the factory building was completed, they found out that the leather process factory can bring serious pollution to environment and decided to cancel it. But according to the contract, they have to pay 2.9 million RMB to the other party as compensation. It is not a small sum of money for a relatively poor county, but they still insisted on canceling the project. They lose in short term but win more in long term.

-Featuring agriculture development: The climate and special soil condition make Ganzhou a suitable place for growing navel orange. The local government encouraged farmers to develop economy by using local advantage. Nowadays, with more than 1.5 million Mu (1 ha is 15 Mu) navel orange planting area, Ganzhou has become the biggest navel orange produce area in the world. Xingguo County took advantage of its natural situation and set up bases for 5333 ha navel orange, 1333 ha tobacco, 666 ha flower and 33333 ha *Camellia oleifera*. Its GDP in 2006 reached 3.69 billion RMB Yuan, farmer's per capita net income is 2602 RMB Yuan (Liao, 2007).

-Enforcing rural planning: By July of 2005, 95% of townships have overall planning, 56% have detailed planning, 25% administration villages and 13% villages that defined by natural situation have their village planning (Ye et al., 2006)

-Public participation: Thanks to the rural development program, public participation as a concept was accepted for the first time and carried out in practice by local farmers. Application for pilot village construction has to get more than 80% villagers' endorsement. The questionnaires also show that 100% of the respondents are involved in the approval meeting.

-Relationship between leaders and farmers has been improved. During the rural development, local leaders found the breakthrough point for improving the relationship with farmers. By providing sincere service to farmers, such as discussing with farmers for each step of rural development project, listening to their opinion, solving the problem that they are really concerned about, local leaders set up a new good relationship with farmers and win the trust from farmers.

-Rural cooperative medical care (RCMC): It is a cooperation medical system in rural areas that financed by farmers themselves and government at different levels. The financial ratio among the different group is varied according to different local financial situation. Until the end of 2007, cooperative medical care in Ganzhou City covered 15 counties, about 5.54 million populations. The ratio for people participation is 85.53%. As the national model county of cooperative medical care, the ratio in Xingguo County reached 86.3% in 2007 (interview).

-More efficient land use: There are many old houses that was wasted or left empty in many villages. By demolishing disorderly or illegal buildings, toilets and pigsties, Ganzhou City made progress on efficient land use. Changjing Village, Gaoxing Town of Xingguo County is a big village with 1000 families and more than 4000 people. It is a hundreds years old village set up in Qing Dynasty. Its long development history leads to the present situation that there

were some ancestral temples and deserted old houses. During the project, the village following the principle of protecting traditional building and original style, made a new building plan for the village. Regarding the ancient part, they demolished some of the old houses that are ruined and nobody wanted to use anymore, rebuilt or renovated the houses under use and the old temple with typical traditional features. Meanwhile, they made a good plan for the new area. By offering the new plan and blueprint to villagers, they achieved the good order and design in new area. Until the end of 2007, there are 30 new families which live in the new part of the village.

-Promoting farmers' education and training: Farmers' training in Xingguo County focuses on agricultural application technology and modern industrial technology. There is farmers' training net at county, town, village, team/group 4 levels in Xingguo County with county government's financial support (more than 1 million in 2007). It has trained farmers more than 46500 farmers times (Liao, 2007).

-Trying to protect local building feature. Local government invited architects and planners from universities and planning institutes to offer different construction designs to farmers according to local situation. Meanwhile, they tried to encourage farmers to maintain and protect "Kejia" (local people) building and traditional ancestral hall during village renewal. Most of the buildings with memorial history and local features are protected very well (see Photo 1 and 2). They attract more tourists in recent years despite of the present limited infrastructural construction, transportation and sanitary situation.



Photo 1: Changjing Village before Renewal

Photo 2: Changjing Village after Renewal (right)

Source: Author

Remarks: Changjing village has been selected as national model for village renewal work

5.1.9 Existing Problems

-Financial support system for rural development: There is no solid financial support system for rural development in Ganzhou. The present financial support system is a combination of local government, economic organizations, NGOs and farmers donation. But it is not a long

term and solid financial system for rural development. Though provincial level has certain financial support, it's not enough. It is necessary to search for an effective mechanism system on financial support in the future.

-The problems caused by migrated worker: The questionnaire shows that 74% of the respondent families have members working in the urban areas, their main income is from non-agriculture work in the cities that far away from their hometowns. It causes some social problems such as Liushouertong, children staying with grandparents or relatives while their parents work in the cities far away. They can not get care from parents for long time (interview). It also results in a large amount of idle agricultural land. Rural areas are losing the energy in a sense.

-Economic development is a long term battle: Though until now, rural development has carried out in Ganzhou overall for years, the economic situation there is still far behind compared with many costal areas. The initial stage of rural development is done without much investment. But work on late phase, such as social security, farmers' training, local democratic system building and etc are harder and more difficult.

-Relative low rural development standard: By field trip and observation, the research found out that the content of rural development in this area is very limited and narrow. Actually, rural development in this area mostly remain at the stage of street cleaning, house building, toilet changing and etc. But it should have broad content, such as education, farmers' training, social welfare, economic development, environmental protection and etc. These issues need to be taken care of in the next stage. That is a long term and hard task.

-In some areas, rural development only works at surface: Some local leaders are only willing to take rural development as infrastructure building because new village construction is easy to carry out, doesn't take a long time and can obviously showcase the result. For example, some villages use administrative means to force villagers to carry out construction work so that the final result can meet the supervision and evaluation from superior officials. There are several farmhouses in the research area (Gaoxing Village) which are unfinished structures (see Photo 3). It was said that farmers don't have enough money to complete the construction. But in fact, lack of financial resources is only part of the reasons (observe).

-Lack of favourable policy for farmer to get additional income: Actually, the young generation now working in urban area are the main part of farmers. At present, the number accounts for one third of total farmers, three fourth of young labours, which are also the main part of rural development. For the long term development, good policy for attracting migrated worker to return to village and operate own business can not only help maintain the stability of rural areas, but also introduce new technology to promote rural development.

-Lack of long term leadership system: Only because of the county governor is mainly in charge of the rural development work in Xingguo, all the concerned departments support the work. But such working group is only a temporary institution and can not guarantee the sustainable rural development in the future. It is hard to have any demonstration value for other areas and other projects without becoming a system. Meanwhile, no sustainable and scientific appointment system of local officials leads many officials at grass root levels only focus on short term achievement and ignore sustainable development according to local situation during the term of office.

-Top-down policy making system: Policy making process is from top to bottom. County level has made some regulation, but most of them seemed to emphasize and repeat of the upper levels' spirit in order to get policy and financial support. It's not so concrete and specific to meet local situation (interview).

-Lack of social security system: In 2007, farmers' per capital medical care investment based on farmers self-pay and central, provincial, city and county government subsidy is only 24 Yuan. The number increased to 100 Yuan in 2009. It will help farmer with serious health conditions. Meanwhile, only 22% of the respondents joined retirement insurance system. Though most of the farmers in Ganzhou have taken part in cooperative medical care, as the financial support is relative low, nearly 93% of respondents worry about cost when they are sick or getting old (questionnaires and interview).

-Farmers still feel the discrimination between rural and urban, between urban people and rural people exist. The questionnaires show that only 3% respondents thought that there is not different treatment between urban and rural residents, 97% of the respondents think they are treated unequally in term of social statue and treatment, or other aspects (questionnaires part 3, Q.7).

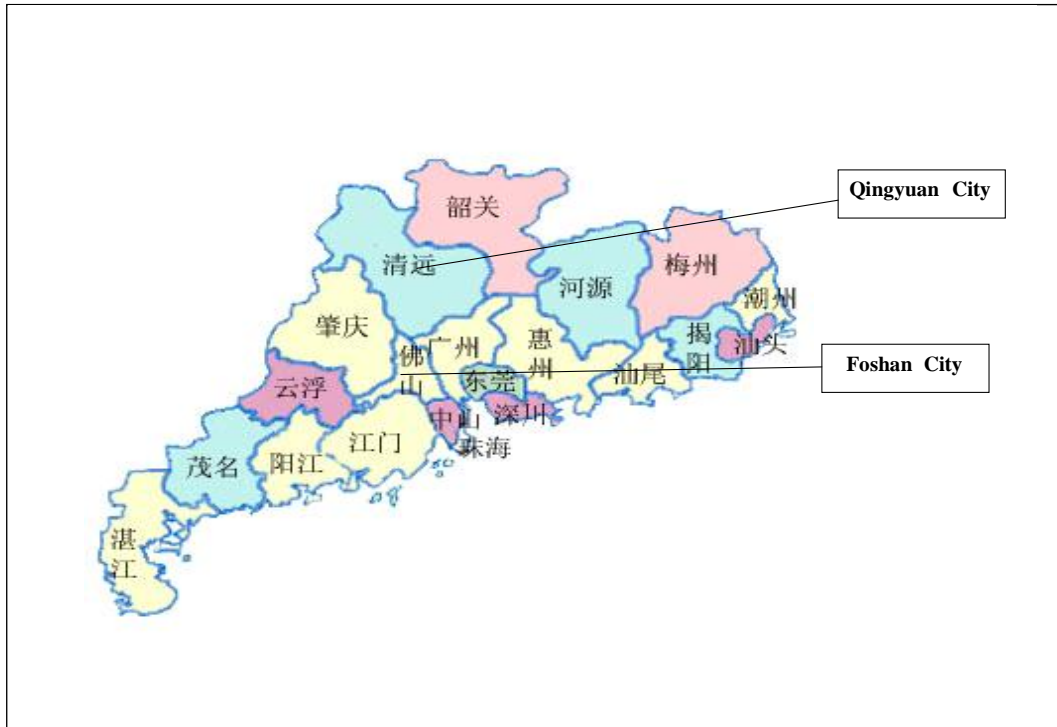


Photo 3: Unfinished New House in Ganzhou

Source: Author

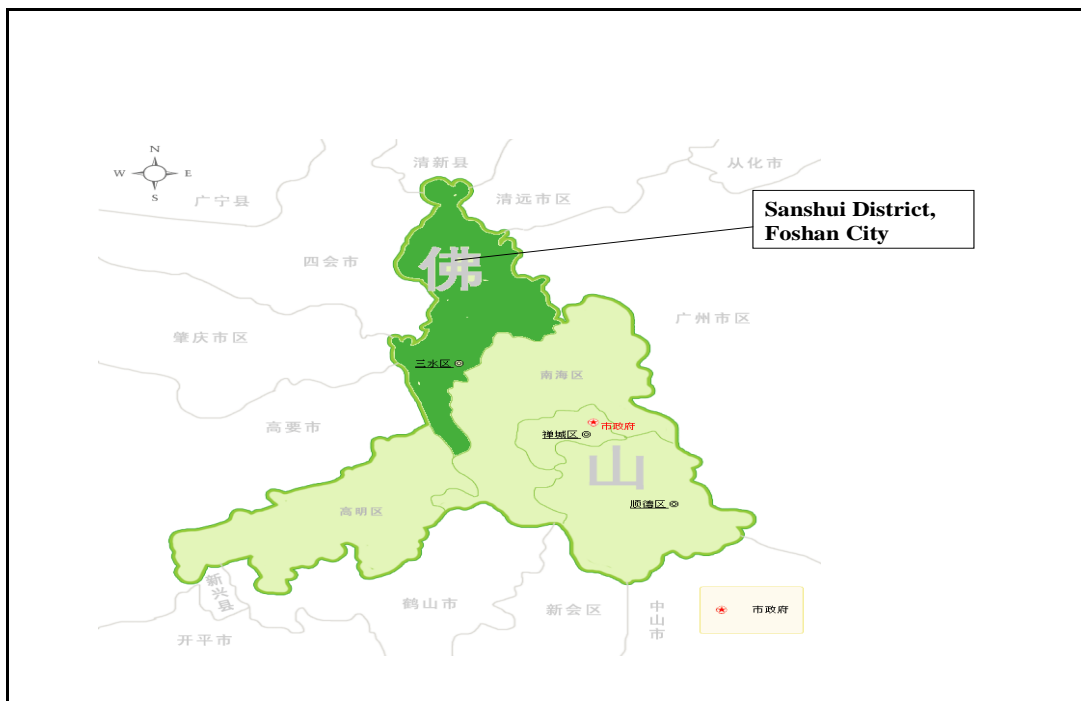
5.2 Case Choosing-Guangdong Province

Guangdong Province is a forerunner of China's reform and opening up. Since the end of the 70s, Guangdong's economic situation continually ranks among the top provinces in China. The research chose two study areas in Guangdong Province, Qingyuan City and Sanshui District of Foshan City (Map 6 and 7).



Map 6: The Map of Guangdong Province

Sources: GDLCC, 2007



Map 7: The Map of Sanshui District, Foshan City

Sources: ibid

Because these two research areas are not the pilot areas like Ganzhou City, Jiangxi Province, which have featured of rural development program. The cases here are just normal cases by random selection. That's why to certain extent, they are not typical representation of the full aspects of rural development thoroughly. In the following analysis, the research will take into consideration both the overall situation of Guangdong Province and the special case study areas so to get better understanding and explanation for the present rural development situation.

5.2.1 General Introduction of the Areas

Qingyuan City is located in the middle and north-west area of Guangdong province. It has 7 counties. More than half of its area is mountainous and hilly areas. Other parts are plain area. The climate here is classified as sub-tropic monsoon. Annual average temperature is 20.7C°; annual average sunshine hours are 1662.2 hours, annual average rainfall is 1900mm, and annual average frost-free season is 314.4 days. The total area of Qingyuan City is 19000 km² and its population is 3.87 million.

There are 289,000 ha agricultural land, 1.19 million ha forest land and 64,000 ha watershed in Qingyuan City. Average family farmland area is 0.46 mu (about 0.03 ha). Due to its remote location and mountain feature, the economic development in Qingyuan is relatively behind other areas in Guangdong Province. But now, the traditional, small scale agricultural land use pattern is continually substituted by intensive, large scale agricultural enterprises. Meanwhile, Qingyuan's beautiful natural scenery makes it an important tourist area and it is called "The Back Garden of Hong Kong and Guangdong".

Sanshui is one of the District of Foshan City, Guangdong Province. It is named from 3 rivers that flow through the area. It is located in the middle of Guangdong Province, north-west of Pearl River Delta, its total area is 874 km² and urban population is 250,000 people and rural population is 100,000. There are about more than 200,000 people from this area living overseas and therefore it's a famous home town of overseas Chinese.

The topography and physiognomy of Sanshui District is very complicated. It covers hilly, plain area and billabong. Land use is so diversified. Generally speaking, it's a long narrow area. It is 68 km long from north to south, 30km wide from east to west. It is going down from north-west to south-east. Soil in this area is fertile.

With good location, transportation network and good infrastructure, industrial development in Sanshui is quite advanced. There are about 3000 industrial enterprises in Sanshui, of which, there are many world top 500 enterprises such as Japanese SUMITOMO, American INVISTA and Tsingtao Beer set up factory in Sanshui. In 2007, GDP in Sanshui reached 50 billion

RMB.

Before opening up policy was adopted in 1978, rice in Sanshui is the mainly agricultural production. Recent years, stock raising, aquaculture and vegetable have become main pillars of agriculture. Some agriculture industries and bases come out in Sanshui.

5.2.2 The Main Goals of Rural Development

The goals of rural development can be divided as long term and short term goals in Guangdong Province (GDLCC, 2007).

Long term goal of rural development is based on the requirement of central government. Combined with the realistic situation, Guangdong will speed up rural and urban integrated development and building socialist new countryside in Pearl River Delta. East and west of Guangdong and north part mountain area will enforce county economy/enterprises, develop feature agriculture and industrial agriculture, and improve rural infrastructure construction.

The short term goal for Guangdong means the goal within “eleventh five years plan” period, which lasts till the end of 2010 year. They are concluded as:

-To realize the overall development of agricultural production and boost agricultural modernization level: Try to realize agricultural modernization in Pearl River Delta area first, then enforce the agricultural modernization level all over the province;

-To spread and advocate the application of high tech and fine variety products, so that to improve the agricultural competence in market.

-To succeed in surplus labor’s transfer: To set up labor market information network and training system. Until 2010, there will be 20 million rural labors workers in Guangdong Province working in non-agricultural industries.

-To strengthen education and social security system: “nine years’ compulsory education” will be free of charge all over Guangdong; employment training will be enforced; set up overall rural medicine service network in each county and realize that the new rural cooperative medical care system will covering more than 85% of the rural population; set up basic sport and amusement facilities; set up low income and old people’s living security system; and control the increase of rural population.

-To improve the public infrastructure facility in rural areas: Drinking water will be standardized. Tap water supply should cover more than 85% of the area; road, electricity, mail,

TV receives and telephone will be available in every village.

-To improve eco-environmental protection: To complete old/traditional and endangered house' renovation or rebuilt; deal with typical "dirty, disorderly, poor" rural situation; disposal household garbage and sewage, improve living condition.

-To set up harmonious community in rural areas: Encourage people to help each other, promote civilization.

-To improve comprehensive capability of rural people: Through education, science, employment, legal and moral training, next generation farmers will be raised and ready for the new era.

-To increase farmers' income: To set up a long term effective mechanism on increasing farmer's income; increasing farmers' purchasing power; and improving farmers' living condition.

-To strengthen the economy of rural collective organization: Economic condition of collective organization at village level can be improved, so that it can have the capability on rural construction, maintenance, management and sustainable development.

-To enforce leading organization construction at local level: Set up villager autonomous mechanism, leading farmers to involve and manage their own business; set up a clean, democratic leading organization that are trustworthy and be satisfactory to villagers.

5.2.3 Institution Construction

The Provincial Government adjusted and improved policy and regulation continually according to the new situation and new issues. They tried to explore the specific methods that fit special development situation in Guangdong. Through "ten, hundred, thousand, ten thousand" project, officials from upper levels got a chance to experience situation and problems in grass root level. It not only provides a good chance to show the true situation, but also benefit policy adjustment and making later.

During rural development, county, town and village work and compete each other to achieve the goal of "setting up good leader group, good mechanism, good economic achievement and high satisfaction". The work of grass root warmly welcome by local farmers.

Grass root leadership plays an important role in rural development. At village level, there are CCP group and villager's committee two leadership groups. CCP Group usually focuses more

on policy implementation while villager's committee practices on specific issues that are of concern to all the villagers. As leadership, the two groups are combined together to serve village people on decision making, detail development planning, implementation and mediation etc. It is very common that CCP leaders in the villages are also the heads of villages owned enterprises. In a way, it causes "power centralization". Sometimes, villagers' speaking rights were deprived which could be dangerous.

5.2.4 Participation Parts

Farmers' participation often happens in following scenarios: one is during the process of land requisition. As economic development in Sanshui is rapid, land expropriation happened more often than inland area, especially the area close to urban area. In order to protect farmers' interest, local government regulated that only when 100% farmers' signature and agreement have been obtained, can land requisition move forward.

In land consolidation project, farmers' involvement is also very important. In one village of Sanshui, there is a piece of idle bamboo land covering about 200 mu. According to state compensation standard, the state has to pay 1200 RMB for each mu to farmers as compensation if the state wants to condemn it. But local people thought that the offer was too low so they refused. In that case, the land remains undeveloped.

"Villager Autonomy" is a typical management measure in rural areas now. According to the requirement of "democratic voting, democratic decision, democratic management, democratic supervision", local area has created a villager's autonomous committee under CCP group, so that villagers can really enjoy the right to know, to manage, to supervise regarding to the daily issue. Now in rural areas, all the issues must be discussed by farmers or the representative of farmers.

5.2.5 Policy Support

Based on the document issued by Ministry of Land and Resources, Ministry of Human Resources and Social Security, "*Enforce Industrialization, Urbanization, Agricultural Industrialization, Promote Rural and Urban Area Integrated Development*" issued by provincial government mentioned several important topics:

During land requisition, developer should pay certain amount of money for land, which is called land granted fee. This policy regulated that during land requisition, local governments should keep 20% of the granted fee for the construction of modern agricultural zone, high standard primary farm land and land development.

Incorporating urban and rural community, industrial zone and agricultural zone,

infrastructural and eco-environment into an integrated plan. In the area of urban planning, local government will gradually cancel the allocation system of homestead (in rural areas of China, farmers have their own homestead land for their own house, the size of the land can be varied according to the land use situation in different area), enforce apartment building construction to get a more efficient land use and better planning result. Local government should cancel or reduce farmer's share fees on infrastructural construction. By enforcing urban and rural integrated economic power and influence to rural areas, attract more rural labors and industries to concentrate in county, township area, urbanization will speed up.

Compensation system for "Keep Land" (Liuyongdi). It means when government want to expropriate collective owned land for urban construction, 10-15% of the total expropriated land will be kept for collective organization for economic development. This part of income should be used prioritized for the farmers who lost land for social security. Meanwhile, land share holding system is also under exploration. As socialist public owned land system, how to solve farmer's living problem after land loss is a new problem at present. Before the set up and completion of rural social welfare system, social function of land can not be ignored. This "Keep Land" system is the mechanism of the social welfare. In Sanshui, the "Keep Land" is relatively more. The research case shows that one land expropriation is 170 mu at price of 12000 RMB per mu, but in fact, land use party can only get 100 mu, "Keep Land" is 70 mu. This piece of land covers the land owned by two villages. So, finally, each village got 30 mu "Keep Land". Village Committee organized villagers to build house and shop together, and then rent them out. There are more than 300 peoples in these two villages. The income for each person can reach more than 10000 RMB Yuan. According to the contract, rent will be increasing 5% per year.

"The decision on Speed Up the Development of Mountain Area". In 2002, Guangdong Provincial Government addressed until 2007, provincial financial department will offer 210 million Yuan to assist 5000 students from poor families for 2 to 3 years' technical training each year. This policy proved later that really helps many young people from poor areas on alleviation of poverty, and change their lives totally.

"The Management Measure on Transferring of Collectively Owned Construction Land of Guangdong Province". In June 2005, Guangdong Provincial Government issued this measure and declared that collectively owned construction land in Guangdong could go to land market for transferring. This is the innovation in China. There had been no other laws clarifying this issue before. This policy encouraged farmers to keep one house site for themselves and transfer his surplus construction land to land market. It not only increases farmers' income, but also promote land use efficiently.

In 2006, Department of Land and Resources of Guangdong Province issued *"The*

Announcement of Compensation Standard on Expropriate Land". It divided land into cultivated land, garden plot, forest land, aquatic land and each been classified each into ten grades. It makes the compensation standard very clear so that farmers' interest can be better protected.

A series of urban and township development policy: "*The proposal of Speeding up Urban and Rural Construction, Promoting Urbanization*" and "*The Proposal of Promote Small Township Health Development*" indeed speed up urbanization of Guangdong. "*The Proposal on Central Township Development*" offers special support policies to 275 central townships in the province. The 10 benefit policies regarding to construction fund, clarified the kind of taxes or fees to be refunded, and how much should be refunded, etc (DCG, 2006).

All the support policies lead to the following measures and programs.

5.2.6 Programs and Measures

-Solve "one insurance, five difficulties" issues: Means to solve the problem of rural people's low income living insurance, drinking water, road construction, access to and charges for education, housing and hospital.

-Professional Training on Millions Rural Young People: The goal of the program is set for 2005-2010, Guangdong Province will organize 2.7 million rural young people to join professional training, transfer surplus labors of 4.8 million people from agricultural to non-agricultural industries, so that the employment ratio of non-agricultural industries can increase from present 64% to 72%. The specific process can be divided into two phases: one is from 2005 to 2007, Guangdong transfers 800000 surplus labors each year, organize more than 335000 rural young people to join professional training, in which, free charge training reached about 180000 people. The training program would train than one million young people within three years; another is from 2008 to 2010, the program will transfer surplus labor of 800000 people, organize more than 550000 rural young people to join the professional training, of whom more than 300000 people will enjoy free training.

-Nine Years Compulsory Education System: Set up compulsory education guarantee mechanism, improve school building condition and clear up risky school buildings. Integrated use of education facility and personal resources, improve teaching quality in middle and primary school. Eliminate text book fee and supply partial living cost for the poor family children. Since the autumn of 2006, Guangdong Province becomes the first province in China to carry out compulsory education system. Meanwhile, they offered free textbook and subsidy to the students from poor families. In Sanshui District, compulsory education began in 1998. Now, most of the primary and middle school students can take school bus to go to school with

very low charge.

-“Poverty Alleviation by Education”:

This project was carried out in 2002. Every year, there are 5000 graduated students of middle school and high school from poor families with annual capital income lower than 1500 Yuan would be chosen to go to different technical schools for training. Provincial financial department totally investment reached 210 million Yuan within four years. Since 2006, the project coverage extends from 5000 to 10000 students per years. 100% of the graduated students found jobs after technical training so that these students’ families could be alleviated from poverty.

-Lower the threshold of subsidy to farmer:

Since 2005, the new regulation stipulated that the subsidy standard from 30 mu (2 ha) annual cultivated rice land is decreasing to 20mu (1.3 ha). Each year subsidy is 20 Yuan per mu. In a way, this regulation encouraged farmer’s interest in agriculture.

-Cancel the rural and urban citizenship system in some area:

In Sanshui District, Foshan City, there is no different treatment between rural and urban citizenship. This policy benefits the labor transfer from rural to urban area, and it also offers an equal opportunity for rural people to enjoy the social welfare too. In Sanshui District, rural people have begun to join social insurance system. According to the ratio of payment 3:3:4 among individual, village, local government, people in rural areas can get 200 Yuan per month after they reach retired age.

-“Ten, hundred, thousand, and ten thousands” plan:

Since 2005, they began to organize more than 10 cadres at provincial level, more than 100 cadres at region or department level, more than 1000 cadres at county level, more than 30000 ordinary cadres every year to go to local areas or villages. This plan not only give the training opportunity for the cadres at different levels, but also help villages to set up their democratic leading organization, solve the urgent and realistic problems that farmers face.

-“One town has one main product” program:

Try to realize each town or village has its own distinguished product. This is the initial stage of industrial agriculture. For example, Datang village of Sanshui District is famous in vegetable production. Vegetable cultivation more than 20000 mu makes it a famous vegetable base in Guangdong.

-“Internet cover towns, information reach villages”:

Within the period of “11th Five Year Plan” (2006-2010) striving to set up internet in all towns and offer information on need and supply, farmers’ employment opportunity, new agricultural innovation and technology, market information and etc.

-“Five changes plan”:

Until 2009, all the roads connecting town and villages will become

“hard based road”, some villages will realize hard based road inside villages; based on solving the issue of drinking water, improving water sanity and tap water supply system; improving the condition of unreliable mud brick material, couch grass material farmer house; improve private and public toilet sanitary condition; encourage farmers to change traditional stove that burning firewood and brushwood directly to using methane.

-Agricultural industrialization: Encourage farmers to develop industrialized agriculture according to local situation. In Datang town of Sanshui, vegetable base that covers more than 20000 mu and 400,000 mu fish pond set an example for the surrounding areas.

-Enforce farmland protection during economic development: As economic development and urbanization in Guangdong Province are very fast, the conflict between farmland protection and land use is severe. The local government carried out strictly the policy of “Balance between Cultivated Land's Occupation and Compensation in Different Region in China”. In this way, they realize sharing resources advantages in different area and solve the conflict between economic development and farmland protection.

5.2.7 Small Town Development

With rapid economic development and the advantage of location, Guangdong becomes one of the forelands of Chinese opening policy. Small Town Development in Guangdong province happened based on its economic development with its specific features:

-During the middle period of industrialization, townships in Guangdong province accepted a lot of rural population and immigrants from other inland provinces. In 2005, urbanization ratio in Guangdong reached 60.68%, increased 5.68 compared with 2000 (DCG, 2006). In 2006, there are 15.24 million rural surplus labors emigrating to non-agricultural sectors, accounting for 50.4% of the rural labors (WPC, 2006). Meanwhile, as an economic developed province, Guangdong also absorbs many surplus rural labors from other areas each year.

-Enforce “traditional function” of central city and central small town. According to its own developing situation, Guangdong Province carried out “central small town construction” project, in which, Guangdong will set up about 300 central small towns until 2010. As a capital city of Guangdong, Guangzhou city give a lot of financial and policy support to the project. In 2004, there are 10 such central small towns in Guangzhou. In 2005, another 5 small towns were constructed there. During 5 years, each of these small towns can get 15 million Yuan each year for overall construction. According to the developing plan, Guangzhou plan to set up 15 central small towns. In the future, these central small towns will develop into satellite cities. Meanwhile, by Hukou system reform and professional training, encourage the former farmers to live and work in the central small towns. It is a good way to increase farmers’ income, improve infrastructural construction, remit pressure of big central city like

Guangzhou, solve surplus labors, so that to realize the integrated development both in rural and urban areas. Now, central small town is only account for 18% of townships in Guangdong province, but they accommodate 42% population and 51% financial income of all the townships in the province (DLG, 2006). In economic developed Pearl River Delta, urban citizen has account for 72% of the local population; the level of urbanization has ranked to the top in China (Song, 2005, p.107).

5.2.8 Land Tenure System

In economic developed area as Sanshui, land requisition happened often. In order to avoid land conflict, realize harmonious development, the local government carried out the following measures:

-increasing land requisition compensation standard to reach the economic development of local area;

-insisting on negotiation with local people first and getting agreement from local people;

-improving social welfare system. Farmers who lose their land can change their “Hukou” to urban people and have the same employment chance as the urban people. Meanwhile, they can get retirement fees 200 Yuan each month;

-“Keep land” system that leave 10%-15% of the requisitioned land to farmers, give farmers an opportunity and freedom to explore the development field;

-“The Management on Transferring Collective owned Construction Land Use Right of Guangdong Province” which was put into effect in Oct. 1st, 2005 regulated that collective owned construction land has the same treatment on lease, transfer, mortgage as state owned constructed land in land market. This is a brave experiment that breaks the former regulation of Land Administration Act that “all units and individuals that need land for construction purposes shall, in accordance with law, apply for the use of state-owned land”. Meanwhile, it regulated that the transfer must be approved by 2/3 of the villagers. It seems it is not really transparent and fully respects all villagers’ desire because in some extents, the transfer has already changed farmers’ land use right. As land is a very important asset for farmers, only 2/3 of the opinion is definitely not enough.

5.2.9 Main Achievements

As a developed province, rural development in Guangdong has its own features. The main achievements can be concluded as:

-Realizing 9 years compulsory education system earlier than most area in China.

-Improving infrastructure and living condition. In order to achieve the balance of land use and land development, local governments have to go to the remote and undeveloped mountain area for land consolidation. Such land consolidation project not only develops farmland and enriches land resources, but also improves the infrastructure and agricultural condition in such areas. It drives the economic development in the relative remote rural mountain area.

-Rural economic and farmers' income improve steadily. In 2008, agricultural production increases 3.7%, agricultural structure has been improved. 1.25 million mu (83333 ha) standard agricultural land has been consolidated for agricultural mechanism.

-13 new national agricultural enterprises, 30 national pilot areas have been built. 191 provincial enterprises help 2.16 million farmer household. Farmers' professional co-op economic organizations reached the high number of 2095.

-Improving rural living and production condition: Completion of 10000 km rural hard road construction; all the villages have internet access; solving drinking water supply problem for 2.54 million rural people; per capita net income in rural areas reached 6400 Yuan.

-Offering professional training for 585000 farmers. Transferred another 991000 overall surplus labors from rural areas of the province and it account for 14% increasing.

-Rural health care system has been improved. The percentage on taking part new type of rural co-op health care system reached 95.4%. It can cover 90% of the cost when farmers getting sick (interview).

5.2.10 Existing Problems

-Salary system for village leader group need to improve. As villages do not receive any allocation from the national budget, village leader group as a grass root organization can not get financial support from higher government. Their salary mainly comes from the profit of village enterprises. In the villages that collective enterprises are not so good, it is very common that village leaders' salary was delayed for long time, or kept very low. This really impacted village leaders' passion for offering service to villagers. Actually, villager leader group is a key link that decides if policies from central government can be carried out totally. So, salary system for village leader group needs to be improved.

-“Villages in cities” came out. Many cities and towns were just formed out of former counties community, management and education levels of people are far behind of the requirement. With urbanization, many villages at the suburban area became “villages in cities”. Geographically, they are close to cities, but they are not belonging to the city management

system. Lack of security and poor environment make such areas a burdensome and unstable element to the cities.

-Un-adapted land tenure: As land tenure and owner system are not so clear defined in law, farmers don't want to give up the opportunity for building a house for rent. Meanwhile, it is also difficult for them to move to cities by the interest from land use transferring (Tao, 2007, p.110). Meanwhile, it is still happened often that seldom village heads didn't respect public wishes during land requisition. It leads intensive conflict between government and local people.

-“Small Property Right Apartment” (Xiaochanquanfan). It is a special phenomenon that existing specially in the edge area of big cities at present China. According to the law, the house that sold in legal real estate market should be the house that built on the state owned land with 70 years' use right. But this “Small Property Right Apartment” is the house that built on the collective owned land by local farmers themselves. In legal extents, such house has no property right and does not enjoy legal protection. As it is much cheaper than the house on real estate market (without land requisition process), it attracts many people to buy which disturbs normal real estate market and urban planning.

-Employment problem of farmers whose land gets expropriated: Though local government tried very hard to sign contract with investors who use the land for enterprises and offered technical or professional training for farmers, some of the farmers are still unemployed due to higher labor market requirement or lack of skill. To explore an effective mechanism for this group of farmers is a very urgent issue.

-Lack of planning and traditional protection concept: During small town development process, the new rich local people are more eager to follow the life style and model of urban people. Many new developed small town lack of planning and the buildings there look like coming out of the cookie cutter. There is no local feature at all. Illegal land use and construction exist as well.

-Lack of environmental/natural resources protection concept: Many local officials, especially in the economic developed areas, local officials and villagers are more focus on economic interest and ignore environmental and natural protection. Beautiful landscape and natural resources have been developed or destroyed for economic sake. Meanwhile, the existing promotion system of officials leads such problem more seriously (interview & observe).

-In some areas, public voting still stays at the surface stage: Though by the beginning of 1998 about 60% of the villages are said to have elected their Village Autonomy Committees directly (Fan et al., 2006, p.196), there are still many local early well-off people often use

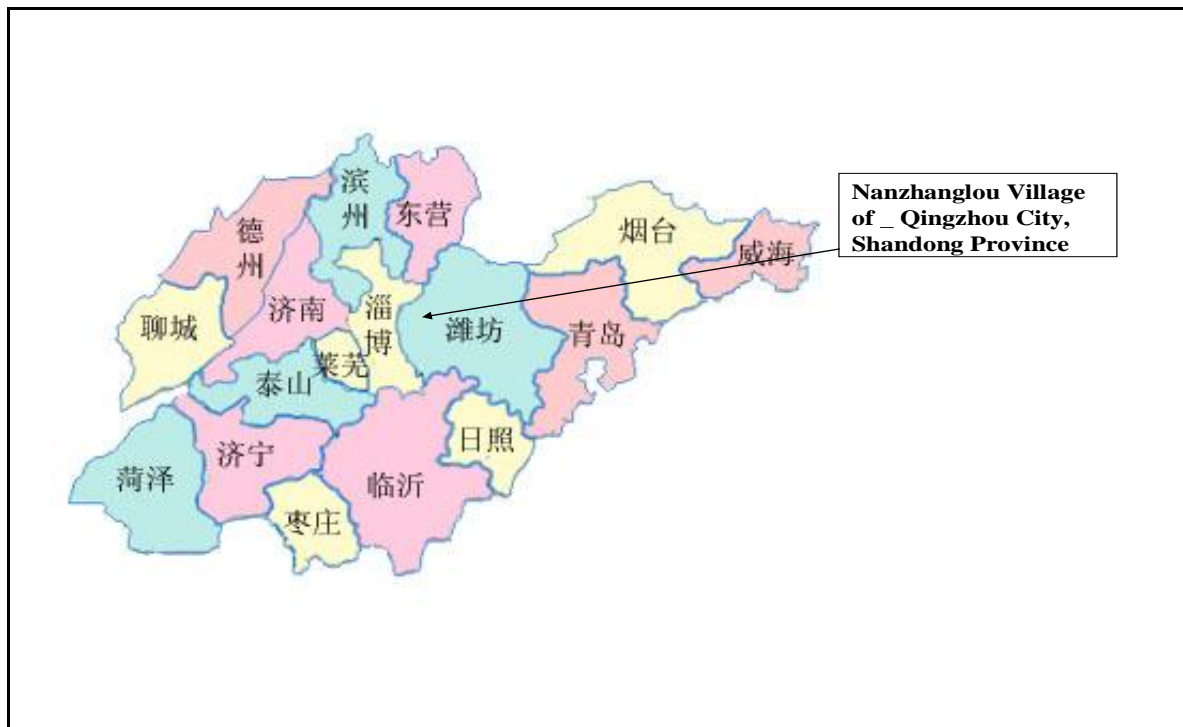
their influence to become village head and try to benefit with their “power” in later practice. Therefore, “Villager Autonomy” is compromised.

-Public participation has not been regulated: Though there is public participation in some project, it has not been regulated as a system. Many local officials think it is only one of the criteria to get approve for certain project and don't carry out it out seriously or believe it is really necessary (interview).

-Local policy needs to be concrete and detailed: Most of the local policy decision making happen at provincial level. Towns and villages usually lack of very concrete and detailed regulations, standards or specific criteria.

5.3 Overview of Nan Zhang Lou Project

Nan Zhang Lou (NZL), a very normal village in Qingzhou city, Shandong Province (see Map 4, Map 8, Map9), is located 20 km away from Qingzhou City, with about 4200 population. Without any special location advantage, its economic development situation is below middle level of Shandong Province, it was choose as a pilot area by Shandong Province Government and Hanns-Seidel Foundation (HSS) of Germany in 1988. According to German experts' opinion, Nan Zhang Lou can represent most of the villages in north China. The joint venture project is of significance as a pilot area for most of the rural areas in China.



Map 8: Location of Nan Zhang Lou Village in Shandong Province

Source: http://www.cts2008.com/images/Prov_Map/10014.jpg

The idea of the project comes from the concept of “equivalent living standard” and its

successful experiences in Germany. The guideline for this experiment is based on German Land Consolidation Act. It is:

- to improve working condition and production condition
- to improve living condition
- to increase non-agricultural employment opportunities
- to promote rural development in a wide range, such as economic, environmental, and social aspects



Map 9: Nan Zhang Lou Village
Source: Jahnke, 1992

The main contents for the project include two parts: land consolidation and village renewal. There are more than 400 ha cultivated land in Nan Zhang Lou. The land was divided into 267 uneven pieces. Each family owns several pieces of land which are not connected together. Such situation doesn't fit mechanic cultivation and bring so much inconvenient for villagers. Under the guide of German experts, the land consolidation program in Nan Zhang Lou has the following contents (see Table 7):

- Consolidate idle land and waste brickyard so to increase cultivated land to 420.6 ha
- Leveling land to build 57 big pieces of land that each reached about 10 ha. Meanwhile, they classified the land into 5 grades (see Photo 4).

-Re-allocated land so that one family can cultivate one big piece of own land but not several pieces of land located in different corner.

-Improve efficient land use, built hard surface road more than 20 km, in order to meet the need of big agricultural machines, such as plough up, planting, threshing and watering mechanization.

-Improve agricultural infrastructural construction. They built more than 90 pump stations, 44000 m under ground water pipe, and 50000 m underground electronic line. Now, Nan Zhang Lou has realized remote controlled farmland irrigation.

-Improve environmental condition. Planted 15000 trees in field; developed 29 ha idle land; planted 10 km wind protection trees.

Land consolidation improved the condition for agricultural production, improved land use efficiency. Meanwhile, it also increased agricultural mechanization level.

Another main content for the project is village renewal.

-Village planning: According to the planning, nowadays, the village has been divided into four functional areas: industrial area, agricultural area, education area and residential area.

-Promoted the development of enterprises: After land consolidation, 150 m (10 ha) non-agricultural land has been developed as industries area for more than 90 village enterprises, such as textile, petroleum machinery, flour processing factory, and etc. The villagers from Nan Zhang Lou enjoy the life of work in enterprises and farmland simultaneously.

-German “dual education system” focusing on practical capability training has been applied in Nan Zhang Lou; well-equipped primary school, internet bar, hospital, and supermarket existed in the village.

-Convenient public transportation links the village to the nearby city. People here feel that they have everything they need, just like the people living in the city.

The experiment has achieved:

-Farmers’ income has been improved; the per capita income of 1950 Yuan in 1989 goes to about 8000 Yuan in 2007.

-Set up more than 90 enterprises so those villagers don’t need to leave their own hometown and work in the big cities.

-Farmers' working model has changed: agriculture becomes subsidiary business, industry becomes main business.

-Many factories bought retirement insurance and health insurance for farmer workers.

-The population in village almost maintains the same. It realized the goal to maintain villagers in rural areas.

-Villagers' attitude towards the difference between rural and urban area has been changed. Many young people who left village to work outside now come back.

-Infrastructural construction has improved a lot, villagers' living style has get rid of traditional primitive method.

-Open a window to the villagers. Many young generations go abroad for learning and working. They bring saving and technical expertise back to their village and set up enterprises. It promoted economic prosperity in the village.

-The concept for public participation has been created by the long process of the project. It becomes a rule and custom in Nan Zhang Lou.

-Awake people's concern to tradition and culture. A "Folk Custom Museum" was set up and it keeps many collections such as farming tools, commodities in the past (see Photo 5). It not only becomes a window for the people from outside and also provides the good lecture for the young generation of the village to know the tradition.

-It changes the former idea among many Chinese that successful rural development mainly depends on financial support. In the past 20 years, HSS invests about 4.5 million RMB totally, mainly for personal training, equipment of school use and experts' subsidy, etc. But the change and achievement in Nan Zhang Lou is tremendous. People realized that new concepts and ideas are very important factors on rural development process.



Photo 4: Farmland after Land Consolidation

Photo 5: Trolley in Fork Museum

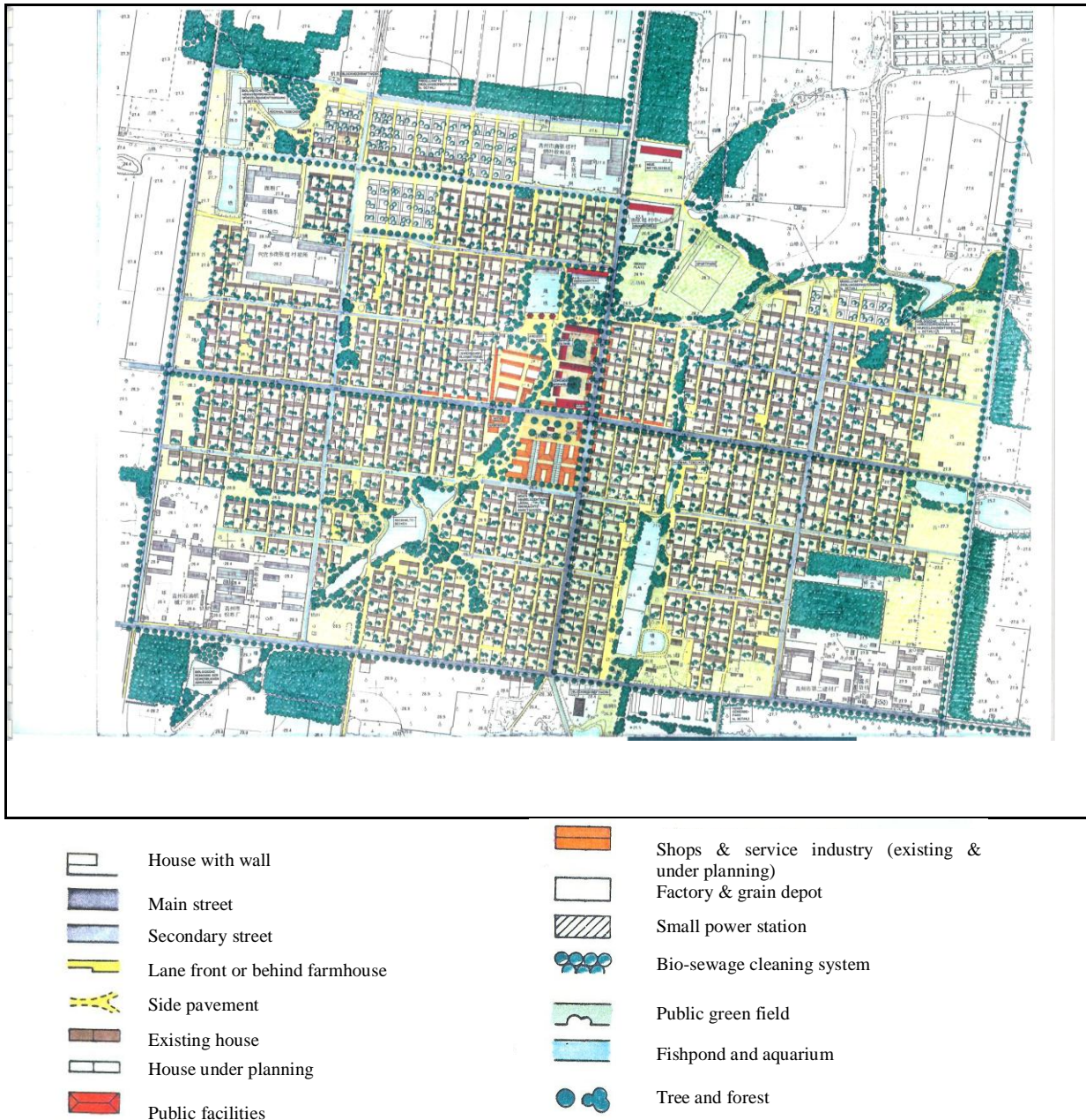
Source: Author

There are many factors influence the rural development program in Nan Zhang Lou. The final success mainly decided by the following factors:

1. Clear goals: As an international cooperation project, NZL project has very clear goals since very beginning. Though the cooperation has to stand so many conflicts on culture, tradition, concepts, it always sticks to the goals from the beginning to the end.

2. Integrated planning: German expert emphasize integrated planning system very much. The planning in Nan Zhang Lou covers mainly three aspects, such as village renewal, agricultural irrigation system, and land consolidation. At that moment, it is totally new concept in China and can not be accepted by most of the Chinese including not just the farmers, but also some officials as well. It was very common that many buildings which were only be built for a short period time had to be pulled down and rebuilt for other functions. The planning in NZL has created a big piece of land so that agricultural modernizations become possible (see Photo 4).

German experts used to plan to have a parking lot at the beginning. It was strongly opposed by the villagers in Nan Zhang Lou because they thought that it is totally a waste and useless. Years later, with the economic development, more and more villagers have their own cars and now they feel they made a mistake. At present Nan Zhang Lou, streets, public green field, factory and other public facilities is integrated planned (see Map 10). Good planning can guarantee that village develops in a health and good order.



Map 10: Village Development Planning of NZL
 Source: Jahnke, 1992

3. Administration support: When the Germany partner first time went to China, they have no idea where NZL is. To get this project, depend on Shandong Provincial government introduced NZL and led Germany expert to have field trip there. As the requirement of “a normal development village in China” that demanded by Germany, NZL got the opportunity.

After the project was chosen, government of Qingzhou City offered a sum of money for road construction immediately. Later, for the further development of the project, government of provincial, city, county levels all gave strong support. Until now, among the total 80 million RMB investments, investment by government at different levels reached more than 30 million.

4. Public participation: Public participation is very popular and be widely applied in rural development program in Germany, but it was the first time to be introduced to Nan Zhang Lou 20 years ago. The final result proved that intensive public participation is a key factor for the project's success: Through meetings, talks and training measures, the local residents were constantly involved in the re-shaping of their village and land (OECD, 2009, p.155).

In the planning map (Map 10), one of the areas is industrial area. It would not exist according to the initial planning of German experts. It was addressed by the villagers for the further economic development and employment. Nowadays, most of the families in the village have family members working here. It becomes a very important area for Nan Zhang Lou.

It in a way also enhanced the farmers' sense of responsibility towards their home town. A large sum of money was donated by farmers during village renewal program. It totally changed the traditional practice of relying on government's financial support.

5. Village renewal and land consolidation combine together: Village renewal and land consolidation work together is a key factor to guarantee the success in practice of NZL project. Village renewal can not work alone without land consolidation, such as road construction and the division of 4 functional zones are intertwined with land consolidation and readjustment; land consolidation considering local cultural and landscape leads to more attractive villages.

6. Aspiration and intention for change of the villagers: 20 years ago, NZL is just a normal village in north China, annual per capita income is about 2000 RMB Yuan, reach the middle level in Shandong Province. Though there is no any advantage in geology, resources and transportation, people there like most of the Chinese farmers, are industrial and hard working. They have ambitious to improve their living and production condition. These exactly meet the goals of the project. As the project is welcomed by the local people's desire, people are eager to contribute to the project, to their hometown.

7. Financial support: Financial support is always one of the key factors for any project. In Nan Zhang Lou program, HSS invests about 4.5 million RMB totally, mainly for personal training, equipment of school use and experts' subsidy, etc. The governments from provincial, city and county invested more than 30 million RMB totally. Meanwhile, villagers contribute a lot in different ways, such as investment by their income from outside work, by volunteer work for rural construction and so on. Village enterprises are also main investor for the project.

8. Public relationship: China is a country with long history, propriety, and custom; the different relationships are more serious considered in China than in some western countries.

Good public relationship can melt the hard ice and lead to easy way to solve difficult problems. At the beginning of cooperation, German experts need aero photography of Nan Zhang Lou. But Nan Zhang Lou has no any map at all. In order to finish it on time so that to get the project finally, NZL contacted with air force by the introduction of provincial department because NZL is so poor to afford the cost for any official charge for such photos. With his farmers' honest, friendly and good skill on public relationship, Yuan Xiangsheng, the village head finished the task that usually lasts 3 years in only half a year. It shows the good public relationship can use half of the effort to achieve full success.

9. The key person: Village head in China does not belong to the appointment system by Chinese government, but this role is very important during rural development program. Yuan Xiangsheng as a village head in Nan Zhang Lou, has very high prestige and good reputation among the villagers. Before the project, he has been village head for 14 years in the village. It shows he got strong support from villagers. They trust him and believe him that he can lead the local people to have a better life. In fact, he deserves his villagers' trust. During the project, he led the local villagers to discuss, negotiate with German experts, and also tried to looking for the help from administration and different social organization of China. His personality and help build up good relationship with administrations at different levels help this project get as much as several times of financial support from China than German investment. This is very important for the development of the project.

10. Integrated development concept: Though it is a village renewal project, it is an integrated rural development experiment as well. The project has a very clear goal, which is to realize "equivalent living standard" between rural and urban area so that to maintain the people stay at their hometown. It does not only focus on agriculture, but the integrated aspects. Infrastructural construction leads to not only the improvement of living condition in the village, but an open window for farmers to the outside world. Floating of the population can bring different information, technique and concept for the local villagers. Meanwhile, it attracted more investment and enterprises to stay in the village. On the other hand, the development of village enterprises offer more non-agricultural working opportunities for villagers, especially better educated young people. The stay of young generation stimulate entertainment, consumption, service such as shop, restaurant, beauty salon many business, in return it bring the prosperous of the village. Further more, the demand for education and cultural civilization has been improved automatically. It has realized a virtuous circle (Figure 10).

In short, the project so far is successful. Generally speaking, it has reached the goals and make "maintaining people to stay in the village" becomes true. Not like some other villages in the costal area, NZL still keeps cultural landscape during its economic development. Nowadays, NZL is a famous village in Qingzhou City, Shandong Province or even many other areas. Its

Infrastructural constructions successful model has also been reported by the major media of China. It has also attracted the attention of departments of central government, such as Ministry of Land and Resources, Ministry of Construction etc. In 2008, Government of He Guan Zhen Township decided to promote the success of the model. They will set up a joint-venture experimental zone, which surrounding NZL village covers 20 villages in the surrounding areas, 30000 Mu land, 25000 populations. It will definitely enlarge the influence of NZL model. It in a way shows that the successful experience of NZL project has been widely recognized in China.

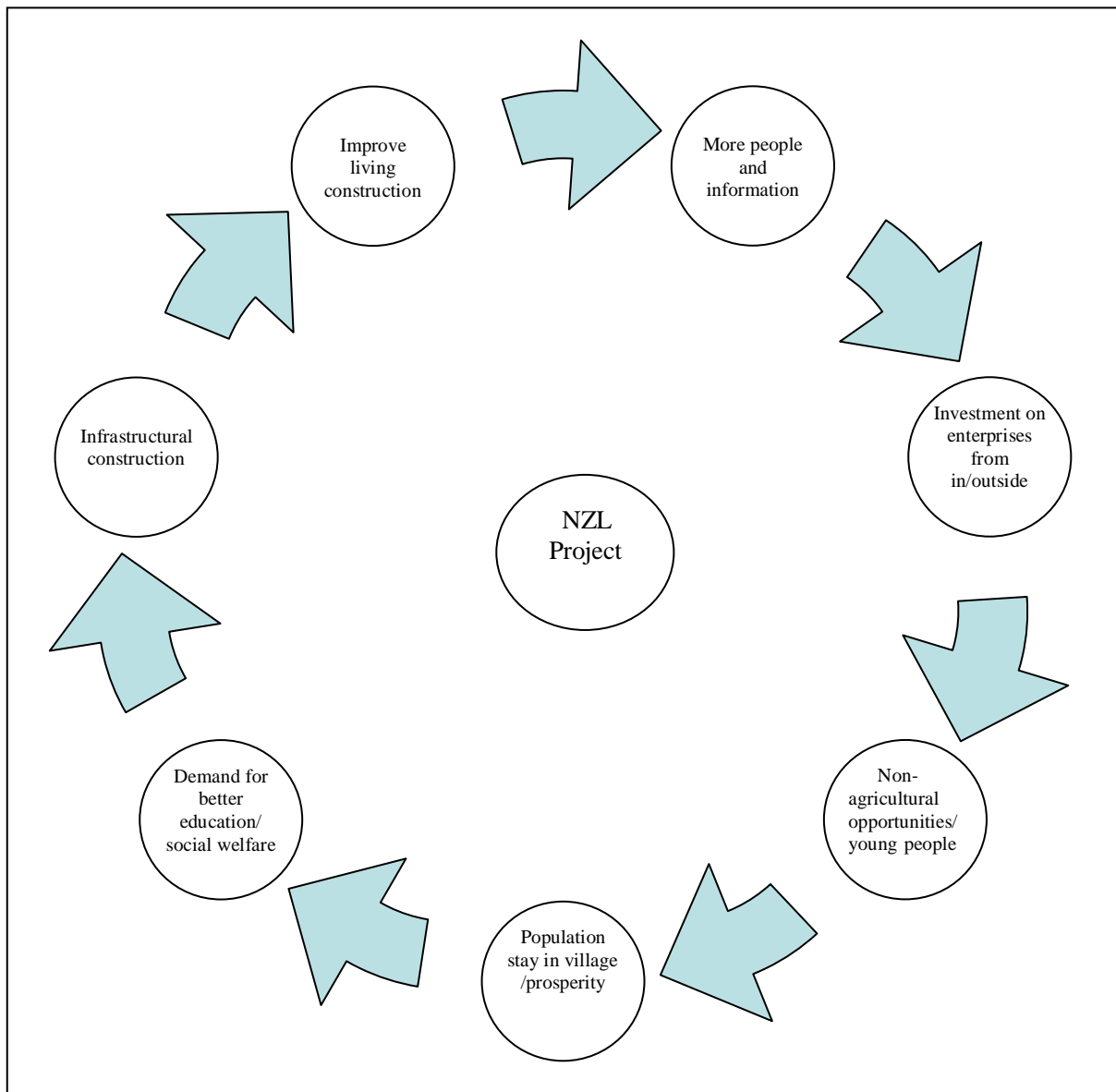


Figure 10: Virtuous Circle of NZL Project

Source: Author

The successful experiences of NZL are actually very important and required for the other rural development projects. But unfortunately, rural development in China has not really become a mechanism. Some successful factors in NZL project can not be achieved in other villages for

sure, such as financial and administrative support, etc. In many situations, state land consolidation project is separated from village renewal project. Though villagers wish to get the chance to combine these two tasks together, they have to follow the requirements of the project so that to get governmental financial support. Meanwhile, the man-made factor such as “key person” is also not available everywhere. So, if applying the successful factors in NZL to other rural development program in China, they can be concluded into two groups, one group include possible applicable factors, the other include not so feasible elements (see Table 6).

Successful factors that can be transferred to China RD	Applicable Factors	Factors that are difficult to apply
clear goals	√	
integrated planning	√	
administration support		√
Public participation	√	
village renewal and land consolidation combine	√	
aspiration and intention for change of the villagers		√
financial support		√
Public relationship		√
the key person		√
integrated development concept	√	

Table 6: Successful Factors for RD Project in NZL

Source: Author

In order to change the “factors that difficult to apply” to the “applicable factors”, some new methods or a new model has to be considered. For example, in order to get the support of administration support, China needs not only the clear goals, updated policies, laws, regulations, but the effective management and good governance. On the other hand, capacity building can help to discover and encourage the emergence of key person, etc.

goals	improve working condition and production condition	improve living condition	promote rural development in a wide range, such as economic, environmental, and social aspects	Increasing non-agricultural employment opportunities
Contents	land consolidation	<ul style="list-style-type: none"> -consolidate idle land 420.6 ha - leveling land 570 ha - build hard road more than 20 km - improve agricultural infrastructural construction - Planted 15000 trees in field; developed 29 ha idle land; plant 10 km wind protection trees 		
	Village renewal	<ul style="list-style-type: none"> -into four functional areas by village planning -more idle land for industries and increasing non-agricultural employment opportunities -farmers' training-German dual education system - convenient public transportation 		
Final achievements	<ul style="list-style-type: none"> -increase farmers' income (from 1950 yuan in 1989 goes to about 8000 yuan in 2007) - maintain villagers in their own hometown (set up more than 90 enterprises) -income structure change -set up social security system -improve infrastructural construction -improve living style and attitude, open the view to outside -public participation concept, change the idea of only waiting , depend on other's financial support 			
Influences factors	<ul style="list-style-type: none"> -integrated planning -public participation -financial support -administration support -key person 	<ul style="list-style-type: none"> -clear goals -village renewal and land consolidation together -integrated development concept -aspiration and intention for change of the villagers -public relationship... 		

Table 7: Main Contents & Achievements of NZL Project

Source: Author

5.4 Influencing Factors

There are many factors affecting the success of rural development. According to the above cases, some factors play more important role which can be concluded as the following:

1. ***Clear goals and integrated planning:*** above several cases all have showed clear goals and integrated planning are very important, especially in the case NZL. In the case Guangdong and Ganzhou, planning has not been done at the very beginning, that's why many "villages in city" "kongxinfang" become future economic, land intensive use and rural devolvement problem.
2. ***Administrative support:*** It is an important factor by providing both policies support and institution service. It shows in China, policy support usually is very general and regulations are not always so concrete. Institution construction encountered some problems, such as overlap management, lack of the effective cooperation among the related departments, weak system of grass root leadership group and etc.
3. ***Certain programs and measures:*** certain program and measures did speed up and promote rural development by concrete and specific demand and standard. Usually, they are benefited by specific policy support and financial support.
4. ***Public participation:*** as a new concept, public participation has been accepted in most of the rural development program. The above three cases have showed it is a key factor to win local people's support.
5. ***Land tenure:*** it is an issue that all the cases have touched, but it shows the different solution. Take Ganzhou for example, the method of transferring agricultural land use right has been applied to avoid agricultural land waste while in Guangdong, "keep land" policy become the solution according to the local development situation.
6. ***Small town development strategy:*** it has contributed on releasing the development pressure of big cities. It also plays an important role on improving farmers' living condition, offering non-agricultural employment opportunities to farmers; it has been proved in the case in Guangdong.
7. ***Key person:*** it has been proved as a key success factor in case NZL. It has been also proved in the villages, such as Gaoxing, Mengshang, Laowei, Shuanglong, Shiwu etc. villages in Ganzhou during interview and questionnaires. But it is a factor that "may

come by chance but not by diligent search”. However, the good example as NZL can encourage other people to follow. That is the point.

8. ***Local non-agricultural enterprises development:*** it is a necessary factor on rural development. The cases in Ganzhou and Guangdong have showed that the main farmer family income is from working in cities or nearby village enterprises. Case in NZL actually also shows that the industrial zone in the village now is the main income resource for NZL.
9. ***Public relationship:*** it plays important role in rural development project in NZL. the case in Guangdong also mentioned “ten, hundred, thousand, and ten thousands” plan that not only required the administrative officials go to local area to know the urgent need in local area, but use their resource advantages (they come from different departments) to solve local problems. Public relationship becomes so important that is also reflects the lack of standard and regular administrative mechanism in China.
10. ***Land consolidation in combining with village renewal:*** it leads to big success in NZL, it also achieved success in solving “kongxinfang” problem in Ganzhou.
11. ***Financial support:*** it is an important factor that can not be missed in all the above cases. As a key factor of rural development program, it has not been formed as regular, standard system and so many occasional or unexpected factors can influence the amount, level of financial support.
12. ***Aspiration and intention for change of the villagers:*** it guarantees the local people will support and do their best to achieve the final goal during rural development. The case study in Ganzhou proved it. Of course, NZL experience has proved it too.
13. ***Integrated rural development concept:*** It makes NZL a village where human being and nature co-exist harmoniously. The villagers can enjoy natural landscape, stay at home and working in the local factory. They are workers in factory and farmers in field at the same time. But in Ganzhou, the attractive natural landscape can not keep the local people, especially the young generation stay. Only senior people and children stay at village causes some social problems as well. Though infrastructural construction has been improved a lot, Ganzhou can not maintain people stay and its economic prosperity is still far away. It shows that integrated rural development concept which includes local enterprises, infrastructural construction, education/training and many other factors are required by rural development program.

Conclusion: Rural development in China today is at initial stage. Though integrated rural

development concept has been addressed at central government level, it has not really be understood or applied in practice. On the other hand, present administrative system, both in term of public service concept and policy making mechanism, has weakness and shortage that hamper the rural development. In specific cases and areas, many important factors that influence rural development success did exist at various degrees, but not always play an important role. It needs to be systematized.

6 General Introduction of Rural Development in Germany

Germany is a country located in Central Europe. The territory of Germany covers 357,021 km². With 16 states and over 82 million inhabitants, Germany is the most populated country in Europe (Liu, 2006, p.34).

Historically, Germany is federal state that no centralized in many aspects. After World War II, Germany was divided into two separated states along the lines of allied occupation in 1949. It was re-united as one country in 1989 (General Situation of Germany, 2005. p. 29).

According to the report of International Monetary Fund in 2008, Germany is the first in Europe and the fourth largest economy in the world by nominal GDP (IMF, 2008).

6.1 General Situation in Germany

6.1.1 Natural Geographic Condition

The geography of Germany can be divided into 4 parts: the north area that close to sea is plain, middle Germany is uplands, south west is rift valley area, and south is hilly and Alps Mountain (Liu, 2006, p.34).

Germany lies in a temperate zone heavily influenced by the Gulf Stream and experiences frequent weather changes. Westerly winds and precipitation in all season are characteristic. In the northern Germany lowlands, annual precipitation is below 500 to 700mm; in the lower mountain ranges it is from 700 to over 1500 mm; and in the Alps, over 2000 mm (Huber, 2000, p.17). Most of the areas in Germany have seasonal climate in which humid westerly winds predominate. In the north west and north, climate is oceanic with a lot of rainfall and mild winter while in central and southern Germany are vary from moderately oceanic to continental. The maximum temperature can exceed more than 30 °C in summer and deeper than -20 °C in winter. Natural condition is very good for agriculture and forest in Germany.

6.1.2 Demographic Situation

Germany is a country with limited land and high density population. Population density in Germany is 231 per km² (Auswärtiges Amt, 2005. p.9). The distribution of population is uneven. There are more than 50% of the populations living in rural areas, which account for 80% of the total area (Liu, 2006, p.77). Following the OECD definition, rural regions account for 29% of Germany's surface area, 12% of the population (OECD, 2007, p.30). Population density in German rural areas is higher than in most other countries, and differences between urban and rural regions are lower. Nonetheless, in contrast to OECD, the official German definition of rural areas, which is used in subsequent discussion, covers a much wider area

(Laschewski et al., 2002, p.146).

In former West Germany, rural population almost grew or decline at the average speed. The main growing is due to net immigration from agglomerated, urbanizing regions and former East Germany. Low birth rate is the main reason for declining. In some regions, emigration can be accounted as another reason. Meanwhile, in the rural areas of former East Germany, population was declining rapidly because of emigrations to larger cities or West Germany. After the unification in 1990, there are big difference regards to the population situation between West and East Germany. In West Germany, the population change normally as before while in the East Germany, beside the birth rate exceed death rate, migration was climbing.

In fact, Central Place Theory did contribute to stop rural population declining in Germany by offering surrounding area necessary need from functional central areas. Nowadays, there is no empty area or really mega city in Germany.

6.1.3 Agricultural Structure and Development Situation

The territory of the Federal Republic of Germany comprises an area of around 357000 km²; 50% of which is used for agriculture and 30% for forestry (Huber, 2000, p.17). The utilized agricultural area in Germany is mostly used for arable crops. Around 30% is used as grassland. Cattle farming focus on diary production prevails in the large grassland areas of Germany. Today, sheep farming is again practiced on the particularly rough grassland sites of the lower mountain ranges. Cereals and maize are the main agricultural products. Some other products such as fruit, vegetables, rape, oil plants (linseed, sunflowers), potatoes, sugar beet, hops and grape are also important.

Knickel (2006, p.87) argued that German agriculture is very diverse, and in some respects is characterized by a dual farm structure with around 25% of farms smaller than 5 ha and 33% larger than 30 ha (Statistisches Bundesamt 2004). Because of historic reasons, former East Germany has large piece of farming land where 11% of farms are more than 500 ha big area and it accounts for 68% of cultivated land (BMELV, 2004a). The table 7 shows clearly that in 1998 in the former West Germany, only 3.1% of all farms are larger than 100 ha, whereas about 27% of farms in the former East Germany are above 100 ha. Meanwhile, there is another phenomenon which table 7 does not show: in East Germany, the number of almost all sizes of farmland that below 1000 ha are increasing, the most change happened with the farmland between 50-100 ha. The reason behind is that the very big farmland, such as more than 1000 ha, that existed in the former communist time is dissolved after reunification and changed continually into smaller farmland. The table below shows very clear of the farm size distribution in former East and West area of Germany:

Farm Size (ha)	Former West Area (1000s)				Former East Area (1000s)				Germany(1000s)		
	1992	%	1998	%	1992	%	1998	%	1992	1998	2006
1-9	268	46	216	44.6	7.7	41.2	13.8	43.1	275	230	113.6
10-19	115	19.8	85	17.5	2.2	11.8	3.7	11.6	117	89	68.9
20-29	72	12.4	55	11.3	1.1	5.9	1.7	5.3	73	57	36.0
30-49	73	12.5	63	13	1.1	5.9	1.9	5.9	74	64	49.4
50-100	45	7.7	51	10.5	1.4	7.4	2.4	7.5	47	54	54.6
>100	9	1.5	15	3.1	5.2	27.8	8.5	26.6	14	23	30.9
Total	582	100	484	100	18.7	100	32	100	601	516	353.4

Table 8: Farm Size Distribution in the Former East and West Germany, 1992 and 1998, 2006

Source: adapted from Agrarbericht (1994, 1997, 1999, 2007)

Another factor that can not be ignored is the issue of Land Consolidation Act in 1953. Wilson et al. (2001, p.42 and p.44) described it as part of series of structural reforms that aimed at discouraging farm fragmentation and at promoting the expansion of viable farms. In fact, many years' land consolidation leads to a more efficient agriculture, fewer, larger and more compact farms with larger efficient use of machinery.

In former East Germany, after the dissolving of very big farmland and modern machines has been applied, some social problem came out, such as unemployment in agricultural field. Many former farmers can not work in the agricultural industry as before and moved to the former West Germany area looking for a new job. With the process of agricultural modernization, China will also meet the same problem, and even seriously as the big population live in rural areas. Agricultural modernization is an unavoidable trend, but the cost for it should be very high. It takes long process and several steps to reach.

Actually, agriculture has clearly lost its importance over time. In 1960, the share of agriculture including forestry and fisheries, was account for the 5.8% of the gross value in the old Länder (former FRG). In 1991, it continually decline to 1.3%. Meanwhile, the number of persons employed in the sector has declined analogously to the sector's share. The share of persons engaged in agriculture, forestry, and fisheries in the overall activity rate in Germany has therefore decreased from 4.2% in 1991 to 2.9% in 1998 (Huber, 2000, p.19). It is going down to 2.2% in 2005 (Magel et al., p.447). According to OECD's research, the number is continuing decline each year (OECD, 2007, p.57).

In fact, since the mid 1980s onwards, especially since the early 1990s, 'new' farm-based rural development activities developed throughout the German countryside. In some extents, it

compensated the decreasing and losing of agriculture. As the number in 2005 from BMELV shows, almost 55% of all farm house holds in Germany have significant non-agricultural incomes (Knickel, 2006, p.83). This is because those rural areas are attractive with its non-agricultural employment, relative low living cost, beautiful landscape, convenient transportation and etc. In whole Germany, most family farm workers are part-time farmers. In 1997, almost 60% of all family farms in Germany were part-time farmers (Huber, 2000, p.32). This number is decreasing recent years because more and more farmers quit agricultural work and employed in other non-agricultural sectors. Meanwhile, agricultural modernization makes it possible that a few farmers can manage most of the farmland. The phenomena of full-time, part-time farmers and non-agricultural employed people live together in rural areas, reduced the pressure towards central cities on one hand, and required integrated rural development on another hand. Landscape and cultural protection, tourism development, narrow the gap between rural and urban area become important contents in integrated rural development.

6.1.4 Land Tenure System

In Germany, land as all other properties, are protected by law. German Basic Law, Civil Law, Building code, Land Consolidation Act all defined very clear regard to land ownership, transferring, expropriation and land reallocation.

The Basic Law for the Federal Republic of Germany has legalized and defined such right in several articles. In Article 14, [Property, inheritance, expropriation] it regulated:

- (1) Property and the right of inheritance shall be guaranteed. Their content and limits shall be defined by the laws.
- (2) Property entails obligations. Its use shall also serve the public good.
- (3) Expropriation shall only be permissible for the public good. It may only be ordered by or pursuant to a law that determines the nature and extent of compensation. Such compensation shall be determined by establishing an equitable balance between the public interest and the interests of those affected. In case of dispute respecting the amount of compensation, recourse may be had to the ordinary courts.

In Germany, property right is strongly protected. Meanwhile, social obligation is also being implemented by everyone.

Article 74 [Subjects of concurrent legislation] (means if the federal government does not use this right, the legislation will remain on state level) regulates in clauses (14) (15) (18) that the “Concurrent legislative powers shall extend to the transfer of land, natural resources, and means of production to public ownership or other forms of public enterprise; real estate transactions, land law (except for laws respecting development fees), and matters concerning

agricultural leases, as well as housing, settlement, and homestead matters”.

Article 75 [Areas of federal framework legislation] clause 4 mentioned “Federation shall have power to enact provisions on land distribution, regional planning, and the management of water resources”. All the above clauses have showed that land as a private property should be protected during different situation.

The German Civil Law give further the general provisions on right in land. In section 873, “Acquisition by Agreement and Registration”, it regulated:

(1) The transfer of the ownership of a plot of land, the encumbrance of a plot of land with a right and the transfer or encumbrance of such a right require agreement between the person entitled and the other person on the occurrence of the change of rights and the registration of the change of rights in the Land Register, except insofar as otherwise provided by law.

(2) Before the registration, the parties are bound by the agreement only if the declarations are notarially recorded, or made before the Land Registry, or submitted to the Land Registry, or if the person entitled has delivered to the other person an approval of registration that satisfies the provisions of the Land Register Act [Grundbuchordnung].

German Building Code has the detail regulation on land reallocation for building sites. It states very specific regulation in term of Responsibility and Preconditions, Resolution on Reallocation, Parties Involved, Notification and Note of Reallocation, Redistribution by Value or by Size, and for compensation in case of expropriation, and etc. The increase of land value caused by the land reallocation procedure can be collected by the community.

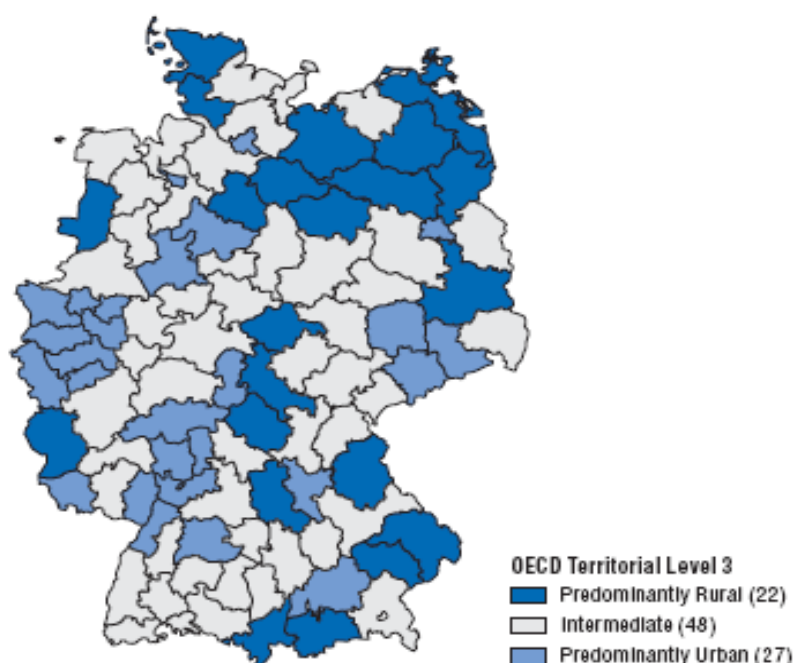
Unlike the regulation of Building Code, the Land Consolidation Act for rural land regulates the rearrangement of land holdings. The increasing value caused by land consolidation procedure can not be collected by the community, but by farmers. In case of requisition of rural land provides Section 87: “for special reasons, it is permissible to acquire land by compulsory purchase and if such a measure would affect agricultural land on a large scale, the authority responsible for the compulsory acquisition may apply for the initiation of a land consolidation procedure, if the loss of land to be incurred by the parties concerned is to be apportioned among a larger number of owners or if disadvantages that the project may bring about for the general use of the land are to be avoided. The rate of apportionment of the loss of land shall be agreed upon in consultation with the Farmers Association”.

Right of Pre-Emption is regulated in some laws, so in favor to the community in Federal Building Code, in other laws in favor to farmers, or land-settlement societies. Land lease is also regulated by law, but not so strong protected as ownership.

After re-unification, the problems on land tenure caused by collective system required agriculture adjustment law. The solution on it should mainly follow the principle of land consolidation law. At present, East Germany carry out the same land tenure system as West Germany.

6.2 General Situation of Rural Development

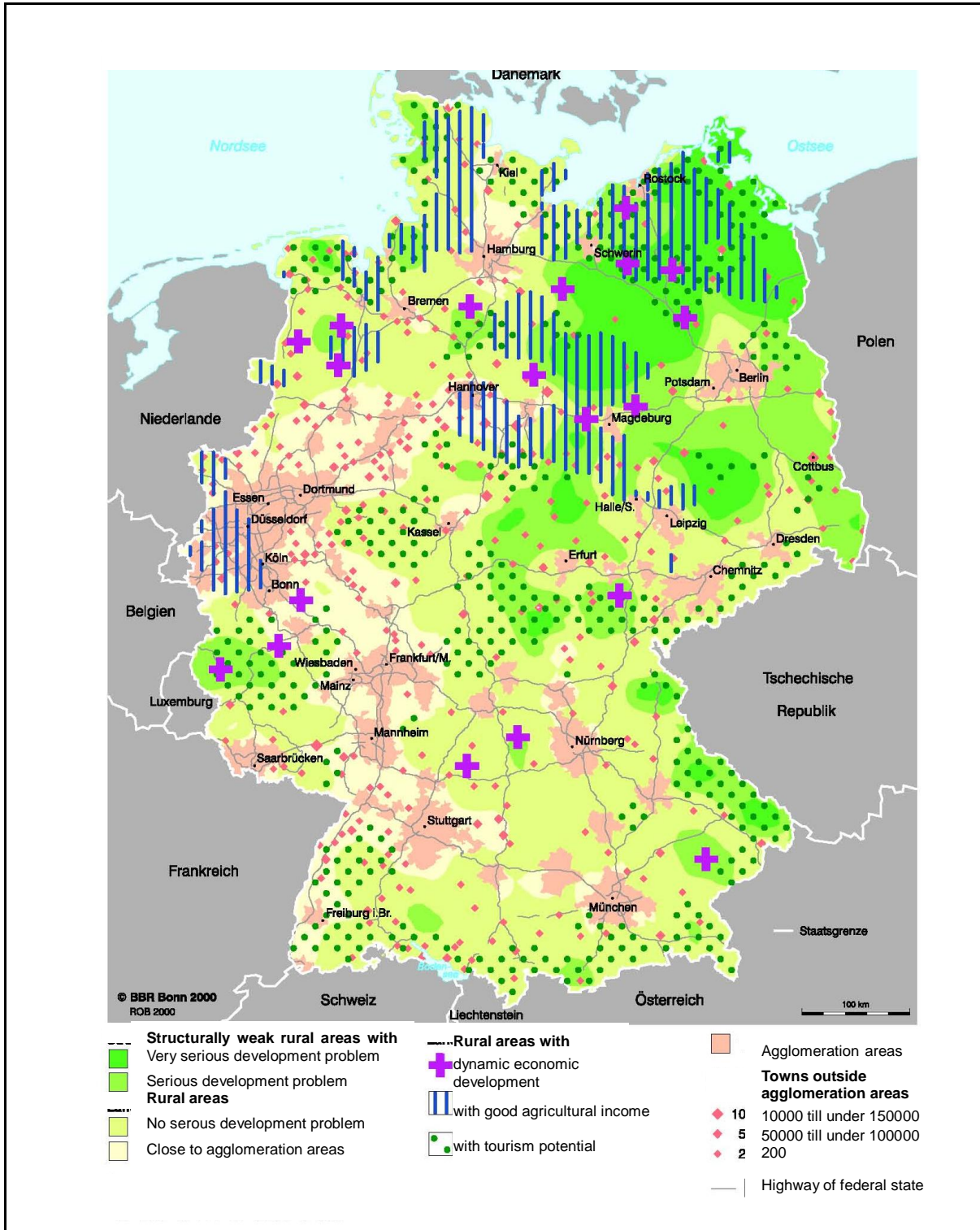
Just as in many other European countries, there is no single, uniform rural area in Germany. According to the classification of Federal Office for Building and Regional Planning (BBR, 2000), rural areas are the areas favorably located in relation to agglomerations, those with a clear economic dynamism in the secondary and tertiary sector that is relatively independent of agglomerations, those with relatively favorable potential for agricultural production and/ or tourism, and economically underdeveloped rural areas without a significant development potential (Knickel, 2006, p.82). In the last report of space development (BBR, 2005, p.19), the space structure is divided in central area, which covers 11% of the total area, 49% of inhabitants, and peripheral area, which less than 100 inhabitants per km² and great distance to the centers, which covers 58% of the area, about 25% of the inhabitants. About 30% of the areas account the other categories. In the further research, this new categories are not used. According to the classification of OECD that take 150 persons per km² as a cut-off point, predominantly rural regions account for 29% of Germany's surface area, 12% of the population and 9% of GDP (OECD, 2007, p.30) (see Map 11).



Map 11: Maps of Rural Germany

Source: OECD, 2007, p.31

Rural areas in Germany are very diverse in term of their characteristic landscape, local natural conditions, regional traditions, cultural scope and economic situation. The Map 12 shows the different types of rural areas.



Map 12: Type of Rural Areas in Germany
 Source: BBR 2000, p.65, translated by author

Thought the different areas have different natural situation and potential for development, there is no real poor area or poverty problem existing in Germany. Beside, Basic Law for the Federal Republic of Germany guarantees the equal right of the people. Furthermore, clause (2) 6 in section 1 of Federal Regional Planning Act (BundesRaumordnungsgesetz, ROG)

addresses a very clear point that “similar standards of living shall be established in all regions”. Based on the above concept, rural development and urban development are treated as the same and Germany insists on urban and rural integrated planning and development so that to reach the goal of equivalent living standard in rural and urban area. The “equivalent living standard” concept reflects also on the farmers’ education and social insurances. In Germany, there is specific agricultural education system including theoretical and practical aspects to meet farmers’ need. It is also divided into specific education types towards man and woman farmers. Meanwhile, Agrarian Social Insurance (provision for old age, health insurance, nursing care insurance, accident insurance) in rural areas make farmers has the equal right to enjoy the social security system as urban people (interview). So in fact, there is no big difference between rural and urban area.

Actually, rural development in Germany is typical in its own way regards to its economic and political development situation. As historic reason, the rural development history in Germany can be divided into two parts: Federal Republic of Germany (FRG) and German Democratic Republic (GDR) before unification, especially after the war in 1945, and after unification in 1990.

6.2.1 Main Trends of Rural Development

The trend of rural development is closed related with agricultural policies, and also close related with EU rural policy. As agricultural policy is mainly focus on producing more grain and solve the starvation of the people after war time, many studies focused on the period from 1949-1990. Of course, after unification can be another phase.

To FRG, Ehlers’s analysis on agricultural policies divides the period from 1949-1990 as three phases: consolidation and agricultural modernization between 1949 and 1960, agricultural modernization between 1960 and 1972, and a phase of permanent pressure for agricultural adjustment in the FRG within the framework of the CAP between 1970 and 1990 (Wilson et al., 2001, p.16). But meanwhile, rural policy shows very clear about the change in rural development. In later 1980s, rural policy was largely subsumed within agricultural policy, reflecting the post-war dominance of the productivity agricultural ideology. In EU(1988), with the publication of a report entitled “The Future of Rural Society”, symbolized a turning point that away from a productivist agricultural focus towards a post-productivist rural vision, embracing a multifunctional agriculture within a diverse rural economy and society (Wilson, et al., 2001, p.247). Berkowitz et al. (2000, p.4) pointed out that rural development policy today essentially reflects three contents: the need to restructure and accompany change in the agricultural sector; the promotion of economic and social cohesion through regional development policy; integration of environmental considerations into the Common Agricultural Policy. It shows the trend changed with the EU policy focus on the

diversification of the rural areas, reducing their economic and social dependence on agriculture. An important instrument for rural development and improving farmers' living and production conditions arises from the Land Consolidation Act.

Land Consolidation Act of FRG was enacted in 1954 and essential amended in 1976. Last amendment was in 2008. It emphasis the goals of land consolidation are improving the production and working conditions in agriculture and forestry as well as promoting the general use and development of land. In Section 1, the goals and measures of land consolidation were regulated in details. In section 1, it mentioned that agricultural land holding may be rearranged with a view to:

- Improvement of the production and working conditions in agricultural and forestry
- promotion of the general use of land
- promotion of the development of land (rural development)

In section 37, it regulated that “the land consolidation area shall be reshaped with due regard for the respective structure of the landscape to serve the interests of the parties concerned as weighed against each other, to further the general use and development of the land and to benefit the general public. The area in question shall be rearranged and scattered or uneconomically shaped parcels shall be consolidated to meet modern managerial requirements and reshaped to obtain units of a more favorable location, shape and size; ways, roads, water bodies and other common facilities shall be provided, soil-conserving, soil-improving and land-scaping measures shall be taken as well as any other measures improving the basic conditions of the farming enterprises, reducing the amount of work and facilitating farm management. Village renewal measures may be taken”.

Chapter 87 of Part 4 regulates that requisition of land can be done in a sociable procedure.

In Part Five “accelerated land consolidation procedure”, it mentioned the purpose of an accelerated land consolidation is to enable necessary measures of protection of nature and landscape conservation.

Actually, land consolidation not only focus on agricultural productivity, agricultural and forestry land protection, but consider environmental protection, conservation of nature and landscape, preservation of buildings of special architectural or historic interest, recreational requirements, the requirement of water resources management, rural settlements, improving working and living conditions in rural areas, public transport, the shaping of the external appearance of the village and landscape, possible mining operations and the conservation and safeguarding of mineral resources, etc

Besides, the “Protection Law of Land and Natural Resources” (GESETZ ÜBER NATURSCHUTZ UND LANDSCHAFTSPFLEGE, 2002) and other related law all

emphasizes the importance of natural resources protection, such as Federal Regional Planning Act (Raumordnungsgesetz, ROG). In (2)8 of Section 2, it regulated that one of the principles of regional planning is that “provision shall be made for the protection, conservation and development of the natural surroundings and landscape including water bodies and forests, taking into account the requirements of the biotope network. Natural resources, particularly water and soil shall be used sparingly and carefully; groundwater resources shall be protected. Any impairment of the ecosystem shall be compensated for”.

After unification, rural policy oriented to narrow the gap of living standard in rural areas of former East and West Germany. Diversification of the rural economy and the preservation of the rural environment become the main trend, the experiences of land consolidation and village renewal in West Germany was introduced to East, agricultural production vision has given a way to a multifunctional rural development.

In November 1996, EU member states hold a conference in Cork, Ireland, and issued “*The Cork Declaration*”. It pointed out that sustainable rural development must be put at the top of the agenda of the EU; rural development must address all socio-economic sectors in the countryside; pay growing attention to the quality of life in general; sustains the quality and amenity of Europe’s rural landscapes, natural resources, biodiversity and cultural identity etc. The declaration provided the basis for what could be the integrated rural policy in the years to come.

Originally, in some places of east part of Germany, the condition of soils, topography is good and the size of land is big. The GDR government tried to create large agricultural enterprises in the course of collectivization and improve better infrastructural construction so that to narrow the gap between urban and rural areas.

In recent years, rural development program pay more attention to acknowledges the need of rural areas, to better integrate and strengthen their various functions, to more effectively use available resources, to actively construct synergies between different fields of RD and to create new sources of income. It shows clearly that the trend of rural development nowadays is changing from agricultural food production, increasing agricultural productivity phase that agriculture domination to the phase of overall rural development that consist with the EU requirement.

Village renewal as another important means for rural development, its aims have been changed and enlarged. Magel (1994) pointed out that beside the agrarian-structural supports (e.g. renovation of complete farms or buildings, road construction, rearrangement of land holdings etc.) general infrastructural requests and others, like in the field of village architecture or preservation of historical monuments appeared in the late 70s, and was

followed by the ecological dimension in the middle of the 80s and general economic and social-cultural dimension in the early 90s. According to the Bavarian State government, village renewal shall:

- improve the local frame conditions for agriculture
- strengthen the local living area for the inhabitants
- intensify the consciousness for life culture in the village
- preserve the characteristics of rural settlements

Though rural development in Germany has achieved big success in Germany, it is still face the challenge at present. With the improvement of education level, some villages with limited employment opportunities is difficult to maintain more young people (Magel et al., 2008, p.453). It is an important issue under discussed on rural development.

6.2.2 Different RD between East and West Germany

In the past, smallholder family farming in the West Germany and relatively big piece of land farming situation in East, different economic situation and policies decided that the rural development in East and West Germany are very different.

RD in West Germany

As mentioned before, there are different ways on define rural areas. In former FRG, they carried out a method which is using population density and existence of central places to clarify rural areas since about 1970s. In which, an administrative unites that called “Kreise” (administrative units roughly corresponding to counties in the UK and the USA) with a population density below 150 inhabitants per km² are called “rural” (Stefan, 2000, p.111).

Hendriks argued that Small family farm structure predetermined agriculture in FRG, this can go as far back as the medieval open field system, and subsequently to the Napoleonic code which stipulated the equal distribution of land among heirs (Hendriks, 1991 in Wilson et al., 2001, p.19).

After World War II, as many refugees and displaced persons rushed to West Germany, the incomes and living conditions in rural areas was lagged behind the rest parts of the country. Many working age people left and tried to look for employment opportunity elsewhere. It happened especially in some rural areas where natural condition and structural conditions was not good for farming. Due to technical and biological progress, between 1949 and 1998, the number of farms in West Germany declined from about 1.6 million to less than half a million. In the same period the number of people employed in agriculture decreased from more than five million to about one million (Laschewski et al., 2002, p.149). Wilson et al. explain it as “The small-scale nature of farms has been an important explanation for high levels of off-farm employment characteristic of FRG farming, especially in areas affected by partible

inheritance. Part-time farming has been so important in the FRG that the German farm classification not only distinguished between full-time and part-time, but also included a separate category for those whose income derived 'mainly' from farming but where, because of the insufficient size of the farm, additional income had to be sought by the farm couple (Wilson et al., 2001, p.29). Meanwhile, the relatively dispersed structure of urban centers and rural areas' hardly isolated existing in some extents benefited rural development such as off-farm employment and new forms of direct marketing. Economic booming between 1950s-1960s provided good employment opportunities in industry, many farmers gave up farming to work as non-agricultural employment. It also improved infrastructural construction between rural areas and cities, making it easier for farmers to work in surrounding urban area while still maintaining their farms as part-time farmers. However, in the areas where non-agricultural employment was not possible, many rural people emigrated out and worked in the prosperous area with certain distance.

According to the constitution of the FRG of 1949, the country (Land) was responsible for structural policies of any kind in their respective territories. But as the big difference between the infrastructural, natural situation, economic potential, and even the influence of the war in different regions, it was very difficult for the government to guarantee equivalent living conditions in the whole territory. Therefore, the federal government began to carry out a program which aims to develop and recover the disadvantaged rural areas. Such as in 1951, a program financed by Federal Ministry of Economic Affairs was carried out. The main purpose of it was to enforce the investment in industrial and rural infrastructures in order to create new nonagricultural employment. Another program that focused on improving local natural and infrastructural conditions of agriculture and working conditions on farms, financed by the Federal Ministry of Agriculture was carried out at the same time.

The above mentioned program later carried out in the form of "joint task" that financed by federal and state government together in late 1960s. These tasks were directed towards two fields of activities (Schrader et al, 2004, p.96):

1. Improvement of the regional structure of the economy (GRW: Gemeinschaftsaufgabe Verbesserung der Regionalen Wirtschaftsstruktur) and
2. Improvement of the structure of agriculture and coastal protection (GAK: Gemeinschaftsaufgabe zur Verbesserung der Agrarstrukturen und des Küstenschutzes)

Though with the economic situation change, there were some adjustments on the certain regions that need to be financed, the mainly goal of the program insisted on supporting countryside, especially the areas where agriculture was less favored than other areas. With the time going, the content of the program also changed coordinately. There were some more contents added later. Such as to enforce the investment to modern agriculture and expand the

income capacity of individual farms, compensation to farmers in order to encourage them continue to live in less favored areas, by setting up products organizations to improvement marketing conditions for agricultural products, etc. The detailed contents were varied from time to time during this period.

The further change happened in the mid-1980s. European Community carried out political compensation in which that more than 50% of the agricultural area were able to receive direct compensatory payments from EU. From 1989 to 1993, the program participated by EU co-financed to promote structural adjustments rural development covered 21% of FRG territory and 7% of the total population (ibid).

Innovative village renewal schemes, which were started in the 50s and 60s in theory and 70s and later on in practice, and early agri-environment schemes are expressions of the generalized public concern over environmental issues, which have been very influential for the uptake of rural development activities. With Agenda 2000, EU member states now have the possibility of withdrawing support payments when environmental requirement has not been reached. Since 1992, the year of the so-called MacSharry reform of the CAP, it is possible for the farmers who voluntarily to protect environment and biodiversity be rewarded (see the content Knickel et al., 2005, p.302). In contrast to countries like the UK and The Netherlands, where environmental concerns mainly resulted in regulatory restrictions for farm development, in Germany they have more clearly contributed to new opportunities for sustainable farming and food production, particularly organic farming and agri-environmental and communal services (Knickel, 2006, p.88).

RD in East Germany

Before the World War II, in the East Area, the agricultural condition and infrastructural between north and south was different. Traditionally, north part was far less developed with respect to population density, availability of central places, infrastructural endowments, and employment opportunities outside agriculture than the southern part (Neander et al., 2000, p.122). After the war, with the situation that big city such as Hamburg was separated from the former regions, such difference was getting sharp. Based on communistic theories, the GDR government set up policies that focused on creating good working and living conditions in rural areas so that to narrow the gap between rural and urban areas. Large agricultural enterprises were created in the course of collectivization in the 1950s and 1960s. They built many new building for farmers and their livestock and agricultural machinery. The enterprises supplied were responsible for supporting the rural communities in maintaining and improving the technical and social infrastructure so that people lived there could get goods and necessary daily services. Regards to land tenure, the collectivization is not based on willing or volunteer principle, many people immigrated to urban areas or even to the West illegally was another problem. Such situation was obviously not good for sustainable rural development.

With the improvement of construction, such as the improvement of public transportation, people who lived in small rural areas and work in urban area at the same time was not a dream anymore. So to some extent, the government succeeded in moderating the location disadvantages of sparsely populated and poorly structured rural regions. After unification, with the mechanization of agriculture, many farmers are unemployed and left for working in the West or big cities. The population in rural areas of East Germany is continuing decrease. The restructure of land tenure system is an important task for the economic and to some extent to the social development.

6.2.3 Influence of EU

EU agricultural and rural policies always have obvious influence to Germany. CAP as an important policy, can be a good example.

As Fennell (1997) highlighted, the aims for CAP were laid down in Article 39 of the Treaty of Rome (1957): to increase agricultural productivity by promoting technological progress and by ensuring the rational development of agricultural production and the optimum utilization of the factors of production, in particular labor; to ensure a fair standard of living for the agricultural community; to stabilize markets; to assure the availability of supplies; and to ensure the supplies reach consumers at reasonable prices. The policy framework which was worked out during the early 1960s was based on three principles: a single market in agricultural goods, community preference and common financing. The key policy adopted was one of price support through guaranteed, target and intervention prices (Wilson et al., 2001, p.74).

The result is that farming structure changed in FRG rapidly. In 1960, the FRG lost 300000 farms, with a concurrent reduction in agricultural workforce from 3.4 to 2.1 million, while average farm size increased from 9.3 to 11.7 ha. (Wilson et al., 2001, p.84). Indeed, land use also changed under CAP regime. Farmers quickly adapted to changing marketing conditions, and land uses were changed to maximize benefits from CAP support (ibid).

As the focus was on increasing agricultural production and farmers' income, the application of fertilizer and pesticide increased substantially between 1950s and 1980s. Soil and underground water were polluted. Meanwhile, permanent surpluses of major farm commodities cost large budget, distorted some world market, did not always serve the best interests of farmers. With the Rio Earth Summit being a notable landmark in the early 1990s, international society paid more attention to the environmental sustainability of agriculture, CAP was very successful in meeting the change.

The adjusted CAP giving EU farmers the freedom to produce what the market needs. Nowadays, the vast majority of aid to farmers is paid independently of how much they

produce. Farmers still receive direct income payments to maintain income stability, but the link to production has been severed. In addition, farmers have to respect environmental, food safety, phytosanitary and animal welfare standards. Otherwise, they will face the reduction in their direct payments.

Attention was being paid to the role of farming in nature and landscape management as early as the 1970s and 1980s. Village renewal schemes, which were started in Bavaria, Hessen and Baden-Württemberg in the mid 1980s and early agri-environment schemes are expressions of the generalized public concern over environmental issues, which have been very influential for the uptake of rural development activities (Knickel, 2006, p.88). Actually, Germany was one of the first to introduce agri-environment schemes, with some introduced at a local and regional level during the 1970s. The number of agri-environment schemes increased considerably from 1985 onwards (Knickel, 2006, p.92).

By the mid-1980s, many Länder (province) in the FRG had already implemented their own agri-environmental schemes, such as KULAP (das Kulturlandschaftsprogramm) scheme in Bayern or HEKUL (Hessisches Kulturlandschaftsprogramm) in Hessen. Wilson et al cited Dabbert and Köpke, highlighted that another very successful agri-environmental schemes in Germany has been the scheme for the conversion to organic farming methods. There is no doubt that this scheme has had the most tangible environmental effects of all German AEP (Agri-environmental policy). Furthermore, the GAK also provides support for the conversion to (or maintenance of) extensive farming on arable land. Participation in the scheme requires the renunciation of mineral fertilizers and pesticides and prevents the conversion of grassland to arable land (Wilson et al., 2001, p.194-210). All the policies and methods lead agriculture in Germany changed from only agricultural productivity to more oriented to organic agriculture and environmental protection.

In fact, the rural development policies of EU play an important role on German rural development trend. The vast majority of aid to farmers from EU not only direct farmers to increasing agricultural productivities based on market needs, but also need to respect environmental protection and food safety. Though Germany is one of the first countries to introduce agri-environment schemes, EU's encourage policy and financial support on integrated rural development definitely has important influences on German rural development. The main rural development programs focus on agricultural structural adjustment, economic development on lag behind rural areas, improve rural living and production condition, cultural and natural resources protection and etc, are all combined with EU framework.

7 Rural Development System in Germany

7.1 Overview

The administration represents important aspects in the planning and programming of social and economic development (Aref, 1985, p.138). In Germany, the powers and responsibilities of the federal government, Länder governments, district and local councils are set out in, and protected by, the constitution (Wilson et al., 2001, p.235). Responsibility for planning and rural development is divided among many authorities at different levels, just as the table 9. It also shows that decentralization concept has been practiced during rural development.

The EU is the highest committee among member states empowered to set up diverse guidelines and framework for implementation by the member states. Regards to comprehensive spatial planning, as it is concerned with “the problem of coordination or integration of the spatial dimension of sectoral policies through a territorially-based strategy” (Cullingworth, et al., 2006, p.91), and it addresses the tensions and contradictions among sectoral policies, for example for conflicts between economic development, environmental and social cohesion policies, the EU has set up the European Spatial Development Perspective (1999), as well as the Territorial Agenda (2007), though the EU has no original competence for regional planning. These programs strive towards developing a more competitive and sustainable Europe while respecting the varying and diverse regions: while securing better living conditions and quality of life, oriented towards regional and local potentials, irrespective of where people live- whether in the European core areas or in the peripheries. Programs also address development funding for special fields, such as water, environment and agriculture, e.g. ELER, FFH (Fauna and Flora Habitats) as well as the European directive adopted in 1992 that are aimed at wildlife and natural conservation. With its guidelines and development funds, the EU exercises strong influence on national policy, with member states being called to adapt and align their own national laws and strategies. Different national strategies in rural development show as the project FARLAND (Future Approaches to Land Development) (Thomas, 2006).

German Federal Government is the one of member states to follow these guidelines and programs, as well as being responsible to the EU for their implementation. In order to remain consist with EU policies while achieving their own development goals, the German Federal Government put in place the detailed national planning principles and guidelines, planning laws, the principles of regional planning, federal development concepts and agricultural structural policies: such as Regional Planning Act, Federal Building Code and Federal Natural Protection Act. Many of these laws play key roles in rural development, such as Building Code, which regulate unified planning systems for urban and rural areas; and in addition to it

the land consolidation and agricultural planning required for coordinated land use planning. The federal government offers not only basic comprehensive spatial planning by Vision and Strategy for Spatial Development in Germany (Leitbilder und Handlungsstrategien für die Raumentwicklung in Deutschland, 2006) and the Active Concept of Federal Government on Further Development of Rural Areas (Handlungskonzept der Bundesregierung zur Weiterentwicklung der ländliche Räume, 2009), but the sectoral planning as well, e.g., Transportation Development Plan. It addressed frame plan with detail of money and measures.

The federal government carries out the EU programs or its own programs with local states, as well as combining EU programs with its own development goals. E.g, with development and reforms of the Common Agricultural Policy (CAP) and funds of the EU, Germany has adapted its own programs. GAW plans that focus on the improvement of regional structure of the economy combined with GAK programs which focus on the improvement of the structure of agriculture and coastal protection with an every 4 year Frame Plan, play an important role.

State Governments originate additional planning principles and make State Development Programs which are binding for official plannings, like communities and regional environmental development. The status of planning is normative planning. For special tasks, such as traffic, clinics or schools are covered by special plans.

Region and sub-region level is responsible for a more detailed regional planning and economic development. The results of Regional Planning are binding for official planning. However, natural protection areas are determined by this level and are binding for everybody.

County level has no formal comprehensive planning. However, planning is done in many cases when a structure change is expected. In case of sectoral planning, water protection areas are determined by county level (Gao, 2007).

Actually, community, municipality, village and town districts all belong to this basic local level. The systems for land use planning are equal in municipalities as well as in rural communities (ibid). This consists of two stages. The Preparatory Land Use Plan covering the entire community, as the first stage has the character of strategic planning and is binding for public authorities. The Legal Binding Land Use Plan covering special building site acts as the second stage correspondent to the operational planning, and is binding for everybody. In a further stage of operational planning, if needed there is land reallocation plan. Urban land use planning has the same formal terms, the same statement of contents and the same legal consequences in the rural and urban areas.

The procedure of land use planning often needs too long time for implementation of a new project, which is promoted by developers. In this case, the planning can be accelerated by private public partnership (PPP) when the Project and Infrastructural Plan will be created by the developer under the supervision of the community, and the project itself will be realized by the developer with an urban contract between community and developer.

A powerful instrument of sectoral planning for rural development on local level is the land consolidation procedure. The procedure covers a part or an entire community, or parts of the different communities. The land consolidation plan, which integrate in one procedure of the general principles of appropriate reshaping of the land (strategic planning), the plan for common and public facilities (operational planning), the land reallocation (operational planning) as the implementation of measure for common and public facilities. The most other plannings, like Urban Land Use Planning separate the land reallocation and the implementation of the measures in own procedures.

Cooperation between community and sectoral planning focus on agriculture is inherently close. Rural policy is relatively in detail and concrete in Germany. The Land Consolidation Act is a good example. Meanwhile, different laws in other fields, when they are related with rural development, consider rural development in details, such as Federal Building Code. In the Part Six of Chapter Two of this code, “Urban Development Measures in Connection with Measures for the Improvement of the Agrarian Structure”, it specified that “in the course of preparing urban land-use plans, the farmland consolidation authority shall examine whether any need exists in this context to initiate a procedure for the reallocation and consolidation of agricultural land holdings, or for any other measures to improve the agrarian structure”. “The municipality shall involve the farmland consolidation authority, and any other departments which might be responsible for implementing a measure to improve the agrarian structure, in the preliminary stages leading to preparation of the urban land-use plans as early as possible”. In German policy, rural and urban should be developed as an integrated body. Besides, guideline and funds from the EU is another push for German rural development following integrated direction.

Urban re-development is supported by federal and state governments and the procedures have been developed for urban and rural areas using the same regulations. These formal procedures require very strong and complicated regulations because it allows a strong intervention into the ownership of real estate; while allowing the communities to skim off the advantages which are created by the procedure.

Administrative Levels	Comprehensive Spatial Planning	Sectoral Planning	Remarks
European Union	European Spatial Development Perspective (ESDP, 1999) Territorial Agenda of the EU(2007)	Diverse guide lines and development funds for special fields, e.g. water, environment (FFH), agriculture (ELER)	Recommendation for national states. EU has no original competence for regional planning. They have to be implemented in national right. High influence into special fields, e.g. farming, water
Bundes Republik/ Federal Republic (BRD)	Basic Principles of Regional Planning (ROG) Vision and Strategy for Spatial Development in Germany (2006) Active Concept of Federal Government on Further Development of Rural Areas (2009)	e.g. Transportation Development Plan Joint Task for the Improvement of Regional Economic Structures (GRW) Joint Task for the Improvement of Agricultural Structures and Coastal Protection (GAK), 4 years Frame Plan	Binding for official plannings Binding for federal tasks Recommendation for states Recommendation for rural development Joint Task of federal Government and States (Länder)
Bundesland/State	State Planning -basic principles -state development program	e.g. Comprehensive Traffic Plan, development plan for school, clinics Waste Disposal Plan	Normative planning Binding for official plannings

Bezirk/ Region, Sub region	Regional Plan		Normative planning Binding for official plannings
		e.g. natural protection area	Binding for everybody
Kreis/ County	Informal County Development Plan		Only, if it is wanted
		e.g. water protection area	Binding for everybody
Gemeinde/Stadt Community/Municipality	Urban Land Use Planning		
	-Preparatory Land-Use Plan	e.g. Land Consolidation done by specialized authority	Binding for public authorities and official planning bodies
	-Legal Binding Land-Use Plan	-General Principles of Appropriate Reshaping of the Land	Strategic planning
Dorf/Stadtbezirk Village/ Town district	-Land Re-allocation Plan		Binding for everybody
	-Project and Infrastructural Plan	-Plan for Common and Public Facilities	Operational planning
	-Urban Contract	-Land Consolidation Plan	PPP-planning (private public partnership)
	-Urban Re-development Plan		Formal re-develop planning with a strong regulated procedure
	Dorf-erneuerungs Plan Village-renewal/ Development Plan		Informal development concept, on which financial supports are based for public and private measures according to the village renewal program of the state

Table 9: Overview of Rural Development System in Germany

Source: Author

Therefore, village renewal has been created as an informal rural development concept, in addition to the urban re-development due to the previous inefficient regulations for rural areas and inadequate financial support and the urban re-development programs. The village renewal program supports both public and private measures, with the procedures is characterised by public participation with strong “bottom up” system.

In fact, “top down” “bottom up” has become a healthy countervailing influence carried out within planning system in rural development program. As the Figure 11, while “top down” system is working by carrying out normative and strategic planning into implementation, the “bottom up” system is also working as influenced by the local people’s motives and needs to reach their goals.

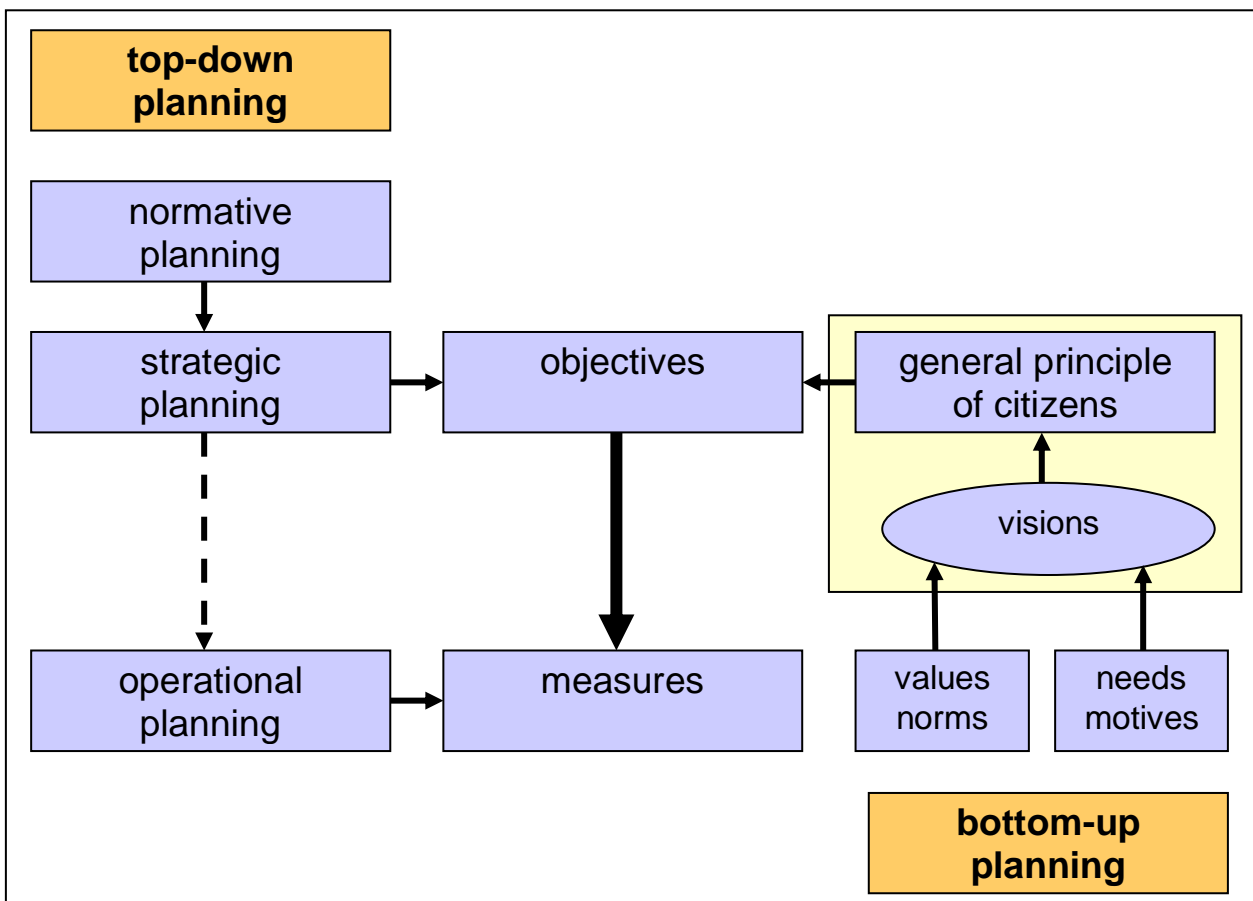


Figure 11: Dialogue Planning

Source: Magel, 2006

7.2 ELER Program and Adoption in Germany

Europäischer Landwirtschaftsfonds für die Entwicklung des ländlichen Raums (ELER), means the European Agricultural Fund for Rural Development (EAFRD) in English, is an European agricultural fund which was set up for the financing of rural development programmes by European Union in the framework of CAP in 2007. The ELER will also

finance local development strategies and technical assistance.

The Fund will contribute to achieve the three objectives linked to the three headings of rural development defined at Community level, namely:

1. improving the competitiveness of agriculture and forestry by means of support for restructuring;
2. improving the environment and the countryside by means of support for land management;
3. improving the quality of life in rural areas and encouraging diversification of economic activity.

EAFRD introduces a new mechanism for ensuring that member states target rural development funding at EU priorities. Member states must define a national rural development strategy, in line with EU Strategy Guidelines, before and under the process of the carrying out of program. But in fact, as an important member state of EU, Germany also tries to influence EU policy to benefit itself, such as EU “Regulation 2078” “as a possible solution to appease both its outspoken farmers’ lobby and the demands by other member states for Germany to further reduce market support subsidies”(Wilson et al.,2001, p.196). During the process of program being carried out, the commission and member state share management. A management authority, a paying agency and a certification body must be appointed by member states. In order to enhance the quality, efficiency and effectiveness of implementation, the rural development policy and its programmes are evaluated in different stages. In fact, it contributes towards Community action in favour of the least developed regions.

In Germany, ELER is explained and carried out as the following three main points:

1. Improvement of the competitiveness of agriculture and forestry
 - measures for promotion of knowledge and to strengthen the human potential;
 - measures for restructuring and improvement of real capital and promotion of innovations, e.g, improvement and extension of the infrastructure related to the development and adjustment of agriculture and forestry;
 - measures for improvement of the quality of agriculture production and the agriculture goods;
2. Improvement of the environment and landscape
 - measures for promotion of sustainable cultivation of agricultural land, e.g, payment for environmental protection measures in term of agriculture
 - measure for promotion of sustainable cultivation of forest land
3. Improvement of the living quality in the rural areas and diversification of rural economy
 - measures for diversification the rural economy
 - measures for improvement of the living quality in the rural areas, e.g, maintain and improve the rural heritage

- measures for occupational and information of the people
- measures for development of competences and sensitize people for creating and realizing of a local development strategy

Meanwhile, during the process of program, public participation is an important element to be emphasized. With local people's participation, the program would be better understood and implemented.

7.3 Joint Task for Improvement of Agricultural Structures and Coastal Protection

Agricultural and rural policies in Germany are mainly implemented through the Joint Task between Federal and Lander governments for the Improvement of Agricultural Structures and Coastal Protection (Gemeinschaftsaufgabe Verbesserung der Agrarstruktur und des Küstenschutzes, GAK) (Knickel, 2006, p.94). In 1969, GAK was introduced and has been the cornerstone of German agricultural structure policy. Kasperczyk et al (2004, quoted in Knickel, 2006, p.94) and Schubert (2002, quoted in Knickel, 2006, p.94) argued that it is the central national instrument for the development of agricultural structures. GAK provides the most important link between the EU and the Länder for agricultural and rural policies. Through this mechanism the national government provides an overall framework for the policies of the Länder, and can influence the organisation of rural development at a regional level-despite this being the responsibility of the individual Länder.

GAK has close relationship with CAP of EU. It is an important national framework for agricultural and rural policies; the main objectives of the GAK are as follows:

- the improvement of the competitiveness and market structure of agriculture and forestry;
- the diversification of activities and improved integration of agriculture into the rural economy;
- the improvement of facilities (such as housing, economy, recreation and ecology) in rural areas;
- the support of sustainable land use adapted to local conditions that pays attention to health needs, environmental concerns and wildlife protection;
- coastal protection.

D. O'Connor et al cited Kasperczyk's highlights that the GAK is a national wide program that is incorporated into the Rural Development Plans of the individual Länder as appropriate, and is supplemented by their own measures. It is the main co-financing instrument and closely conforms with the conditions of EU support (ibid).

For implementing GAK policy, its frame plan about financial and measures being set up every four years.

7.4 Active Concept of Federal Government for Rural Areas

In March 2008, under the leadership of Ministry of Food, Agricultural and Consumer Protection (BMVEL), Ministry of Economic and Technology (BMVi), Ministry of Transport, Construction and Urban Development (BMVBS), Ministry of Finance (BMF), Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), Ministry of Working and Social Security (BMAS), Ministry of Culture and Research (BMBF), Ministry of Family, Senior, Women and Children (BMFSFJ), and Ministry of Health (BMG) meet together to discuss rural development strategies for the future.

According to Federal Regional Planning Act (ROG), people in different areas have the right to live equivalent living standard. In order to reach this goal, some disadvantaged areas need to have special attentions paid, and adjustments made to the development strategy, which cover economic, social and environmental aspects to enhance the cooperation between these areas; local areas need to take greater responsibility for themselves; different administrations and functional departments also need to cooperate with each other strongly. In this way, coupled with the federal government's support, disadvantaged areas can decelerate reduction of the population, keep the young people stay and reach the "equivalent living standard" goal. In April 2009, the final strategy was reached as Active Concept of Federal Government for Rural Areas (BMVEL, 2009). The main contents for this active concept are as follow:

1. To the short term economic stability and improvement of regional infrastructure:
 - For the promotion of investment of communities and states, the federal government will provide 10 billion EU from 2009 to 2011 to finance infrastructural constructions,
 - such as investment on the infrastructural construction of education facilities
 - investment on other infrastructural construction, such as hospital, rural region infrastructural construction, road and noise protection
2. To the long term improvement of disadvantaged rural areas:
 - setting up a special support area, disadvantageous rural areas
 - setting up an experimental clause for not supportable measures
 - strengthen the cooperation between communities and regions
3. To enforce the focus of specific sectoral programs to disadvantaged rural areas:
 - concentration of supporting programs
4. To sustainable improve agricultural structure and rural infrastructural construction
5. To improve the providing for broadband network
6. To the long term guarantee for providing and structures concerning the basic needs
7. To improve the condition for life-long learning, such as modernization of occupation

training

8. To promote children nurse service in good quality and the improvement of perspective juniors
9. To enforce the mobility of all groups of the people
10. To guarantee the medical care for people living nearby area
11. To preserve and sustainable use of natural resources
12. To emphasize the cooperation relationship between rural and urban areas.

This strategy pays a lot of attention to infrastructural construction field, especially to the improvement of disadvantageous areas; it underlines the importance of the concept of “equivalent living standard” between the different areas. The strategy covers economic, social and environmental aspects. Meanwhile, it emphasizes the importance of self responsibility and government support combining and the cooperation among related ministries and communities.

7.5 Combination with other Domestic and EU Program

Germany set up many of its own schemes and measures that conform to the EU policies, such as GRW, village renewal schemes, HEKUL (Hessisches Kulturlandschafts Programm), KULAP (Bayerischen Kulturlandschaftsprogramms, means man-made landscape program), Regional Action Programme, LEADER, Agenda 2000 and etc. Such programs contribute a lot on environmental protection and cultural landscape in rural development of Germany (interview).

Another national level framework for policy implementation is that of the *Joint Task for the Improvement of Regional Economic Structures (Gemeinschaftgabe Verbesserung der Regionalen Wirtschaftsstruktur, GRW)*. With the main disparities emerging between the old industrial region and the new south industrial regions, and divide between rural and urban area, the joint responsibility of the federal and L änder governments has been implemented at end of 1960s and beginning of 1970s (GRW). Under the guiding principle of equivalent and acceptable living standards in all regions, the aim of GRW is that of improving the economic development of lagging areas in Germany and improving their competitiveness. Particular emphasis is placed on enhancing development in regions with structural problems (Knickel, 2006, p.95). Though it is also financed by both federal government and L änder, its main focus is not only on the rural areas. Support measures of the GRW were mainly directed at productive investments in industry, tourism, services and trade as well as infrastructure development (ibid).

Agenda 2000 is an action program that addressed by EU member states in 1999. Facing the coming EU enlargement, in order to extend the same peace and prosperity to the central and

eastern European countries, the Agenda 2000 reform process is about shaping the union so that it can make a success of enlargement and at the same time deliver better economic prospects for Europe's citizens (EC, 1999). The main aims of this program are to strengthen Community policies and to give the European Union a new financial framework for the period 2000-06 with a view to enlargement. The three main measures were proposed as: (Cécile Delayen, 2007):

- agro-environment schemes
- support to the least favoured areas
- investment assistance to enhance productivity and competitiveness.

The overall frames for spending from the EU budget of Agenda 2000 have been settled until the year 2006. After that, during the funding period 2007-2013, rural development will be co-financed with part of CAP budget through the European Agricultural Fund for Rural Development (EAFRD or ELER).

According to OECD (2007,p.101-102), *Regionen Aktiv-Land gestaltet Zukunft* (Active Regions-Shaping Rural Futures) is a pilot programme instigated by the new formed Federal Ministry of Food, Agriculture and Consumer Protection (BMELV), on the basis of a nation-wide competition. The Active Regions Program's four objectives are:

- strengthening rural areas and creating additional sources of income
- natural friendly and environmental compatible land management
- consumer-oriented food production
- strengthening rural areas

In general, the program design addresses five important factors for rural place-based development:

- Competition: to promote innovative and promising project
- Bottom up approach: within the context of overall objectives, sub-national authorities have decision making responsibility for content, concrete measures and budgets
- Integrated strategy: the plan should integrate economic, ecological and social concerns across the region with a place-based focus and attention to rural-urban links in the area
- Partnership: the local process should include key interest groups. The development plans designed by the local partnership binding for the use of funding. Sub-national authorities also work in partnership with the national government in a negotiation process
- Capacity building and information sharing: the program supports and promotes accompanying training and further education for all actors. The lessons learned from model areas will be available for all (Knickel, 2006, p.101).

Though it is similar as many other EU rural policies, it places particular emphasis on rural diversification and environment. In which, the involvement of local actors is the most important innovation in the traditional way of policy implementation in Germany (OECD, 2007, p.101).

LEADER (Liaison entre actions de développement de l'économie rurale) is a project that provides support to local projects incorporating exemplary and innovative strategies for rural development (D. O'Connor et al., 2006, p.96). It is one of the better know rural development program in EU. Initiatively, it began in 1991 with LEADER I, continuing from 1994-1999 with LEADER II and known as LEADER+ between 2000 and 2006 (OECD, 2006, p.90). It is planned to continue going through the 2007-2013 period.

One important outcome of LEADER program was the introduction of LEADER method. This method implies cooperation across and within public administrations and private sector and its application has had a notable impact on the governance of predominantly rural region across Europe.

LEADER programs in Germany have been helped draw local communities and new social movements into RD processes. They have also served as a platform for experimenting with innovative concept such as 'autonomous, regional development' which stresses the importance of participation, social inclusion and regional identity (D. O'Connor et al., 2006, p.96). It has been conceived as integrated and endogenous approach to rural development.

Bruckmeier (2000, p.219-227) shows that in fact, LEADER has played a significant role in Germany with approximately 150 Local Action Groups supporting around 1500 projects and a total expenditure of EU 1.7 billion between 1994-1999.

7.6 Local Programming

Rural development in Germany is most enforced on local level by village renewal and land consolidation.

With a budget of about EUR 250 million between 2000 and 2006, there are 14 LEADER +projects, one national program and 13 regional programs. During the process of LEADER, the principle of decentralization of decision-making and management responsibilities is associated to the partnership principle. After the project approval, financial resources are allocated to local actors on the basis of the decisions of the regional partnership, with the technical support of a specific structure called "regional management" (OECD, 2007, p.101-102). It integrates economic, environmental and social concerns.

Regional Action Pilot Program (Regionen Aktiv-Land gestaltet Zukunft) is also an integrated rural development program that with many measures, such as regional marketing and tourism development, education and training, the production and the processing of renewable resources, and etc. It developed in three different steps (OECD, 2007, p.104):

1. defined a joint vision of the future development, through the preparation of a document with the essential elements of their projects;
2. move from the vision to the reality, drawing up an integrated regional development program where more concrete elements are included, then finally, the best programs were selected by a national independent jury;
3. the selected regions were provided with the necessary funds to put their integrated programs into practice.

During the process of the Regionen Aktiv, Federal Ministry (BMELV) played an important role. Beside providing financial resources to the selected regions, it also performed a series of activities that supported regional programs in different steps: such as setting up a national support structure, financing research activities aimed at providing additional findings on the results of rural development projects in the selected regions, setting up a steering committee of stakeholders in the rural development fields at the federal level.

Financial support for the program is varied. For example in Bayern, investment on *village renewal program* can be different as:

-Measures in the interest of the commune and public can be supported by up to 70 percent for each measure and depending on the financial power of the commune.

-In the case of private measures, the state subsidies usually amount to 30 percent of the expenditure. The aid is limited here to 5 000 or 30 000 Euro, and in exceptional cases is as much as 60 000 Euro depending on the type of plan.

Village renewal is a very typical local program. The goals of village renewal are to (BSMAF, 2002, p.11):

- improve local conditions for agriculture
- boost the economic strength of rural areas
- promote cooperation in villages and municipalities when solving their common problems
- enhance the surroundings of the local population
- create a greater awareness of village culture
- maintain the individual character of rural localities and cultural landscape and, in doing so, to prepare villages and rural localities for future developments

Village renewal has 3 dimensions show in Figure 12. The factors of sustainability and the

vision of future are concentrated on the involved people respective township, or seen as a process: from individual people comes the vision of future, and from the vision derives the rural development principles of citizens, concerning society/culture, environment/ecology, infrastructure/living, and jobs/agriculture.

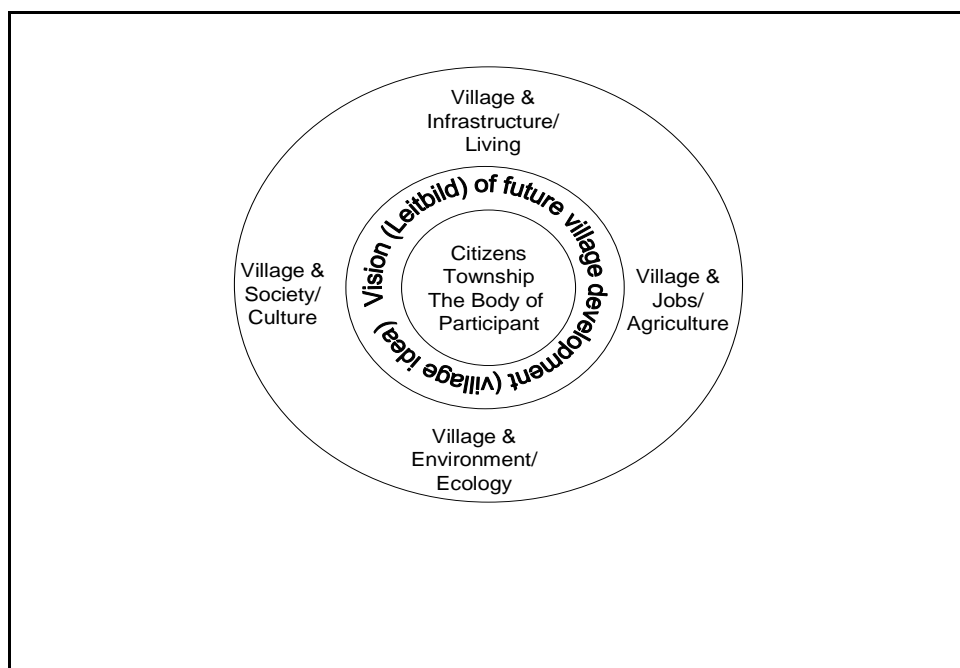


Figure 12: Three Dimensions of Village Renewal

Source: Adapted from Magel, 2010

Village renewal benefits rural areas in many ways. E.g, In Gemeinde Bergkirchen, a small town that includes 17 Gemeinden (communities) in Bayern, by years' village renewal program, the improved infrastructural construction helps the area to better link with the outside world. Such links also help many urban people coming here to live while working outside the area. Meanwhile, about 50 factories and companies offered more jobs to the local population. Village renewal program is success on protect the traditional building and maintain the old meeting place (restaurant) in village "Kreuzholzhausen" (interview). Village renewal not only improves farmers' living and production condition, but protects rural characteristic and natural landscape. Local people are so proud for their hometown (Gao, 2007). This as well contributes to maintaining the rural population.

Land consolidation is another important rural development method in Germany. In Section 1 of Part 1, Land Consolidation Act, "basic principle of land consolidation", it pointed out that "under the provisions of this Act rural land holdings may be rearranged with a view to improving the production and working conditions in agricultural and forestry as well as promoting the general use and development of land". By using different measures, land consolidation program did contribute on improving the production and working conditions in agriculture and forestry, promoting the general use of land and the development of rural areas (see figure 13). In general, land consolidation is a set of procedures that can enhance the

quality of life and encourage non-agricultural activities as well as improve the efficiency of basic farming (UNECE, 2005, p.55). The big advantage of this land consolidation procedure is that all measures can be easily realized because of land readjustment is a part of the project (see figure 13).

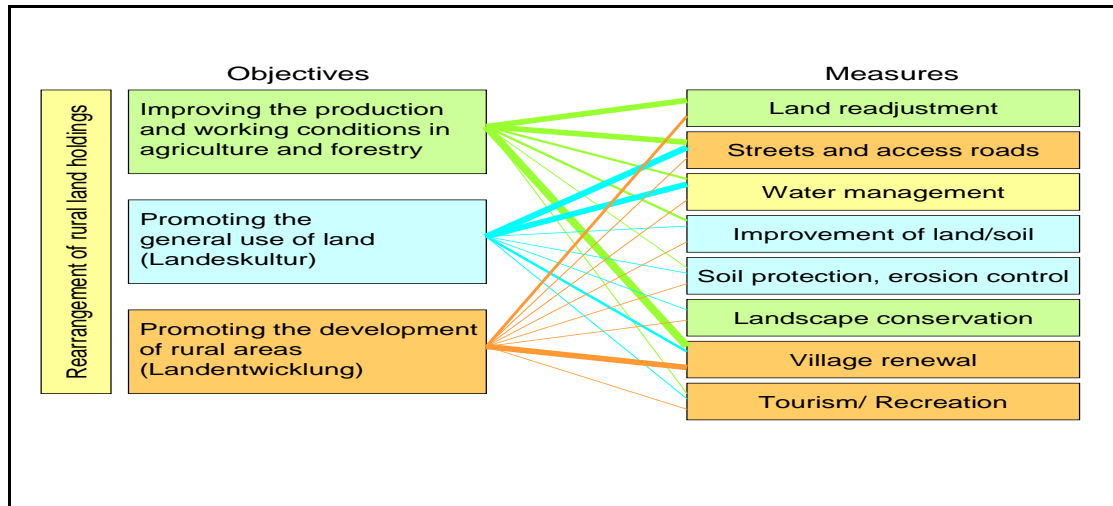


Figure 13: Objectives and Measures of Land Consolidation

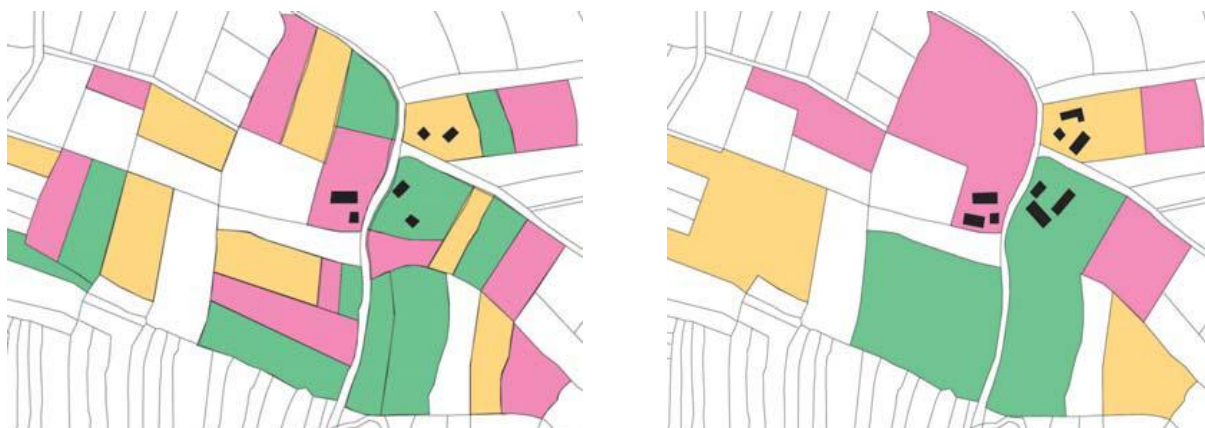
Sources: H. Magel, WS 2006/2007



Maihingen was able to achieve previously unthinkable solutions for its many joint facilities and flood prevention measures -but only by implementing village renewal and land consolidation at the same time.

Figure 14: From Ugly Duckling to Swan of Ries

Source: BSELF, 2006, p.94



Through a voluntary land exchange, entire parcels ...are combined to form areas that can be of land in a hamlet.... profitably farmed

Figure 15: Land Consolidation

Source: BSELF, 2002, p.7

7.6.1 Institution Construction

The Federal Republic of Germany is a federal state the structure of which is set out in the Basic Law, the constitution of the Federal Republic of Germany, under which the supreme power of the state is divided between the Federation on the one hand and the 16 L änder (states, including the city states) on the other. The L änder while constituent parts of the Federation remain states in their own right with their own original sovereign rights which, although limited, are not derived from the Federation (Hofer et al., 1997, p.15).

German constitution stresses the subsidiary principle and regions therefore are powerful. The various federal levels are outlined as follows:

Bundesrepublik	federal state
Bundesland	state
Bezirk (some L änder)	region
Landkreis/Kreisfreie Stadt	county/city
Gemeinde/Stadt	community
Dorf/Stadtbezirk	village/town-district

Table 10: Administrative Levels in the German Federal System

Source: Author

Based on the above table, the main lines on implementation of rural development in Germany can be described as four distinct institutional levels:

- EU
- national (federal state/the Bund)
- regional (the L änder) and
- local level (counties, communities. *village has no own legislation)

In fact, many of the competences for rural development policy lie in the hands of the L änder and communities while national level having only a framework competence.

The EU has not originally competence for spatial planning; however it provides three main sources of support for rural development measures in Germany (D. O’Connor et al., 2006, p.94):

1. The accompanying measures of the CAP (early retirement, less favored areas,

agri-environment measures and afforestation of farmland). Since 2000 these have been integrated in the Rural Development Regulation (1257/99).

2. Community initiatives such as LEADER (local development projects) and INTERREG (cross-boarder co-operation).
3. Support provided for Objective 1 and Objective 2 (formerly Objective 5b) regions under the Structural Funds Regulation 1260/99. The entire area of the new Länder (formerly East Germany) has the status of Objective 1 region

The federal state has a broad influence on the general direction of rural policy (OECD, 2007, p.155).Constitutional obligations of the federal state and the need for coordination of regional policies led to the establishment of 'Joint Tasks' (Gemeinschaftsaufgaben) between the federal state and the Bundesländer. Legal frameworks guide the joint planning process between the federal state and the Länder, and specify the financial contribution of the Länder. Agricultural and rural policies in Germany are mainly implemented through the Joint Task for the Improvement of Agricultural Structures and Coastal Protection (Gemeinschaftsaufgabe Verbesserung der Agrarstruktur und des Küstenschutzes, GAK) which in the charge of Ministry of Food and Agriculture, Consumer Protection (ibid).

Another national level framework for policy implementation is the Joint Task for the Improvement of Regional Economic Structures (Gemeinschaftsaufgabe Verbesserung der Regionalen Wirtschaftsstruktur, GRW) which in the charge of Ministry of Economics. The GRW aims at the economic development of lagging regions in Germany and improving their competitiveness. Particular emphasis is placed on enhancing development in regions with structural problems (ibid).

In practice, rural development programs at federal level are under the administration of the German Federal Ministry of Food and Agriculture, Consumer Protection (BMELV) and other departments, such as Ministry of Transport, Building and Urban Affairs, Ministry of Interior Affairs and etc. This model simplifies the decision making and possible conflict during application process. However, it brings along problems on coordination. In the local levels, there are some corresponding agencies, but not exact agencies to match the agencies at central level. Meanwhile, different states have different administration systems. In Bayern, rural development falls mainly under the administration of the Ministry of Agriculture and Forestry. Meanwhile, it is also related with the Ministry of Natural and Landscape Protection, and other administrations, such as land planning, historic and cultural protection, economic development, and road construction, etc. But the local agencies can change, recombine or reform among the different duties.

Though under such administration systems, certain overlap can be formed, with democratic administration and “bottom-up” mechanism, local people and governments can always offer some plans and suggestions and to influence the above level administration. For example, village renewal in Bayern is originally a task of the community and Ministry of Interior Affairs responsible for urban redevelopment procedure. But in fact, Ministry of Agricultural and Forestry carried out some village renewal programs. Such programs soon become a very successful part of rural development as well as being very popular among local people. With village renewal program becoming more and more popular, people thought that rural development as being mainly charged by the Ministry of Agricultural and Forestry. Later, Ministry of Agricultural and Forestry was automatically involved in the village renewal program and plays more and more important role in rural development. Actually, that is the result of “bottom-up” mechanism. Furthermore, the state level tries to solve over-lap and coordination problems before the program finally go to local level so that local level can totally focus on implementation. In practice, one program can only be financed by one department so to avoid overlap in some extents (interview).

At state level, Länder has competence for spatial planning and land management, they are responsible for the detailed design of policy schemes and measures. The State Development Program (Landesentwicklungs Programm, LEP) is the result. Länder governments have a high degree of autonomy in formulating, designing and implementing policies. Important policy measures dealing with rural and regional economic development, nature conservation and the improvement of agricultural structures are the primary responsibility of the 16 Länder in Germany. It also reflects the varied policies among the 16 Länder. They define operational objectives and they decide upon financial planning which is at the basis of co-financing from the EU (OECD, 2007, p.155). In fact, many of the competences for rural development policy lie in the hands of the Länder, while the national level has only a framework competence.

Above all, the lower government levels of communities also play an important role in the effectuation of rural development policies. The function of Urban Land Use Planning is to prepare and control the use of land within a municipality for building sites and other purposes. For carrying out the project provided by the Länder, they also occasionally design and run their own policy schemes issues such as village renewal program, the promotion of nature and landscape management, water protection, nature trails, specific tourist routes or the strengthening of local networks

Regards to finance, the EU, the national government and the Länder jointly fund support schemes under the GAK. The EU bears for a lot of measures 50% of the costs in the old Länder and 75% in the new Länder. The remainder subsidy is either met by the individual Land or jointly between the federal states and the national government on a ratio of 40:60 (Knickel, 2006, p.95). Furthermore, the beneficiary has to pay a varied amount of the cost

depends on different region and purpose.

The Figure 16 and Figure 17 will take GAK as an example to show what role the GAK play as the main instrument with which German government defines its rural development policy. The two figures explain two phases: the design (or planning) phase and the implementation phase. The former identifies the process of strategy definition and plans approval and financial allocation of resources among the different regional plans. The latter identifies the process of implementation of national and regional strategies and delivery of public expenditures to rural areas. In both phases national and regional actors perform different roles (OECD, 2007, p.90).

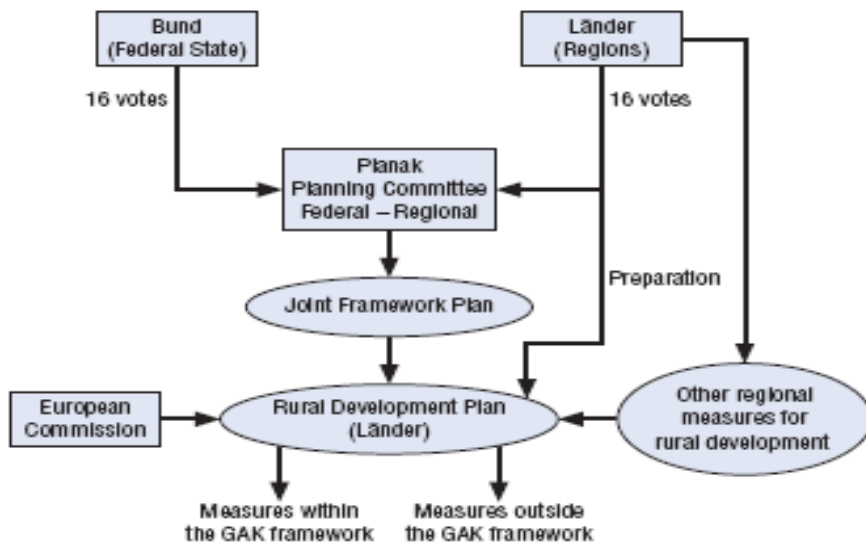


Figure 16: The Planning Phases of Rural Policy in Germany
Source: OECD, 2007, p.91

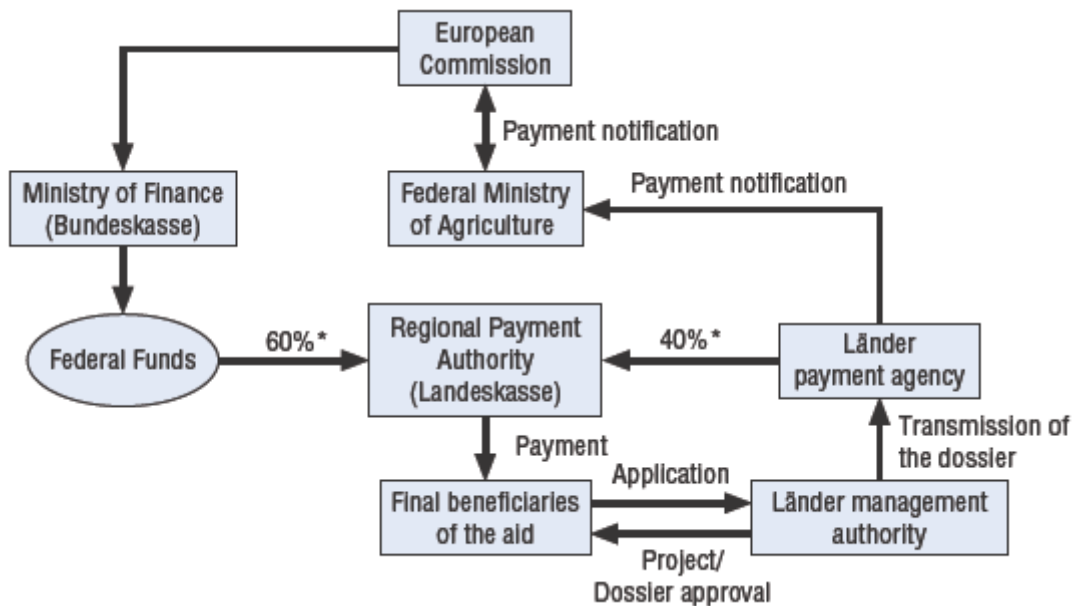


Figure 17: The Management and Financing Phases of Rural Development Policy in Germany
Source: OECD, 2007, p.94

Besides, the local levels deliver play very important roles both on planning and implementation phases.

The administration structures have a three-tier structure, with the exception of certain special-purpose authorities (H öfer et al., 1997, p.121):

- ministries and supreme authorities with directing function;
- various kinds of intermediate authorities, so-called “higher administrative authorities”, especially bodies with supervisory duties;
- lower administrative authorities with executive functions.

The carrying out of LEADER program is another example. The governance of LEADER consists of complex multi-tier administrative scheme. The EU defines strategy, elaborates the regulatory framework and provides most of the financial resources. National and regional administrations establish subsidiary application norms and contribute with a smaller share of the financial resources. Defining the measures for the rural areas, as well as the application and selection of the subsidised projects, are primary the responsibilities of the Local Action Groups (LAGs). The final individual beneficiaries are the ones that define the specific projects and that significantly contribute to their financing and execution. This administrative scheme also includes an evaluation function executed by the European and regional administrations, according to criteria defined by European Commission (OECD, 2006, p.91).

Wilson (2001, p.224) highlighted that responsibilities for planning and economic development in rural areas have been divided horizontally and vertically between the federal and L änder governments. He pointed out that at federal level, three ministries have been responsible for different aspects of rural planning and development: Planning and Urban Development (Bundesministerium für Raumordnung, Bauwesen und St ädtebau or BMBau); Economy and Technology (Bundesministerium für Wirtschaft und Technologie); and the Ministry of Agriculture (Bundesministerium für Ern ährung, Landwirtschaft und Forsten) (ibid).

Summary: Administration structure in Germany has been divided into 3 levels and each has its own right and duty regards to financial support, policy making and implementation that been clearly defined. In terms of rural development, the EU, federal state, L änder and local levels all play different roles and usually, coordinating very well within the vertical system. In the horizontal system, rural development usually involves several departments working together. In that case, there are some inevitable overlaps and problems on cooperation.

7.6.2 Participation Parts

Local governments have a high degree of autonomy in setting up and implementing policies. The governments at L änder level will make their own important policies that deal with rural and regional economic development, nature conservation and improvement of agricultural structures.

During rural development process, citizen participation has been emphasized as core and a fundamental principle. In Section 4 of Land Consolidation Act, it highlights that “The higher consolidation authority may direct that land consolidation be carried out and confine the land consolidation area, if they consider land consolidation necessary and in the interest of the parties concerned (Land Consolidation Decision); such a decision shall be supported by sufficient reasons”. Residents of local area must be informed and involved intensively at very early stage, which means that it occurs at the stage of preparation phase of a certain project. Citizens can collaborate in different ways to a much greater extent, such as through village workshops, questionnaires and etc. OECD (2007, p.116) concluded that farmers’ organisations at the national and L änder level have a prominent role in shaping the objectives and nature of rural policies, such as Regionen aktiv program.

Village Renewal Program is administrated at L änder level by the respective ministry of agriculture, and at the local level by district agricultural offices. The process of implementing the scheme is based on public participation and partnership. After a village renewal program is accepted, the village council will appoint a planner or architect to provide professional guidance. At the beginning, 7-15 villagers would be elected as a working group to develop a draft plan according to the guidance of a planner, district agricultural offices, and refer to other related office’s suggestions. The draft plan must be approved by the village community (Wilson et al., 2001, p.243). Very often a village renewal program is combined with land consolidation procedure for an efficient implementation of the plan.

Take Bayern as an example. During rural development, citizen participation is always being taken as the main focus. The local residents must be informed and involved intensively at an early stage. In order to let the village people understand the planning events and methods better, the Schools of Village and Rural Development (Schule für Dorf- und Landentwicklung) provides techniques for teamwork such as seminars, excursions and specialist events on all questions concerning future development. Meanwhile, there is a very direct form of participation that was introduced to rural development in Bayern as early as 1923: the cooperative principal. This means: all landowners involved in land consolidation form a Community of Participants. In judicial terms, it is a public corporation, non-permanent authority, an up-to-date form of a lean administrative organization. Above all, the Community of Participants chooses a Board of Directors from local people. The Board is led by an expert official of the Administration for Rural Development, manages affairs and is responsible for the planning and execution of measures.

One of the key factors underlying the success of village renewal is public participation. New methods of participation, like problem definition and decision finding in big groups or the organization of working groups with local people, was developed. Under the guidelines of

national and state, villages have high freedom to make their own village plan. Communities and especially the administration for rural development have the experience and motivation to take control of village planning.

The extent of public participation is abroad. In Weyarn, a small town of Bayern, they carried out public participation since 1993 and even regulated it as a basic principle during village renewal program. Conventional decision making system and complementary decision making system work together to reach the final decision and implementation (Figure 18). They make such participation broadly understood to every villager, including children. In Weyarn, during one village renewal project that related with a school's construction, all the children in the school were asked to public their own opinion and suggestions. They even participated in the construction during the free time, and decided what kind of desks and chairs they prefer. It shows that public participation as a tradition, is not only accepted by adults, but penetrates to children as well (interview).

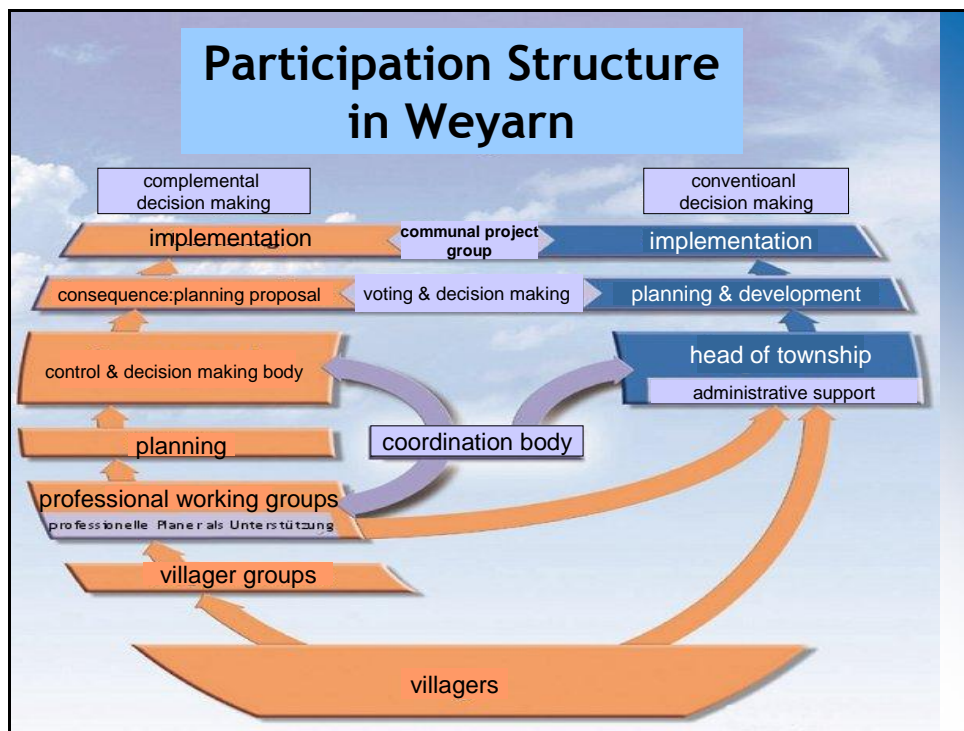


Figure 18: Participation Structure in Weyarn

Source: adapted from Demmelmeier, 2007

7.7 Main Achievement

7.7.1 Success in Practice

The intentions of rural policy that after the World War II are to increase agricultural production and guarantee the stable and abundant grain supply. With the over surplus of grain in 1970s, the contribution of agriculture to ensuring and developing life-sustaining systems

has gained stature, and today is an important aim of agricultural policy (Stefan, 2000. p.41).

Rural development in Germany has achieved an obvious achievement in the past decades. The main achievements are as follows:

1. Narrowing the gap among the rural areas with different economic and natural situations. E.g, GAK emphasized that the program would improve the facilities in rural areas, GAW aims at the economic development of lagging regions and improving their competitiveness. With these programs, many relatively far-behind areas are benefited and the federal government made a good achievement upon the goal of reaching equivalent and acceptable living standards in all regions.
2. With the policy of supporting family farm, farm employment didn't lose as much. Many rural people now stay in their local area. Many surrounding rural areas have a tradition of small and medium sized enterprises linked to part-time farming. Well-established manufacturing in such areas also offered a good working opportunity for local people. Many people in rural areas prefer to live in the local areas and the reduction of pressures from urbanization.
3. Rural activities have increased farmers' income. According to the statistics in 1998, rural development activities that more than one third of farms engaged generated substantial additional 18% incomes to the total Net Value Added generated in agriculture. Taken together with cost reduction and pluriactivity, rural development activities are estimated to contribute 56% of the total family income of farm households, implying these activities have now displaced commodity production as the backbone of the German farm economy (Knickel, 2006, p.85). According to OECD's statistic in 2007, rural areas account for 9% of GDP, 21% of GDP according to German's number (refer to OECD, 2007, p.30).
4. Working opportunities have been enlarged. Rural development have provided more working opportunities for farm households. According to the statistics used by OECD in 2003, about 35-40% farm households had income from non-farm sources (OECD, 2007, p.58-59). Diversity farm-related income sources, such as organic farm, tourism and marketing of own produce that related farming opportunities being exploited. For example, in Germany's Regionen Aktiv Program, 37% of the projects included a major eco-tourism component (ibid). Employment conditions in the program support regions have been improved by newly created jobs.
5. Village renewal program did improve rural living standards. It not only improved the living standards for agricultural and forestry workers and their families, but for those

of the whole rural population, through improvements in living and working conditions, recreation opportunities and the environments, while stopping further population decline and out-migration in a way. Especially to the former East Germany, it contributes a lot on creating jobs outside agriculture, improving infrastructure that had formerly been neglected, restoring run-down historic buildings, and has achieved significant improvements in living conditions in villages of former East Germany in short time.

6. Regional development policies contribute towards the achievement of equivalent living conditions in all regions by aiming to create and protect competitive long-term jobs, and to improve incomes in designated structurally weak areas.
7. The phenomena of counter-urbanisers emerged. The new migration flew to accessible countryside, especially to rural-urban fringe countryside, such as suburbs and surrounding rural areas. They brought in socio-economic change in some extent. This migration not only increased the percentage of rural population employed in non-agricultural jobs, but also led to a change in the balance of power with a decline in the power base of the farming interest in local politics (Wilson et al., 2001, p.229).
8. Based on the central place theory, German rural development did improve the infrastructure, services, housing and employment in rural areas. With the improvement of transportation, rural housing development and etc, some relative remote areas have become attractive places for tourism and recreation. The functional central areas play important roles on offering surrounding area the necessary need. This trend not only increased local people's non-farm incomes, but prevented declines in population. Magel H. thinks that the Central Place Theory has brought a structure to stabilize the countryside so that there is no so called empty area in German rural areas (interview).
9. Secure natural basis of living and the resources. Especially by the flexible possibilities of the reorganisation of land holdings effective contributions can be made in the creation of an integrated biotope system, in eliminating damages of the landscape or in providing areas for soil and water protection. This can be realized in cooperation with state and local administrations, and if possible, in agreement with the land owners (Magel, WS 2006/2007).
10. Realized natural resources protection as well. Rural development program not only focus on the improvement of economic situation, but also natural resources protection. The enforcement of "Natural Protection Law" and many state development programs, regional plan all mentioned natural resources protection. It guarantees rural natural resources will not be damaged during economic development.

At present, rural development not only contribute to economic development, but play an important role on sustainable environmental protection, cultural conserving and social prosperous as well.

7.7.2 Success on Methodology Aspects

The process of rural development has changed from a linear to a comprehensive approach, which is named mostly integrated rural development. The characteristics are:

1. System theoretical approach: Task of rural development is a multifunctional work which gives input from and output to different departments. It demands co-op from different organization or departments; therefore system theoretical approaches have been use not only in technical but also conceptual aspects.
2. Sequential proceeding system: For handling a comprehensive planning process following the system theory, it is necessary to carry out the proceeding step by step according to logical thinking and scientific method. Controlling check can guarantee the final result. Countervailing influence system leads both “bottom up” and “top town” becoming commutative action and it plays an important role in rural development.
3. Management system: System theoretical planning process is a process that needs to get feedback and continue to adjust the measure so that to reach the final goal. So it is also a learning process. The management system has to promote feedback, learning process and countervailing actions.
4. Planning models: Using systematic planning such as decentralization and central place theory lead rural development in Germany developed in overall aspects. By improving infrastructure, transportation, services, housing and employment, rural development achieve equivalent and acceptable living standards in rural areas (Gao, 2008).
5. Comprehensive planning process: There are two types of planning process, one is that proposal and implementation are separated, that is, first step is to address proposal, then go to implementation stage. E.g, land use planning and the implementation like land re-allocation respectively the construction of roads or houses need own procedures. Another is combine proposal and implementation process together as one procedure, each give enough freedom to the next planning step, e.g, land consolidation procedure.
6. Formal and informal procedure: Rural development procedure includes formal and

informal ways. Formal plan is the plan based on the law. In formal procedure, people can apply for court action when it is binding to people. Usually, formal plan is more powerful for implementation but it also takes a longer time for the formal procedure when the court is applied. Informal plan usually comes from local people or institutions/organization in line with their own will. As it is carried out voluntarily, it usually take less time and more efficient in a way.

7. Public participation: Rural development program has developed new methods on public participation. E.g, how to active public? How to promote public participation? In Bayern, School of Village Renewal and Rural Development is an example, where people can learn to participate on planning processes, to articulate their values and needs, to create their own visions and objectives.

7.8 Existing Problems

- Local government's subordinated status on decision-making

Local power related with rural development has experienced significant changes during recent decades. Laschewski et al.(2002, p.163) mentioned that with the evolution of regional planning and the development system, local government has become more and more subordinated to decision- making process and regulation at higher levels of the institutional hierarchy. The relatively high communal and local autonomy of former times has been weakened (ibid). Meanwhile, because the concentration of political power and economic resources at politically higher levels, more bureaucracy now features in communal institutions.

-Decision-making process is dominated by many different interests

During rural development program, many organization and institutions join together for their own benefit so that different organizations' interests dominate decision-making process. The result is that independent initiatives are rare because of the high degree of bureaucracy in the application process. Many participants established parallel institutions alongside existing local authorities and the existing agriculture policy network. It is a negative affection for integrated rural development program.

- Village renewal program is not linked into integrated rural development

Though village renewal in a way has achieved significant improvements in living standards in villages, especially in the villages of the former East Germany area, it has been criticized that concentrated on physical rather than social and economic renewal (Wilson et al., 2001, p.247). It reflected the problems in two sides: one is because of the nature of the funding may regulated only available for building and environmental work; another reason is that the village level administration for rural renewal programs would inevitably leads to a focus on

small scope. Village level usually doesn't have the experience to maximize its potential by linking it to other social and economic extents.

-High centralization and bureaucratisation influenced rural development in some extent

There is strong domination by civil servants of national as well as regional ministries within the processes of political decision-making. The construction of the joint tasks by the federal and regional governments and the different responsibilities for rural development by GAK, Village Renewal, GRW and urban development procedure increased this problem (Laschewski et al., 2002, p.164). During the negotiation process, regions are not represented by parliaments, but by the ministries and government.

Many programs are criticized as "top-down" programs, such as GAK and GAW. During the period when the GAK and GAW policy was established, there is only a little communication between the actors that design and the actors that implement. It would seem particularly useful to find a mechanism to link sub-national governments to the policy development process (OECD, 2007, p.155).

7.9 Influencing Factors

Generally speaking, rural development in Germany is very success. Of course, many factors decide its success, such as clear development goals, suitable social development opportunity, etc. Based on the analysis of previous programs and system, the most important and significant factors are concluded as follows:

1. The principle of "equivalent living standard": rural and urban, different areas have the same development right. This principle guarantees rural areas and disadvantaged areas, and the people of such areas have the same development opportunities and equal treatment regards to social welfare, education, public service etc. as urban area, advantaged area and the people of such areas. Under this principle, rural development becomes an issue that under the general development planning.
2. Systematic financial support: there are clear regulations and methods in term of financial support toward rural development program in Germany. It makes sure that rural development project can be carried out smoothly according to the requirement of different phases, but not influenced by some certain manmade factors.
3. Combine EU and domestic program together: based on EU requirement and principle, Germany carried out many concreted program that under the umbrella of EU scheme. This is a successful method to realize specific program object by assistance financial support from EU.

4. Central place theory: many years rural development that based on this theory, leads to rural areas in Germany have their own qualified infrastructural construction and certain employment opportunities. It makes rural areas maintain its population become possible.
5. Clear land tenure: rural development can not avoid land re-allocation and requisition. Clear land tenure and legalized poverty protection system can avoid land conflict.
6. Integrated rural development concept: rural development covers social, economic, environmental and cultural factors, it can not be independent exist and must relate with many other factors, such as infrastructural construction, education, employment opportunities, harmonious living condition and etc. Integrated rural concept is necessary for development.
7. Planning system: the strict planning system is a typical factor on rural development in Germany. Different administrative levels play different roles and implement different planning task. It makes sure that rural development will follow the governments' guideline, professional planning and broad social involvement.
8. Public participation: it is a key factor during rural development process. It is not only required by each specific project, but has also been systematized in the long term rural development process and become an important factor to guarantee the success of rural development by people's involvement and support in Germany.
9. Farmers' education and training: high level and professional education and training for farmers not only guarantee the development of agricultural modernization, but offer more possibilities for over-surplus farmers transferring to other non-agricultural industries.
10. Administrative support and networking system: it shows on policy, management support and integrated functional departments. Different administrative levels and service departments have different right and duty on setting up policy and carrying out the implementation. They are all clear defined, but also cooperated in horizontal and vertical under a networking system towards common goals. Policy "bottom up" system meanwhile guarantees the policy can reflect public will and adjust continually to fit social need.

8 Comparison and Hypothesis Findings

There are many differences between China and Germany. Regarding areas of territory, China is a country with 9.6 million km², 1.3 billion population and several differing climate zones. Natural conditions such as soil, water and climate also vary. Agricultural and economic development is heavily influenced by such natural conditions in China. Coastal areas in southeast China not only offer better natural conditions for agriculture, but also provide a more convenient geographic location than that of the northwest inland areas. That's why the population density in southeast areas is much higher than those of the northwest. Economic situations develop along the same trend.

Compared with China, Germany is much smaller in terms of geographic area. With 357,021 km² area, Germany supports only 82 million inhabitants. Generally speaking, there is not a big difference with regards to natural conditions. Though the distribution of population density between north and south, east and west is different, economic development has varied more according to the historic reasons, there is not really a "big gap" existing between different areas, between rural and urban areas.

Though there are many differences between these two countries, economic development are also at different stages, as the previous chapters of the research has mentioned and discussed about the meaning of integrated rural development, as well as defining the main criteria of rural development, the comparison between these two very different countries can be based on the criteria, in order to analyze if the present rural development in both countries are in fact integrated or not.

8.1 Comparison and Analyzing

The following table based on integrated rural development definition (chapter 2.2) will show the comparison between these two different countries in terms of sustainable development which includes economic, social, environmental and cultural aspects, integrated approaches, the management system (chapter 2.2 EU) and institution construction (chapter 3.1.1) which influence the implementation of rural development:

Subject	Contents	Germany	China	Comments-China
Economics	Agricultural	-modern agriculture with the feature of small scale family farmers and large scale farmers cooperation -collaboration between full-time and part time farmers	-HRS improve agricultural productivity -Fragment land limited modern agricultural development	Modern agriculture development is limited at present China
	Rural infrastructure and living condition	-good rural infrastructure -equivalent living standard bet. urban and rural	-Being improved in a way, still far behind urban area -Not enough investment in rural areas	Big gap bet. rural and urban in China
	Rural industrialization and employment	-surrounding area of big center as well as small towns and rural areas offer many employment opportunities -rural communities work together to create working opportunities	-Most of over surplus rural labor have to find job in big cities -Township owned enterprises are very weak and need support -Local area can not offer many employment opportunities	The development of small town enterprises and rural employment are necessary
Social	Poverty reduction	-not a big problem -by many projects, many disadvantage rural areas been developed	Still big gap bet. rural and urban; bet. the population of these two areas	Still an important task in a long term
	Education/training	-professional school and training for farmers -good educated farmer	-Most of farmers lack of former education and professional training; agricultural modernization is hampered -Lack of skill make over surplus labor difficult to find job in cities - RD program improved farmers' level on education and working skill in a way	Rural education can not match present development situation, still need to be improved
	Social welfare	Farmers have same good social security as urban people	-Only small amount of areas have social security as urban area; -Though some experiment and reform is taking place, farmers' social welfare will still be a big problem in a long term -The capability of anti-illness and accident of RCMC is still low	Rural social welfare is very weak and need to reform

	Harmony/civilization	equivalent living and production condition bet. rural and urban leads to a very harmonious society	Big gap bet. rural and urban leads to unsatisfied emotion and conflict; there are many unharmonious phenomena	Big gap bet. Rural and urban cause un-harmonious
Environmental	Natural resources	-strictly law/regulation -being good protected	Immoderately exploration and waste are still very common	Law and regulation can not be strictly implemented in practice in China
	Environmental protection	good landscape and environmental protection	-Environmental pollution/damage is still very common in many local area for the sake of economic - RD have set up “clean village” as one of the main goals	Should consider economic development and environmental protection at the simultaneously
Cultural	Local feature protection	take tradition and local feature very seriously	-Damaged or destroyed some traditional building and copy so called new fashion leads to lack of local feather in many places -Old temples/ ancestral hall have been protected in case study area	Enforce the sense of local feature protection
	Rural tourism	-beautiful landscape attract many people come -rural tourism has become a important economic income for some area with beautiful landscape	Began to come out in some areas but still influenced by transportation and sanitary situation in rural areas	Rural tourism should be encouraged especially in many economic un-development areas
	Development planning process Net working system	-System theoretical approach -Related org./dep. Co-op together in vertical and horizontal(Active concept of Federal government for rural areas)	-Linear process -Complicated horizontal and vertical institutions, difficult to co-op -Temporary leading group can solve co-op problems in short term	Adoption of an integrated dev. process-(refer German Active concept)

Integrated management system	Good government/administration	-overlap in some respects -“top town” and bottom up countervailing system guarantee policy can be adjusted in time -decentralization(local level has own right and flexible)	-overlap in vertical and horizontal existing -lack of “bottom up”, lack of feedback so policy can not be adjusted in time -Centralization lead grass root level can not handle local issue properly	Mechanism to avoid over-lap and setting up bottom up system are urgent
	Public participation	has become a mechanism and promoted by law	Only existing in some projects	Set up special mechanism to encourage public participation, make it become a system
	Policy making system	“top down” and “bottom up”	“top down”	Set up “bottom up and top down” system to guarantee policy suitable for development situation
	Land tenure system	-clarified and legally land tenure -formal procedures for land expropriation and land reallocation	-Un-clarified subject of land -different understand and explanation by interested group -illegal land expropriation and sever land conflict	China need updated and suitable land tenure system

Table 11: The Comparison on Rural Development Criteria between Germany and China

Source: Author

Economic aspects

Agriculture:

Agriculture is the primary element of the rural economy. In Germany, though different land inheritance systems were used to lead a large amount of small pieces of family land in the west part of Germany, it was changed with the time. Economic development during 1950s and 1960s enticed more part-time farmers to sell or lease their farms. This trend led to the growth of larger sized farmland. This of course, together with land consolidation procedures, readied a mechanization of agriculture in Germany. Later, with stable and comprehensive rural development policies, modern agriculture in Germany has developed very well (6.1.3). Meanwhile, as an important rural development project, GAK emphasized one of its important objectives as “the improvement of the competitiveness and market structure of agriculture and forestry”. It benefits agricultural development to a great extent (7.3).

In China, agricultural production was very low before 1949 (when the PRC was set up) and the later community time until the end of 1970s when the Household Responsibility System (HRS) was adopted. HRS inspired farmers’ enthusiasm and increased agricultural productivity followed rapidly. But it soon showed a bottle neck for further development due to the small size farmland owned by each household. Nowadays, agriculture still stops at the level of limited mechanism using (2.1.1). As the transferring of over-surplus labor is still an outstanding issue, farmland is very important for each farmer family. The present fragmented land size demonstrates that the realization of modern agriculture in China still needs time for development.

Rural Infrastructure and Living Condition:

Many rural development programs in Germany emphasize the importance of improving the rural infrastructure and improving rural living conditions, such as ELER, GAK. This concept is also thoroughly carried out in village renewal program. Central Place Theory and its implementation, the concept for equalize rural and urban living condition all contribute to rural development in Germany (6.1.2) (7.4).

As previously mentioned there is big gap between the rural and urban areas in China. Due to a long term lack of investment and policy ignoring, rural infrastructural construction in China is very weak. This has influenced the rural economic development and increased the gap between rural and urban areas, quickly leading to severe social problems (2.1.2).

Rural Industrialization and Employment

German rural development policy insists on an integrated rural and urban planning and development (6.2) (7.1). It focuses on improve rural infrastructural construction, such as

transportation, road and public facilities in rural areas so that part-time farmers can go to work in nearby city easily. Meanwhile, agricultural structure adjustments and cooperation among community and regions help in a way to use integrated resources to offer more employment opportunities for local people to work in the nearby towns. Part-time farmers and non-agricultural employment has become very common in rural Germany (7.7.1).

China's present situation is: most of the over surplus labors in rural areas rush to big cities that may locate far away, all with hopes to find a job (5.1.9). Small town development strategy attempts to find a solution to reduce the pressure by encouraging township enterprises and offering more working opportunities within the nearby rural areas (5.2.7). It makes effects in a way, but still need to be improved and enforced in many aspects, such as planning, efficient land use, environmental protection and etc.

Social Aspects

Poverty Reduction:

During different development period in Germany, there is no special mention about poverty reduction due to such issue has never become a big problem in Germany. Though the program such as GRW emphasizes improving the economic development of lagging areas and improving their competitiveness, which means, there are lagging areas in term of economic development, but real poverty does not exist in Germany (7.2) (6.2).

With large rural populations, poverty reduction is still a very important task in China nowadays. Though with economic development and rural development policy, poverty reduction has achieved a big progress in the past 30 years, the absolute amount of poverty population is still a large number in China and such situations will only be changed gradually by closely following integrated rural development (2.1.3).

Education/Training

Traditionally, German farmers are very well educated. Usually male and female farmers take special training focusing on different aspects. Additionally farmers have special training available for new technologies, and knowledge related to agricultural and forestry, so that they can always catch up the development of modern agriculture (6.2).

Most farmers in China have a low education level (2.1.3). There is no specific professional requirement for a Chinese farmer. Traditionally, many farmers have not so much technical skill and agricultural knowledge is coming from living experiences. It has, in a way hampered agricultural modernization. In recent years, with the appearance of telecommunication and the internet in rural areas, the application of "science and technology go to rural areas" policy, there is more and more special training available to help farmers handle the newer agricultural technologies, market information and even some other non-agricultural technical skills needed

for further employment (5.1.6) (5.2.9). Integrated education levels of the new generation in rural areas have been greatly improved (2.1.3) (5.1.6).

Social Welfare

In Germany, the “equivalent living standard in rural and urban area” requires rural and urban areas are considered integrated during development. Regards to social security system, rural areas get the equal treatment and policy as urban area (6.2).

The research shows that the social welfare system in many rural areas of China remains weak, or is still missing (5.1.9). This really only works in the few economically developed areas where the local government can afford such a burden (5.2.9). Though the central government has tried very hard recent years to enforce and explore a practical social system in rural areas, the large amount of rural population, unevenness of local economies, and other factors are still influencing the final reform efforts of the social security system in rural China.

Harmony/Civilization

Chapter 7.5 has mentioned there was previously a gap between different areas, between rural and urban in Germany, but soon after, GRW and village renewal programs endeavored to narrow the gap, allowing improvements in the lagging areas. So in a long term, integrated rural and urban development policy leads rural and urban development together, there is no big gap between rural and urban area. Meanwhile, convenient facilities and the naturally beautiful landscapes attract many people willing to live in rural areas. They bring along with them modern concepts and habits while further influencing the local culture to keep pace with the time. In a way, such good circulation maintains a harmonious society and atmosphere throughout Germany (7.7.1).

In contrast, the gap between rural and urban areas in China is getting bigger and bigger with the economic development (2.1.3). Unsatisfied emotion at the rural grass root level is very severe and becoming an un-ignored social problem and unstable factor to the society.

Environmental Aspects

Natural Resources

Natural resources are strictly protected in Germany. The “Protection Law of Land and Natural Resources” (GESETZ ÜBER NATURSCHUTZ UND LANDSCHAFTSPFLEGE, 2002) and other related laws, such as Federal Regional Planning Act (ROG) are all regulated clearly with an eye on natural resources protection (6.2.1). In practice, village renewal and land consolidation programs in Germany have already taken the protection of landscape, soil and water, environment as a basic requirement (7.7.1).

In China, natural resources are heavily damaged in many ways. Because of the lack of natural

resources protection concepts, many local officials only focus on local economic achievement needs and chose to ignore natural resources such as land protection, so that farmland can be illegally expropriated and misused for factory and residential construction. Though there are many regulations and laws try to prevent such mistakes, illegal exploration of natural resources based on short sight gains are still very common (5.2.10).

Environmental Protection

Environmental protection has been an important factor for rural development in Germany in a long term. It has been emphasized both in rural policy and program, such as ELER and other programs. It's very clear that environmental protection has been considered as a basic requirement for rural development in Germany.

In recent years of China, though environmental protections have been highlighted on rural development programs, it is really first formally addressed as being the new object of "socialist new countryside construction". As local officials' promote system based mainly upon economic achievement, it is still being ignored in practice (5.2.10).

Cultural Aspects

Rural Tourism

Rural areas have become more and more attractive in Germany. Environmental protection and programs for preservation of the landscape with cultural features have guaranteed that the landscape was shaped not only for industrial agriculture production (7.1). Rural tourism becomes popular in some rural areas, especially the areas with bad agricultural conditions, which corresponded often with a beautiful landscape. It increased rural economic income in a way (7.5) (7.6) (7.7.1).

Rural tourism in China is relative new phenomena after rural reform. It stems from the improvement of rural economic and environmental conditions. Currently it only exists in certain areas where traditional cultural or specific natural landscapes offer an advantage. But with the drawbacks of limited by transportation, sanitary and etc. factors found in rural areas, tourism cannot develop steadily at present period (5.1.8).

Local Feature Protection

Village renewal program plays an important role in local feature protection of its redevelopment in Germany. The local feature in rural areas not only makes these areas a specific attraction for tourists, but also increases local people's pride and love for their hometown (7.6).

In China, many traditional buildings have been destroyed or damaged not only during Cultural Revolution time, but in later times as well. During recent years in some new rich

rural areas, many beautiful buildings, copying those of large cities have been built, meanwhile, traditional building which had been local features have been lost (5.2.10). Unfortunately this has become very common.

Besides the comparison in economic, social, environmental and cultural aspects, the comparison on integrated management system is another important aspect because it is an important aspect to guarantee rural development.

Integrated management system

Planning process:

In the rural development process of Germany, system theoretical planning process and comprehensive planning process has been widely used (chapter 7.7.2). It guarantees the rural development program can continually adjust the part that unsuitable to the changed situation according to the feedback and the use of the two different types of planning according to different needs. Meanwhile, the Networking System works in practice as Active Concept of Federal Government for Rural Areas (2009) demonstrate a good cooperation among the different related departments and functional agencies work together for the same goals, not only from administrative aspect, but scientific professional service aspect as well.

In contrast, the above content in China does not exist because of its complicated vertical and horizontal administrative system (4.4.2). There is no networking system to link the cooperation among related functional departments and agencies, such as planning, land, construction, transportation, allowing them to work together for the common goals on rural development.

Good governance/Administration

As the research has mentioned in the previous chapter (2.2, 4.4.2, 7.6.1) that rural development is an integrated work needs many concerned departments to work together. Good cooperation between these concerned departments helps to guarantee against overlap. “Countervailing Influence System” (7.7.2) and decentralization concept (7.1) are good methods for carrying out policies while building great understanding by local people and officials. Though “overlap” does exist in Germany, it is not so seriously (7.6.1). Besides, “Countervailing Influence System” in a way guarantees that the policy from above can be adjusted in time, according to the other parties concerned. During rural development in Germany, administration of the local levels discusses the plan with local people. Only when the project is accepted by local people, it can be carried out. Usually, the officials from government are not involved in a program. They only approve if the project is feasible and also join the negotiation with other related agencies (7.6.1).

Administration system in China has decided that overlaps can not be avoided in either the

horizontal or vertical levels (4.4.2). It's very common that different departments, as well as departments acting at central and local levels can all be involved in the same project and that coordination in such cases is usually difficult. Meanwhile, the lack of "bottom up" mechanism leads to policy can not being adjusted in time and smoothly carried out. It leads to inefficient work.

Public Participation

Public participation has become a mechanism in long term rural development process in Germany, it has been defined and protected by the law and is carried out in practice, as shown with land consolidation and village renewal, etc (7.6.2).

However, this is still a new concept in China. Though it has been adopted for use in many international co-op projects or pilot areas in China, such as NZL project, its importance has not really been realized yet by many participants and yet to become a system in practice (5.2.10).

Policy Making System

In Germany, policy making process shows decentralization. Take rural policy making as an example: rural policy in Germany is formulated at four distinct institutional levels-EU, national (Bund), regional (the L änder) and local level (districts, counties and communities) (7.6.1). But in fact, many of the competences for rural development policy lie in the hands of the L änder (region). The policy between 16 L änder is different. That's why we see that rural development in Bayern has its own characteristics when compared with other L änder. Meanwhile, each region in the L änder has its own way on rural development as well. The 7 regions in Bayern also show differences in action from each other (7.6.1).

Policy making system is very popular as "Countervailing Influences Principle" as is practiced in Germany. "Dialogue Planning" is a good example (7.1). Such "top town" and "bottom up" countervailing influence system guarantees that the government at top levels can get feedback from bottom levels allowing for adjustments in supply of materials or scheduling in a timely fashion. Meanwhile, the bottom levels are allowed to be more proactive to their own needs and values, and given avenues to address their own requirements.

Compared with Germany, the local administrations in China usually do not have as much power in making their own policies according to their individual situation, or even if it does, these policies tend to be more general in nature, not so much in details regarding the contents, so it can not have any great significance when put into practice (5.2.10). Besides, "Countervailing Influences Principle" does not exist in the policy making structure of China. As policy making in China is always from top to bottom, there is usually problems with the carrying out and implementation. Though different institutional levels have the right to create

regulations based on the policies of the central government, usually these regulations are not concrete because of financial reasons (5.1.9).

Land Tenure System

Land tenure is clarified in a long term in Germany. Though after unification, the land tenure situation in the former East Germany demonstrated a new problem, it later moved to the same tenure system with the former West Germany. Land tenure is strictly protected by law (6.1.4).

Land tenure system is a very complicated issue in China. On the one hand, it is clarified in the Constitution and Land Administration Law; on the other hand, the subject of land is not clear, especially in practice, there are still a great number of issues in need of further clarification (2.1.5). The present land tenure system inevitably leads to illegal land use and land conflicts in China.

8.2 Hypothesis Findings

Based on the definition of integrated rural development, the theories and concepts that are related with rural development issue, the analysis both on case study of China and German program, the hypothesis are proved as follow:

1. Farmers' living and production condition

After rural reform, especially the agricultural reform made in China, agricultural productivity has increased dramatically (see Chapter 4.1.3). But this does not change undeveloped rural situation thoroughly. Contrarily, with economic development and absolute rural poor population decreasing, the gap between rural and urban grows ever larger (2.1.3). Even in the pilot area like Ganzhou, farmers' main income is not from agriculture (5.1.9).

In Germany, land consolidation, village renewal and other rural development projects not only focus on agricultural field, but also in improving rural infrastructural construction, landscape and environmental protection (7.2) (7.3) (7.5)(7.7). Usually, professional farmers have received special education and training (8.1). The concept of equivalent living standard between rural and urban areas and professional training system make it possible for more farmers to be capable of getting part time jobs or even full time jobs when it is not necessary for them to work on a farm (8.1). Such concept has also been proven in NZL of China (5.3). So, improvement of farmers' living and production conditions relies not only on agriculture, but requires other elements as well.

Finding:

Improving farmers' living and production conditions not only relies on increasing agricultural productivity, but also requires rural infrastructural construction,

environmental protection, training and education for the rural population.**2. small towns' construction**

Although small town construction strategy has not been carried out in China for a very long time period and it is still in the early stage of experiment and exploration, it has already shown its important role on improving rural infrastructural construction, reduce pressure of big cities, transferring rural over surplus labor and etc (5.2.7). The successful application of amended central place theory in Germany has proved it can help with solving rural problem (7.7.1).

Finding:

The development of small towns' construction can help to solve rural problems.

3. the gap between rural and urban areas

The existing of big gap between rural and urban area, social poverty can lead severe social conflict and problems, hamper integrated social and economic development (5.1.9, 2.1.3). It certainly leads to unharmonious social phenomena. Integrated rural development is defined "to build up a modern civilized and harmony rural areas" as a goal. The achievement of the "equivalent living standard" between rural and urban in Germany sets a good example for China to follow.

Finding:

Narrowing the gap between rural and urban areas, reducing poverty in rural areas is the important work of rural development.

4. land tenure system

Land is a main factor that is closely related with and economic and social situations in rural areas. Clear land tenure systems can not only inspire farmers' producing emotion, but also avoid social conflict caused by land. In the case study from the previous chapter, the research has shown that clear land tenure can also prevent land use waste and increase farmer's income in a way (5.1.7, 5.2.8). Meanwhile, the analysis proved that private land ownership may be not the only way for clarifying land tenure, may not suitable for China national-wide at present (4.4.7).

Finding:

To clarify land tenure and protect farmer's interest is important factor in solving rural development problem. The land tenure can be various.

5. administration institutions

The present administration institutions in China are overlapped. These institutions need to

cooperate together for rural development, but in fact, they can hamper each other, causing negative effects as well. The existing overlap, policy making mechanism, weak grass root administration and high level centralization have been proved in practice to not be suitable for rural development (2.1.6) (5.1.3) (5.2.3). In order to meet the needs of rural development, present administration system should be reformed. An integrated system oriented towards rural development needs to consider different aspects and cooperation of all partners.

Finding:

The present administration institutions in China are unadapted in a way and are in need of reform so that they can benefit rural development.

6. rural and urban “dual track”

The “dual track” system is a special system that has existed in China for decades (4.2)(4.4.6). Though it worked during the special historic period, it has since badly blocked population immigration according to market needs. With urbanization and economic development, the hard ice of “dual track” has been melted in a way and over surplus rural labor has began to emigrate to urban areas in search of work there (5.2.7). But as the man-made system still exists and continues to form unfair treatment in social life between rural and urban, it does block the growth of rural development (2.1.3). In Germany, the urban land use planning has the same formal terms, the same statements and the same legal consequences in both the rural and urban areas (7.1). Furthermore, the principle of equivalent living standard works against dual development of rural and urban areas. Though because of social and historic reasons, China can not be the same as Germany. The system of dual track should be improved and modified step by step.

Finding:

Rural and urban “dual track” is not suitable for the present development situation and needs to be changed.

7. present approach of rural development

The research has defined what criteria integrated rural development should have (2.2) (8.1) and has analyzed the existing problems in rural development of China according to the previous analysis (5.1.9) (5.2.10). There are many aspects that need to be improved, reformed and enforced on rural development of China.

Finding:

The present approach of rural development in China is not actually integrated.

9 Conclusion

Rural development is an integrated process that including multiple factors. In term of contents, rural development should cover social, economic, environmental and cultural factors; in term of practice and implementation, it should be close related with integrated rural management system. The success of rural development therefore has significant meaning, especially for present China.

Though Germany and China are two different countries in many aspects and economic development of these two countries are at the different stages, as an agricultural country many years ago, rural development in Germany used to experience the similar situation and problems like China now, such as rural people left their hometown for cities, etc. Many German successful experiences on rural development should be a good reference for China at present. Based on additional achievement by hypothesis findings and the comparison between Germany and China, some recommendation will be addressed as follows.

9.1 Recommendation to RD in China

9.1.1 Rural Living and Production Condition

In a long term, rural areas in China is a term that symbolized poor and undeveloped both in living and production fields. During recent years, with the relative lose control of Hukou administration, economic development and urbanization, more and more farmers left their land and hometown to find better future in big cities. If there is opportunity for living in city or town, farmers would like to move out. It is not only because of economic reason, but also due to the lagged behind technical production, poor infrastructural construction and un-attractive environment in rural areas. How to improve rural living and production condition to make rural areas an attractive place that can maintain the existing residents is an urgent problem for present Chinese government. To solve the problem, Chinese government should think outside the box that only focuses on agriculture, and pay attention to comprehensive aspects, such as environmental protection and farmers' employment training, genuine improvement of rural living and production condition, and promotion of village renewal program. It is not only the strategy for rural development in a long term, but also one of the measures to reduce urban burden and maintain social stability. It is an integral part of integrated rural/urban development strategy.

9.1.2 Small Town Concept

Based on central place theory and the concept of equivalent living standard in rural and urban area, Germany has a special model on urban development. Urban development has considered surrounding rural requirement on employment, transportation, infrastructural construction,

commercial service and environmental protection. So there is almost no mega city in Germany. Both rural and urban areas have developed in a healthy way.

Though small town concept in China is relatively new idea, in the development of past 30 years, especially the last more than 10 years, it plays an important role on improving farmers' income, narrow rural and urban gap, sharing central cities' pressure and absorbing over surplus rural labors, promoting urbanization and etc. But there are many aspects need to be focused on in the future development, such as during economic development process, farmland protection and efficient use should be enforced; during urbanization and small town development process, the training and employment of farmers who lost farmland is an urgent problem need to solve; avoiding bio-environmental pollution and damage during small town construction is also an important issue need to be considered. Besides, enforcing county-economy, develop enterprises at grass root levels and developing the technology level of such enterprises, reforming existing Hukou system is also a very important part. In a word, Small Town Strategy should be improved so that it can contribute more to rural development of China.

9.1.3 Narrow the Gap between Rural and Urban

As the gap between rural and urban is continually getting bigger and bigger, it has already influenced social stability and harmony. Solving the problem becomes an urgent task for Chinese government.

Actually, the gap between rural and urban is not only reflected in income difference, but in many other aspects, such as non-agricultural income, infrastructural construction, farmer's social status, social security and health insurance as well. In order to eliminate the existing gap between rural and urban area, to reach the goal of poverty reduction, government should consider to set up a series suitable policies and strategies in term of developing agricultural; offering the fair opportunity for farmers on employment; offering house, health care system for farmers; improving rural infrastructural construction; enforcing rural education and farmers' training, and etc.

9.1.4 Land Tenure System

There are several problems related with land tenure in China at present. One is that farmers haven't really become the owner of land. According to the Land Administration Law, land in rural areas belongs to collective organizations. But in practice, collective organization ownership becomes the ownership of few powerful people in village committee. This provides an opportunity for some village heads to use their power to rent or sell collective land for their own profits or cause land idling. Meanwhile, the definition on public use and non-public land use is not so clear. It creates a hole for abused land requisition. Low

compensation to farmers on agricultural land requisition is also the main cause for land conflict.

With social and economic development, present land tenure policy cannot match new situation and need to be adjusted. For example, according to Land Administration Law, the term of land contract is 30 years. In 1995, State Council published the document of Ministry of Agriculture that the “suggestion on stabilization and implementation of land contract relationship”. It emphasized the idea that “family member increasing, farm land will not increase; family member decreasing, farmland will not decrease”. The purpose of this policy is to stabilize the contract relationship, stabilize household responsibility system. But after many years’ practice, local people always requested certain adjustment according to the realistic situation, such as the change of family members caused by birth, death and marriage. It creates ambiguity and also contributes to land conflict.

Land private ownership is not the present hope of majority farmers (4.4.7). Many farmers are against land private ownership because they think that under household responsibility system, each family has different amount of land, and the adjustment of land amount is not updated. In this case, land privatization can not adjust the land amount equally. Others with opposing views are from the local governments because they believe that land privatization will lead the change of land use. When a lot of farmland changed into constructed land or used for other purposes, national grain security will be seriously threatened. Furthermore, when many become unemployed, they cannot rely their own farmland to match basic living requirement, the society will become unstable. Unemployed farmers and urban slum will emerge.

According to Chinese history, high level land centralization is always the main cause of social instability and regime change. Land privatization can easily lead to land centralization, especially in China, the country with most population and limited amount farm land.

Besides the problem on land ownership, the transfer of land use right on lease, rent, exchange, share holder is also very important issue on land use and land management (Gao, 2007). In long term, China should set up land management system that integrated rural and urban land, based on land use purpose rather than on different land ownership.

The urgent tasks on land tenure in China are to further clarify the subject of collective ownership; clarify the detailed regulation on lease, rent, transfer, exchange of land use right so that it can be implemented; carry out land compensation strictly; according to varied situation in different areas, set up reasonable compensation standard taking consideration of old pension and social security on land requisition, so that to protect farmers’ interest. Though at present, the condition for land privatization is not mature, long term contract on land use right or legalized contract term change is necessary.

9.1.5 Institution Construction

Institution construction should follow a management system, which guarantees good governance. The following several elements should be mentioned:

- overlapping administration

In China, different departments work relatively independently. Each one is in charge of its own business. Usually, overlaps of obligation do exist. As rural development is a very comprehensive topic and related with many fields, one department is not enough to handle various issues, in term of many certain issues, the cooperation of different departments concerned is required. The very common phenomenon now in China is that each department set out from its own starting point, considers its own interest and solves the problem in its own field. The cooperation between different departments is not close. In practice, it shows that the work is separated or even conflicting. Overlapping administration system in horizontal and vertical lines brings a lot of difficulties for rural development.

To solve this problem, mechanism and system reform is necessary. A more effective and inclusive rural governance system is a pre-condition for addressing rural China's most pressing challenges (OECD, 2009, p.138). China can refer to German model on Active Concept of Federal Government for Rural Areas (7.4). Several related ministries should work together to: set up very clear and concrete goals; clarify the duty and responsibility of each department during rural development program; modify the suitable measures on reaching the goals. Meanwhile, cutting off the power and benefit of these departments is also necessary. Setting up the concept that governments at various levels are only servants for the society, not beneficiaries from their work. Clearly realizing that rural development is an integrated work that needs all the related departments work and pay effort together. There is not difference on which department is more important than others. Taking the work as a comprehensive system should be a common sense, such as setting up The Ministry of Rural Development to take charge of rural development affairs, directly responds to the central government and be powerful enough to co-ordinate the concerned departments at horizontal level; set up a high level "special office" that consist of representatives on behalf of different related departments to deal with some specific issues that related with the above departments. The corresponding agencies at local levels that comparable to the function of the national "special office" are required. The direct relationship of responsibility between these groups within administrative system should be considered (refer OECD, 2009, p.114). Besides, decentralization is necessary. Most of the work of rural development is carried out by governments at grass roots level. Central government should not only put the burden and task to the local governments, but also give them financial and other rights to implement, especially at the county and town level.

- public participation

Public participation is not only during project implementation, but also at the initial stage of a planning making at present Germany. E.g, in Section 3 of Chapter 1 of Federal Building Code, it highlights that “the public is to be informed at the earliest possible stage about the general aims and purposes of planning, about significantly different solutions which are being considered for the redesign or development of an area, and of the probable impact of the scheme; the public is to be given suitable opportunity for comment and discussion”.

Public participation is a concept that brings to China by international project. It is still at the initial stage in a way. In order to implement public participation concept, China should spend more efforts on the following:

- Set up a regulation and policy to make public participation a system. Just like many international projects, take it as criteria to evaluate the project. Encourage people to involve in the decision making on the issue concerned and setting up of Community of Participants that can really represent local people’s interest (7.6.2).
- Set up “bottom up” system to collect and analyze comments and feedback from bottom, then set up the regulation that fits the situation.
- Change the concept in many leaders’ mind that they are cleverer than local people and they can represent local people. Prohibit the behavior that many local leaders abolishing people’s right to publish their opinion.
- Encourage more local people to involve themselves in rural development by setting up people’s school, special training course and seminar, in different form that local people like and easy to accept, to educate and influence people to change their idea toward public participation.
- Encourage the effect of “key person”. Attract and encourage some “key person” to join rural development program and play important role in it. Such much influenced person can help the understanding between local people and government. They can also solve many problems during the process.

-policy making

In China, nearly all the policies or spirits come from central government. The process is as state-province-region/city-county-town, most of the villages only have small part regulations established by themselves. Some governments at grass root levels have some self stipulated regulations, but they are not practical and detailed. Actually, different local levels should have more independent right to decide their development strategy and policy. In practice, “Countervailing Influences Principle” and subsidiarity principle should be considered and applied.

OECD (2006, p.17) highlights that designing rural development policy for different

communities or territories requires the pooling of knowledge held by a wide variety of public and private actors. Traditional hierarchical administrative structures are likely to be inadequate to administer these policies effectively and adjustments are thus needed along *three key governance dimensions*: horizontally at both the central and the local levels and vertically across levels of government.

-service function

One of the important requirements for good governance is that it should have accountability to its people. Good governance should serve its people but not govern. But in China, government usually plays a role as supervising and checking during the project. Such supervision usually can not really solve the problem that the local levels are facing, but bring more workload for the local level to accompany.

The absence of “Countervailing Influences Principle” is also a big disadvantage for policy being adjusted properly and in time, being carried out and implemented efficiently.

So China needs to apply “Countervailing Influences Principle” and change the attitude of government from controlling to service. This is also the requirement of good governance.

-capacity building

UNDP defined capacity building as the ability of individuals and organizations or organizational units to perform functions effectively, efficiently and sustainably (cited from FIG, 2004). In this research, capacity building contains two elements: individual farmers’ education and training, the capacity training and improvement of local officials at grass root levels.

China now has taken farmers’ education and professional training as an important content of rural development. It has been embodied in the policies and programs of both central and local levels. But local governments as the key linkage between central and local people, has not been given much emphasis. OECD (2009, p.147) recommends that “a particular priority lies in enhancing human resources management across levels of government and finding a framework which would help the central government ensure that sub-national governments manage their workforce properly”. It can be explained as capacity of the local governments to execute and properly use workforce.

9.1.6 Change Dual Track System

Central government should set up a set of systematic policies on abolishing dual track system between rural and urban.

First, apply the concept of “equivalent living standard” to law or policy so that farmers have the equal right with urban residents.

Second, improve infrastructural facilities in small town. In practice, central government should increase the financial investment to rural and small town. Besides, there is the need to introduce market mechanism, work with enterprise, organization and private person together; and to attract more rural population to come to surrounding small town in stead of the big city. Relating to this point, German experiences are very useful.

Third, set up health care, pension and social security system in township and rural areas, let farmers who stay in rural areas and that come to small town both have a stable life. At beginning, considering to reduce the cities’ pressure bring by farmers who have just changed into citizens in cities, Hukou should not be priority to be solved, but farmers’ social security (Ye et al, 2010, p.230-231).

Forth, try to explore the reform on present cultivated land and homestead site, so that to ensure farmers’ interest be protected. Only when small town develops in a good way, can it attract more rural population, so that speed up urbanization. On the other hand, it can also avoid urban slum and mega city, and reduce the pressure and disorder that possible happen to urban area.

Fifth, try to develop local enterprises and offer more working opportunities for rural people who move to small towns so that the small town development can be in a stable and healthy strategy.

9.1.7 Integrated RD Strategy

In order to solve existing problems in rural areas, to realize the integrated rural/urban development, integrated rural development strategy in China is very important. It can be interpreted in the following aspects:

-Rural development policy with integrated goal and content

Rural development in China has experienced a developing process. At early time, it focuses more on rural education and on agricultural productivity later. With increasing agricultural productivity, its main focus has been adjusted to agricultural structure improvement. Until today, “Growing Production, Better Livelihood; Cultural Development; Clean Villages; Democratic Management of Village Affairs” (in Chinese called 20 words’ policy) has become a main rural development policy. Including economic, social, cultural and environmental aspects, the new rural policy is based on integrated rural development principles.

Though in principle, present rural policy in China is tending to be an integrated rural policy,

but the suitable instruments are not available.

First, China is a big country with diversified natural condition, economic situation and culture in different area. Some areas good at economic situation may have limited natural resources, such as land. In such area, environmental protection may need more effort when it conflicts with economic development. Meanwhile, in some areas that natural condition is relative worse, improving living standard may be the core for the local government. So it shows that in practice, the policy can be applied differently and emphasis can be varied. Then, how to handle the extent? How to judge the implement finally? As there is no detailed standard on implementation, the policy can not be carried out efficiently in practice.

Second, different provinces may have detailed regulation in implementation, but not really be carried out at the same. As different provinces usually set out from their own point, so the regulation may consider more about what they want most and ignore the content that they should care. Although the regulation has to mention every content so as to be consonant with central policy, during implementation, local area always tries to avoid the part that they thought not important or necessary to them. It is a common phenomenon that in most of the local areas, GDP is more emphasized by local government; other criteria such as environmental protection, public satisfaction degree and etc are ignored. But years of practices show that it is a wrong idea.

According to German experience, rural development policy in China should consider more specifics. Except for the integrated policy that addressed by central level, different area should have coordinated guideline and concreate standard, requirement, final achievement in specific number or criteria for its own development goal. Of course, these goals should definitely under the guideline of central government, but take consideration of local level's specific needs and wishes. In practice, Active Concept of Federal Government for Rural Areas (2009) and its networking system among related functional departments and agencies in Germany are good references for China.

-integrated rural and urban development

Dual Track System leads to uneven development between rural and urban. This result has its historic reason, but mainly due to government's policy. With industry and urban development, it's the time to promote rural development. The new rural development model should consider the following:

Enforce rural infrastructural construction

Now in China, infrastructural construction in urban area is supported by national finance, but rural areas have to solve this problem mainly by itself with a little bit support from national finance. After 1998 Asian financial crisis, China invests more on rural infrastructural

construction by publishing national debt, but the investment is still very limited. E.g, from 1998-2002, among the more than 660 billion RMB national debt, only 189.7 billion were used in agricultural or rural construction, account for 28.7% of the total national debt (Ma, X. 2004). Actually, such amount of investment is not only used for rural development, but also covers the construction of water conservancy facilities construction, environmental protection and etc. So, actually, it benefits the whole society rather than focus on rural areas. Nowadays, there are still a lot of remote rural areas without cleaning drinking water supply and well built road.

So the ideal model requires that in the long term, central government should adjust the former leaning policy and pay more attention to rural infrastructural construction. The investment should mainly focus on rural road construction, drinking water supply, health care, electronic power and communication, compulsory education and rural eco-environmental protection, etc. China should totally change the former dual policy between rural and urban area. Rural infrastructural construction and public service should be invested mainly by national finance, rather than by farmers themselves.

Set up rural social insurance mechanism

Poverty relief has helped many rural people get rid of poverty years ago but some of them became poor again later due to illness, getting old and children's education fee. This phenomenon exposes the serious problem on rural social security and health insurance. Government should set up rural health care and social insurance system in rural areas so that rural people can have the same right to enjoy the achievement of social development and the fair treatment on different aspects in the society.

Realize the same social status between rural and urban people

Nowadays, Hukou system that existed in China for several decades shows its serious problem in economic development, social stability, public education and social equality among the population. In the past special historic period, it used to be effective. But at present, it should be reformed so as to catch up with social development. Of course, the change can be step by step according to economic, social development situation of different area.

One phenomenon that cannot be ignored is that the big difference between rural and urban population is continuously going. In 1997, rural and urban income difference is 1:2.47. In 2006, it goes to 1:3.33. If the calculation covers house subsidy, health care, education, transportation and etc, the difference between rural and urban can reach 1: 6 (Zeng, 2007, p.16-17). Unfair rural policy has also led to many difficulties for farmers on providing loan, working in urban and etc. To equalize migrant worker's payment, working protection situation with urban worker is also an important part of the contents.

-successive and success achievement

Due to historic and political reason, rural development in China has no chance and condition to develop systematically as in Germany. The past 30 years is the economic golden term for China and the same for rural development. Reflecting upon rural development in the past three decades, China has passed the period from increasing agricultural productivity, agricultural structure adjustment, to the integrated rural development, however, there is still the lack of experience and need for a lot of exploration. In order to achieve the success of rural development in long term, China should refer to German experience and avoid only short term success or success only in some pilot areas.

Meanwhile, China should consider its diverse natural and economic situation of different areas and set up different strategy. The development should be step by step. It is dangerous that to expect everything be done within one day. China should overcome its disadvantages and learn from Germany to make more detailed regulation and law concerning rural development so that to guarantee the sustainable success of rural development.

9.2 Exploration for an Integrated Model of China

Integrated rural development is a comprehensive and systematic work that needs the cooperation of many fields, administration levels and departments concerned; it can be implemented only when there is an integrated management system which is accommodated and updated to regional goals and local needs. Integrated rural development should be a long term and sustainable development strategy. Meanwhile, learning from other countries' experiences in rural development can save time, inspire new reforms, and to some extent help countries to leapfrog stages of development. Moreover, focusing on best practices rather than on failures is a way to provide positive incentives for reform efforts and encourage a constructive outlook on development. As a country with long term rural development experiences, Germany can be a good reference for China in this field.

9.2.1 System Oriented Approach

The previous research indicates that a system oriented approach is necessary to implement integrated rural development (7.7.2).

The subsystems of goals, measures and management are interactive each other (Fig.19). Management includes adjusted laws, that accommodated to regional and local needs, sufficient financial support and an adapted institution construction; the design of the goals can not be uniform, it will accommodated with local situation and make more concrete local aims which are concluded from the hypothesis in this research; measures are developed from suitable goals and also conversely serve the different goals (Fig. 13).

For handling a comprehensive development process, it is necessary to implement a sequential proceeding (7.7.2-2). Usually, this is done in a way, which normative goals are set up on a high level (Fig. 20). This goals on high level show often effects, which lead to conflict situation because on high level planning, economic and ecologic goals are wanted as well. However it is the task of strategic planning on local level to evaluate the demands, effects and to choose such objectives which are suitable for the local areas (Hoisl, 1982. p.25). By these objectives, the measures can be developed concerning the demands and the financial possibility of the local situation.

The procedure management has to ensure that learning processes (7.7.2-3) and public participation (7.7.2-7) as well can happen. The process goes more or less in a hierarchical way top-down, but bottom-up countervailing influences (7.2.2-3) has to be introduced when the scheme is in elaboration.

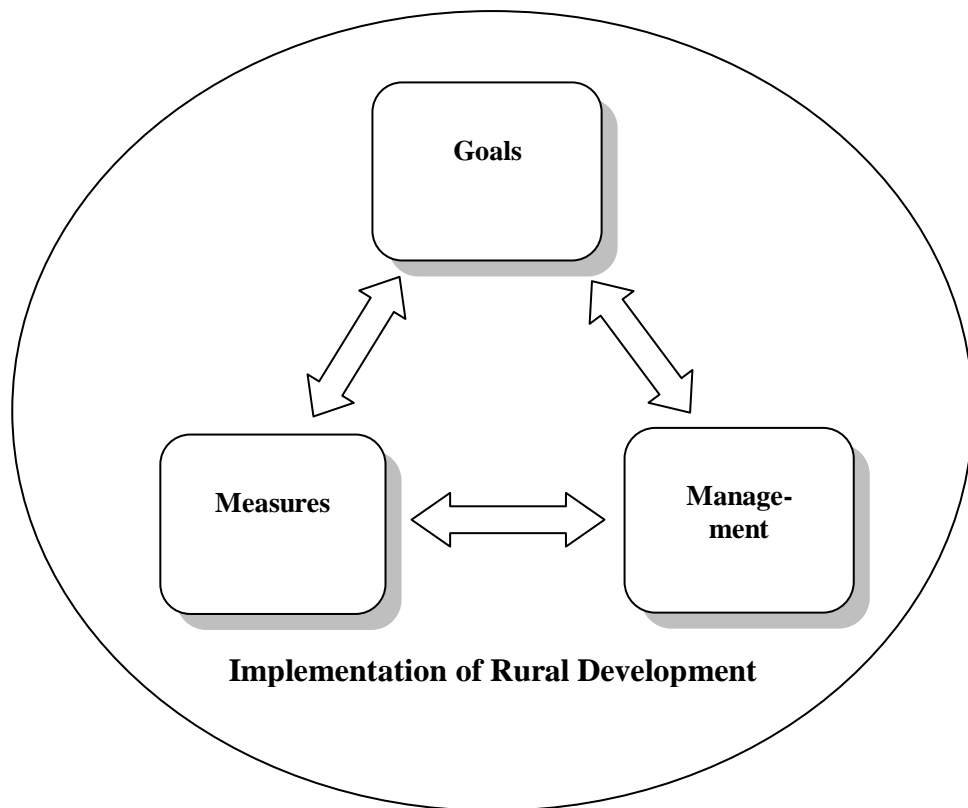


Figure 19: System Oriented Rural Development

Source: Author

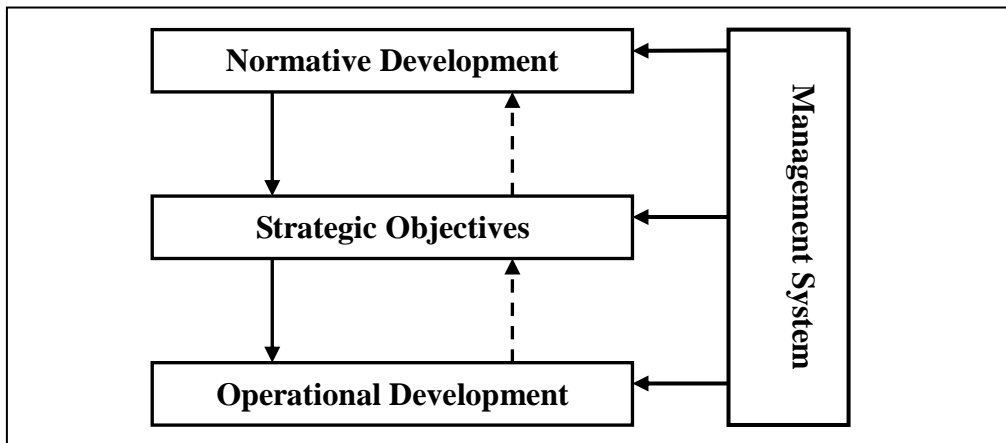


Figure 20: Sequential Development Proceeding
 Source: modified from Hoisl, 1982, p.25

9.2.2 Key Goals, Measures and Management

Synopsis

An Active Concept of Rural Development should be set up in China and it can be oriented on hypothesis findings (8.2) and the recommendations which are developed in chapter 9.1. Table 12 shows the measure which can meet the goals. However, it is to consider that one measure can serve more goals (Fig.13).

goals	measures
Improve rural living and production condition	-rural infrastructural construction -village renewal -rural education and farmers' training -improvement of agricultural structure, land consolidation
Enforce small town development	-equalize bet. Rural/urban on social welfare, health insurance, education, employment, etc. -cancel Hukou system continually, improve farmers' status -enforce small town development planning -agricultural land and environmental protection
Narrow rural/urban gap	-increase farmers' income -improve rural condition -rural urban integrated development strategy
Clarify land tenure	-land privatization can be step by step -clarify subject of land use right -clear land compensation regulation and different compensation standard -apply for diversified land tenure system in certain pilot area
Change dual track system gradually	-change can be some developed area first -experiments should be step by step -varied way in different situation and area
Introduce integrated strategy	-integrated rural/urban economic development -integrated rural/urban employment -integrated rural/urban planning -integrated concerned departments and public participation

Management	
Strengthen institution construction	-introduce “bottom up” policy making mechanism and decentralization -mechanism financial support to sub-national levels -strengthen the selection and employment of local officials -democratic construction of village committee -improve democratic construction of village committee -encouraging public participation -set up special department to mediate RD, avoid overlap, encourage co-op of the department concerned -encourage key person -advocate good governance, change government control to service

Table 12: Factor Analysis on System Oriented Rural Development

Source: Author

Improve Rural/Urban Living and Production Condition

To find out the root and cause of rural problems should not only focus on agriculture, but overall fields that outside rural and agriculture, such as rural infrastructural construction, environmental protection, farmers’ training and education. There are the following reasons existing:

1. Rural living condition consists of farmers’ income, rural infrastructural construction, such as water supply and drainage system, transportation, environment, social security and service. Meanwhile, farmers’ integrated living quality, such as education level, sense of social duty and ethic are also very important part of living quality.

2. The improvement of rural infrastructural construction can on the other hand, improve farmers’ income. The convenient transportation and comfort living condition should be an advantage for attracting financial investment from outside and it’s also a basic condition for village enterprises development and part time farmers’ existence. Village renewal is an important means to realize the goal.

3. Farmers’ training and education are always very important part for rural development. It is necessary for the development of modern agriculture and village enterprises and the transfer of surplus labors too. It should be more completed and systematic both in forms and contents enriched with varied practical technology and skill.

4. The adjustment of agricultural structure helps local areas use their different local characters and natural advantages to achieve better economic benefit. Land consolidation can not only improve agricultural condition so that to reach land efficient use, but also consider bio-environmental protection in rural areas.

On rural development, we can get overall view by getting out of agriculture to analyze rural issue, to address integrated rural development strategy, so that to reach the goal of improving rural living and production condition together.

Enforce Small Town Development Strategy

Small town development is a key policy during rural development process. As a country with the most population in the world, urbanization in China is relatively low. When most of the populations living in rural areas are at low living standard, China's modernization and welfare goal will not be reached. Moreover, it will impact economic development and social stability.

Small town development is a comprehensive strategy that can not only focus on town construction, but many other aspects. Of which, Hukou reform is an important reform which needs the support with medical, education, social security and public facilities and infrastructural construction. It demands the support of central policies concerned. Besides, as the social and economic developments in many areas are varied, the reform needs to collect the abundant exploration from different regions, and going step by step. During urbanization, China should stick to agricultural land protection, to safeguard 120 million ha basic line. Meanwhile, to develop local enterprises, insist on good planning system and bio-environmental protection is also important method. Of which, a strict plan system during small town development is priority:

-Central government should set up a clear and comprehensive small town development plan with the regional development standard and requirement; local levels can make scientific development planning according to their geographic, natural resources, demographic composition and economic development situation.

-Small town development scale should be strictly according the local realistic situation in term of local population, economic situation and future development expectation, not pursue "great and modern", such as all the streets under planning in a small town have 6-8 traffic lane. Small town development should prevent from the waste land phenomena.

-Small town development should insist on overall land use plan, agricultural land protection and environmental protection. Small town development plan should first consider the idle land use such as ruins of old building area, out of date factories and shops. The development plan should first consider the old town area. When it really can not meet the need of urban development, and then consider to develop new areas. Meanwhile, planning should consider the requirement of environment, can not seek temporary economic development at the cost of environment.

-Small town development plan should also consider the reasonable location of different functional areas, such as industries area, residential area, business area, public facilities area, green belt and etc.

-The strict implementation of small town development plan is one of the most important factors to guarantee small town development in health. The plan should involve the ideas of professional planner, administrative departments and local people. It may take long time to be set up. After coming into effect, it should not be changed with any excuses easily.

All the above tasks are not easy to achieve. Except for the clear goals and policies from central governments, local governments should have corresponding strategy in accord with central policy based on their varied economic and social situation. E.g, small town development strategy in economic developed coastal areas should not be the same as undeveloped inland areas. In economic developed coastal areas, lost land farmers have more possibilities on employment in nearby town or local enterprises than the farmers in inland undeveloped areas as the research has showed. It needs local governments to modify central policy based on local situation and local people's wishes.

Narrow Rural/Urban Gap

Poverty in rural areas and the big difference between rural and urban area are unstable factor existing in China nowadays. The statistic data and many existing issues have shown that one of the key tasks for China now is to promote rural development, improve rural living and production condition. There are many measures such as increasing farmers' income by modern agricultural technique application, farmers' training and education, local enterprises; improve rural living and production condition by land consolidation, village renewal, realize rural and urban integrated development strategy by applying rural urban integrated development policies and planning system, infrastructural construction, such as telecommunication, IT technology. Only when the gap between rural and urban area is getting narrow, will rural areas become a place that people willing to stay. Surplus labors from rural areas will not take 'rushing into cities to looking for a job' as the only goal like what are happening now in China. In this way, rural population can maintain at stable level and rural areas can still be a vital world. Meanwhile, urban area doesn't need to take too much pressure on infrastructural construction and administration. This is an ideal way for rural and urban integrated development.

But it is still a hard task in a long term by implementation. As narrow or reduce the gap between rural and urban areas is not a simple work under agricultural field, many other fields such as education, finance, construction, planning, social security, commerce and even

information industry are involved in, the co-ordination and interactive work of the related departments are key issue to guarantee the goal of reducing the gap between rural and urban areas. Decentralization, co-ordination in horizontal and effective cooperation within the related sectors can effectively support the realization of the goal on narrowing the gap between rural and urban area with the clear, concrete policies and strategies, and implementation of specific programs with certain financial support.

Clarify Land Tenure

At present situation, the condition for private land ownership in China is not mature. Land privatization need long term experiment and may go step by step. Many years' HRS on farmland in rural areas has achieved success, now has entered the second contract term. The key issue on land tenure in China now is not privatization or public owned land, but the clarified land tenure and stable land use right system. The transfer of land use right without changing land use purpose can in a way incentive land efficient use.

Central government should further research and improve land administration law so as to clarify the subjects of land use right; explore the different land requisition policy and update the reasonable land compensation regulation according to varied economic situation in different area, such as in east economic developed area and west undeveloped area, and implement it strictly; stick to agricultural land protection policy and maintain 120 million ha basic agricultural land; set up detailed regulations for reasonable land transfer on the assumption of maintain land use nature. In some pilot area, local governments can take into their specific situation to make some exploration on land use right, such as the transfer of farmland in Ganzhou and Keep Land system in Sanshui District of the case study areas. On doing such exploration, local officials' capacity in understanding and executing of central policies, combining with local practices are very important.

Change Dual Track System

Present rural and urban "dual track system" has its historic reason, but it is not suitable for the situation nowadays. It not only causes the unequal status and treatment between rural and urban people, but also unbalanced development between rural and urban area as well. As it exists in education, health insurance, social security, employment and etc, it is already hampered present rural development and need to be changed or adjusted.

Of cause, such adjustment needs time. As China is a country with large rural population, economic development situation in different area of China are not so balanced, such change can also not be done at the same time and in a same way. But such change can happen first in some areas that condition is relatively mature, such as some costal areas with high

urbanization and economic development level where the difference between rural and urban is not so much, so that to collect some experiences. The exploration and experiment need to develop step by step. The contents cover health care, social security system, same treatment on employment, education and training many aspects. Anyway, realize the equivalent living standard between rural and urban is an integrated strategy and a hard work in long term.

Introduce Integrated Rural Strategy

Rural development policy should consider large area of China and the varied natural and cultural condition in different areas. The goal and content of rural development should cover social, economic, environmental and cultural aspects; as the situation in different area is different, based on the guideline of central government, different area should have their own detailed management and regulation to guide specified rural development at grass roots.

Rural development is not a short term project or program; it needs successive policy and continuing working effort. It may last for generations to achieve and maintain success. Any short term effect or near-sight behave is not acceptable.

Integrated rural strategy also means integrated measure and the cooperation between different functional organizations and administrations concerned. Besides, rural development doesn't mean that it only focuses on rural problem. Rural development should base on integrated rural and urban development, so that to reduce and eradicate the difference between rural and urban area at last. It doesn't mean that rural finally becomes urban area, farmers become workers. In practice, it means the contents in the following aspects:

-Integrated rural and urban economic development: Encourage the development of distinctive agriculture, modern agriculture and agricultural industrialization, set up the system combining with supply, production and sale which connect urban and rural areas, improve rural enterprises with the management concept of urban modern industry. It can improve rural economic development and narrow the difference between rural and urban.

-Integrated rural and urban employment system: apply the same treatment on employment between rural and urban people; encourage the small town development, attract more population maintain in the nearby area with development of varied local enterprises; strengthen farmers' education and professional training so that to offer more opportunities for farmers' employment.

-Integrated rural and urban planning: improving rural planning is an urgent task at present. China need to consider the overall development between rural and urban, consider the public facilities, city construction, layout of the villages, agricultural land protection and

eco-environmental protection many factors together. Village renewal under integrated planning should consider local people's production, living, land protection, public facilities, environmental protection, cultural and traditional construction protection many factors, be realistic based on varied situation so that to maintain the sustainable development.

-Integrated concerned departments and public participation: rural development is a strategy that needs the contribution and efforts of many concerned departments and local people. Farmers are the important subject of rural development, so public participation and the co-ordination of concerned departments are required.

Strengthen Institution Construction

To strengthen institution construction, China need turn to doing the following aspects:

-“Principle of Countervailing Influences” (Gegen-Strom-Prinzip) in rural development is a popular principle and has been proved very successful in Germany. It should also be referred and learned by China. It not only emphasizes “top down” influence, but “bottom up” participation as well so as to set up development policy that suitable to the local situation and represent local peoples' opinion.

-Enforce financial support to rural development program by setting up and clarify mechanism financial support system from central to sub-national levels, such as setting up special fund on rural development program and strict fund management system, so that it can contribute more and serve sustainable rural development.

-Strengthen the selection and employment of local officials, to train more qualified person both in policy understanding and executing; improve training system of local officials in party school at central and provincial level, to ensure the leadership group construction at grass root levels.

-Improve the democratic construction of village committee by openness and transparency of village affairs, such as village development plan, financial budget, house site approving process, village head's salary and new development policies, regulate village meeting system and farmers' supervise system, let farmers have chance to involve in decision making.

-Encouraging public participation by changing local official's attitude on “farmers are subject”, by designing acceptable and interesting public participation methods and styles, by the method that cater to the taste of farmers.

-Consider to set up a special department that directly under central government to mediate rural development issue among concerned departments so as to avoid power struggle and

bureaucratic overlap, lead rural development in a health and efficient way; refer to Active Concept on Rural Development in Germany, enforce the co-op of the departments and organizations concerned; encourage the co-op of the working net at varied levels.

-Demonstrate the effect of “key person” so that more capable people can contribute and involve themselves to rural development.

-Realize good governance by changing the role of government from leading to service.

9.3 Integrated Model for RD in China

Actually, China tries to promote rural development by some favorable policies, strategies and concrete programs. In practice, it can also face the challenge such as central policies are not so completed and updated; corresponding policies at different local levels not so concrete and detailed; implementation is difficult because of the capacity of local officials and the policy understanding of local people; less co-ordination among the organizations and sectors concerned due to overlap; lack of mechanism financial support etc.

To overcome the weakness and the shortage of rural development in China, an integrated model for rural development should be introduced. It should follow the system orientated approach (7.7.2, 9.2.1) with special focus on public participation, enlarging the sequential development proceeding (Fig. 20) with feedback and learning process, like the dialogue planning model (Fig. 11), it will be recommended an Integrated Model for Rural Development in China (Fig. 21), which is guided by an Integrated Management System with different tools at top-down and bottom-up side but makes countervailing process possible especially at the contact point of both sides. The content of the model should focus on the following essentials:

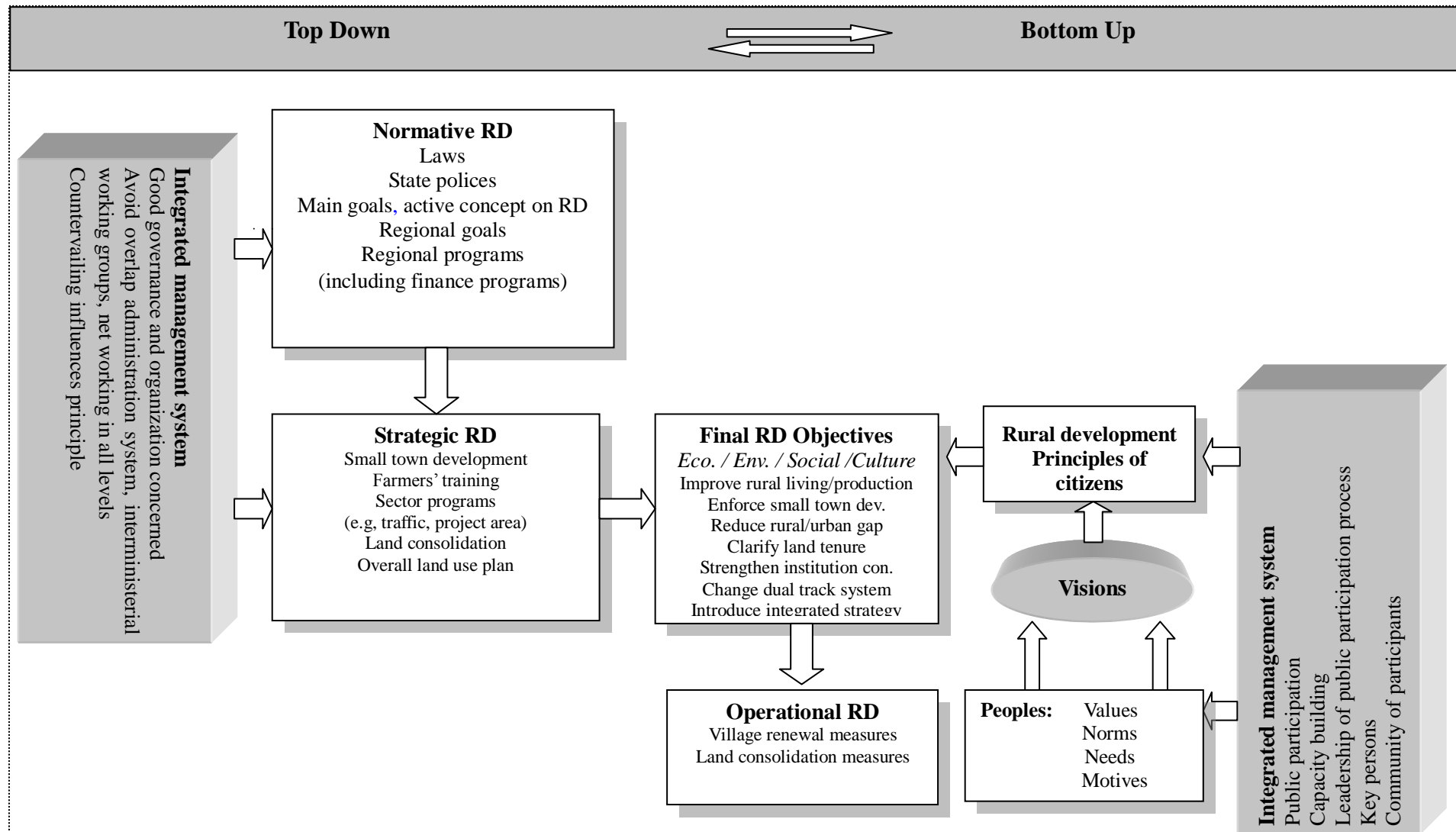


Figure 21: Integrated Model for Rural Development in China

Source: Modified from “Dialogue Planning” of Magel (2006)

Normative rural development: In China, rural development as many other systematic works, should base on the laws, regulations, policies or clear main goals that initiated and encouraged by the national level. Such laws, policies and regulations should benefit the society and keep up with the pace of development. The present Hukou system that doesn't show the equal right and opportunities on education, employment and social welfare between rural and urban people (2.1.3), such dual track situation should be changed with central policy guidance and also the exploration at provincial level according to different situation (9.2.2); land administration law which regulates the land tenure issue that is closely related with rural development, should also clarify the subject of rural land and supplement with detailed clause such as land requisition, land transfer and land lease according to the rapid change of society (9.2.2).

An integrated rural development concept like Active Concept on Rural Development (7.4, 9.2.2) should be considered in China. The integrated rural development goals should cover economic, social, environmental and cultural aspects (2.2). Specifically, it can be concluded as improving rural living and production condition, enforcing small town development, reducing the gap between rural and urban area, clarifying land tenure, strengthening institution construction, changing dual track system and introducing integrated rural development strategy (9.2.2). Rural development is a multifunctional task and needs the coordination of departments or agencies concerned, therefore it demands systematic and theoretical approaches (7.7.2-1).

Regional goals and programs play an role in implementing specific goals such as in Ganzhou (5.1) and Guangdong (5.2). Regional program should have specific goals, policy oriented support and special measures during implementation according to varied situation and requirement. Ganzhou focuses more on infrastructural construction concerning village road, water supply and rubbish cleaning (5.1.8) while Guangdong emphasize more on increasing farmers' income and social security welfare reform (5.2.9). Such programs based on the regional specific situation can really solve the urgent problems. Therefore, they are welcomed by the local people.

Certain regional programs have to include corresponding financial support, otherwise, the program can not be carried out or development sustainable (9.2.2). The financial support system need to short the approval process and change the lagging allocation situation, to combine regional goals, program and financial support together as one body.

Strategic rural development: Strategic rural development process emphasizes relative concrete strategy on local rural development. The local process to implement small town development policy is done in strategic rural development. It plays an important role on

reducing urban pressure and improving rural living standard. During the process, the problems such as illegal land use and construction without strict planning, without concern environmental protection should be avoided (5.2). Therefore, this process is also a learning process. By promoting the feedback and countervailing actions (7.7.2-3), it can help central government to continuously to adjust the policies and regulations that are not completed and un-updated, emphasize environmental protection and land protection with strict planning, so that to reach the final rural development goals in China. Furthermore, systematic planning model (7.7.2-4) such as decentralization and central place theory contribute to the equivalent living standard between rural and urban in combination with improving infrastructural construction, transportation, services, housing and employment, therefore, it offered good references for small town development in China.

Rural education and farmers' training promoted the capability of farmers and offered more opportunities for farmers' employment (5.2, 5.3). The further step is to make it systematic and completed in content and in form, use modern technology such as internet as a training tool and enrich varied practical agricultural technology and skill for training (9.2.2).

Sectoral programs in term of specific requirement, such as water supply system, road construction, are important means to implement rural development strategy by improving infrastructural construction at local level (5.1.6).

Land consolidation in China contributes to maintaining dynamic balance of total cultivated land, improving landscape and promoting agricultural development. Nowadays, land consolidation should not only focus on increasing cultivated land, but should pay more attention to bio-environmental protection in rural areas (9.2.2). The local objectives on land consolidation should be achieved through strategic rural development.

Overall land use plan at local level should focus on maintaining dynamic balance of total cultivated land, allocate land resources among different industries and different areas base on reasonable and scientific principle. The land use plan should be strictly carried out and followed. Some concrete punish policies related with violated land use plan is necessary to be addressed (9.2.2).

Integrated Management System on “top down” side: The implementation of the normative and strategic rural development must be combined with the support of Integrated Management System. On “top down” side, the integrated rural development system needs: good governance and organization concerned guarantee the transparent implementation of laws and policies; working group, net working at all levels is a good way to avoid overlap and increase the efficiency (9.1.5); countervailing influences principle (7.7.2-2) makes sure that regional level can reflect the opinion and suggestions from grass root levels to central level so

that central government can constitute right policies that catch up with the rapid change situation and local situation.

Rural development principles of citizen: Public should have right to get involved and decide on the issues that concerned, such as infrastructural construction of the living and working area, employment and job opportunities, development plan of society and culture, environmental protection goal (9.1.5). But it is too less when people are only informed about “top down” principle. People should have an active role to implement their own original development principles. The way to these principles leads from detecting the people’s values, norms, needs, motives to present a realistic ***vision*** about the future of their living condition. Sometimes the visions that derived from local people’s wishes may not so realistic or not in keeping with policies or plans as upper level, it needs to be adjusted by negotiation and final understanding so that to the right track. ***Peoples*** at grass root level such as village should be free to express their ideas by different measures. From this basic vision come rural development principles of citizen. E.g, villagers’ vision in NZL was to change the village into a town or city at beginning. Based on public participation and scientific planning, the concrete objective for the project which to realize the equalized living standard between rural and urban so that to maintain the rural people was implemented by principles of citizens, such as improving rural living condition, village road construction and the division of varied functional sections in the village (5.3). These principles of citizen do not show the final planning, but the core objectives of local people.

Final Rural Development Objectives: The “top down” and “bottom up” process finally has to contribute to the final rural development objectives, which cover economic, environmental, social and cultural aspects. To be concrete, it can be concluded with local objectives to improve rural living and production condition, to enforce small town development, to reduce rural and urban gap, to clarify land tenure, to strengthen institution construction, to change dual track system gradually and to introduce integrated rural development strategy. The linkage or contact point between these two processes plays a very important role. Therefore, the integrated management system has to provide suitable instruments.

Operational rural development: The final rural development objectives will be realized by the operational rural development. It includes planning and realisation of the specific measures, such as village renewal measures, land consolidation measures and sectoral measures, e.g, the road building, farmers’ training and etc. In terms of land consolidation project with national financial support, there are several steps following special planning, project application and official reply, budget and investment planning. Especially during the implementation, the detailed implementation plan, financial supervision, project schedule control, self review and final assessment and approval from upper administration run through. Such concrete and detailed operations safeguard the operational rural development.

Integrated management system on “bottom up” side: There is no doubt that process “bottom up” also need the support of integrated management system. Rural development program has developed new method to encourage and promote public participation by varied forms that can be easily accepted by local people (7.7.2-7, 9.1.5). Public participation guarantees that the vision and rural development principles of people at grass root level such as village can be discovered and understood by government. Their ideas can be expressed by different approaches, such as villager meeting, public voting, suggestions to Village Autonomy Committee or CCP Group (5.1.3) which was successfully demonstrated in Nan Zhang Lou Project (5.3); capacity building not only focuses on the education and training of farmers, but also on the officials so that they are capable of understanding and implementing the policies in accordance with central policies; leadership of public participation process can be achieved through setting up people’s school, organizing special training course and seminar, in different form that local people like and easy to accept, to educate and influence people to change their idea toward public participation (9.1.5); key person that has played a key role such as co-ordination and leadership during land distribution and other rural development activities (5.3) can demonstrate and encourage more capable people to engage in and contribute to rural development (9.1.5). Great acceptance with public participation are created by setting up a community of participants (7.6.2)

Suitable instruments as the linkage between the “top down” and “bottom up” can be performed by a particular office, such as Rural Work Group, or “Special Office” which involve the departments concerned. This office or group should be powerful enough to co-ordinate and to interact with the concerned organizations in horizontal level; furthermore, its corresponding agencies at local levels should be responsible to the upper level within administrative system in vertical line (9.1.5). System theoretical approach demands collaboration from different organization or departments (7.7.2-1). Besides, the linkage can also be certain program as the research has described in the case study (5.1.6, 5.2.6). Officials from top at different organizations concerned go to grass root, engaging local people to explain central policies and know people’s visions and wishes. It can also help to build consensus between “top” and “down” level, and guarantee the final implementation at last.

Operational Rural Development from bottom side requires that planning should be done by low level’s participation. Professional planning institutes should consider the wishes, desires and suggestions of local people/community. In term of rural development, such participation includes the public involvement in the process of decision making, application, profit distribution of the project and project evaluation. Such “corporative principal” emphasizes community of participants (7.6.2), has a very strong significance of self-helping.

Rural development procedure includes formal and informal approaches (7.7.2-6). During rural development operation, the both forms can be applied according to the expected objects. Formal procedures may take longer time to finish but is stricter on implementation. Informal procedure usually comes from local people's will and it is carried out without approval or strict regulation by upper level. Such volunteer action as the cleaning project carried out in Ganzhou (5.1.6) usually is welcomed by local people and can achieve significant success in short term. Rural development in China should encourage more such informal procedures with the support of many non-government organizations.

During the development process, the rural development objectives and the operational rural development can be performed in one or two procedures (7.7.2-5). As the legal system in China is not so strong, it seems that it is better to use two separated procedures.

Final Remark:

Chinese central government has paid attention to rural development and the “building a new socialist countryside” has been launched. The implementation of this strategy has showed that rural development as an urgent task at present China is not only lack of completed and detailed law and policy support, but also the efficient implementation mechanism. It is difficult to realize all proposals of this research in one step. As rural development is an integrated strategy, all the criteria that related are interactive and work together. Laws and policies are basic, but also need to be improved and updated during the practical process of rural development. China should enforce rural development. When the “top down” project can not cover everywhere at the same time, bottom levels can act in the self-help model as demonstrated in NZL project.

The recommended Integrated Model for Rural Development in China is aiming at the weakness of rural development of China based on the analysis and research in this thesis and intends to solve the existing problems in present rural development field of China. It refers to German successful experiences in rural development practice, not only in scientific and technology fields, but also management system.

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Appendix

Abbreviations

AEPs	Agri-environmental Policies
BMELV	German Federal Ministry of Consumer Protection, Food and Agriculture
BIO	Biotechnology Industry Organization
BSELF(BSMAF)	Bayerisches Staatsministerium für Ernährung, Landwirtschaft und Forsten (Bavarian State Ministry for Agriculture and Forestry)
CAP	Common Agricultural Policy
CASS	Chinese Academy of Social Sciences
CPC	Communist Party of China
CCPCC	Chinese Communist Party Central Committee
DFID	The Department for International Development
ECE	Economic Commission for Europe
EFRE	European Regional Development Fund
ELER	Europäischer Landwirtschaftsfonds für die Entwicklung des ländlichen Raums (European Agricultural Fund for Rural Development)
ESF	European Science Foundation
EU	Europe Union
FRG	Federal Republic Germany
GAK	Gemeinschaftsaufgabe Verbesserung der Agrarstruktur und des Küstenschutzes (Common Task for Improving Agricultural Structures and Coastal Protection)
GDP	Gross Domestic Product
GRW	Gemeinschaftsaufgabe Verbesserung der Regionalen Wirtschaftsstruktur (Joint Task for the Improvement of Regional Economic Structures)
HRS	Household Responsibility System
HSS	Hanns-Seidel-Stiftung
Hukou	A residential registration system.
KULAP	Kulturlandschaftsprogramm (Bayern)
LEADER	Liaison entre actions de développement de l'économie rurale (France) Verbindung zwischen Aktionen zur Entwicklung der ländlichen Wirtschaft (German)
MDUCG	Municipality directly under the Central Government
MLR	Ministry of Land and Resources
NBSC	National Bureau of Statistics of China
NDRC	National Development and Reform Commission
NZL	Nan Zhang Lou Village
OECD	Organisation for Economic Cooperation and Development
PLANAK	Planning Committee for GAK
PRC	People's Republic of China
RCMC	Rural Co-operative Medical Care
ROG	Raumordnungsgesetz (Spatial Planning Law) or (Regional Planning Act)
RRD	Regional Rural Development
RWG	Report on the Work of the Government

UNDP	United Nations Development Program
UNECE	United Nations Economic Commission for Europe
WB	The World Bank
FRG	Federal Republic of Germany

Term Explanation

Keep Land: A special local land system that during land requisition, farmers are allowed to keep certain ratio of land for own profit use.

Farm Holiday: In Germany, especially in Bavaria, the whole family enjoy together in farm house or countryside just as staying at home, doing whatever they usually do during the holiday staying in rural areas.

Hukou System: A registration system in the cities which affects the employment, children education, social insurance, housing and medical treatment etc. It divides the population between rural and urban area.

New Rural Cooperative Medical Care System: It is organized, supported and guided by governments, farmers join on voluntary basis, financed by individual, collective, and governments, mainly focus on serious sickness. It is an organization of rural people for co-operation and mutual aid system.

Left-behind Children (Liushouertong): With economic development, many worked in urban area. As the condition and limitation of present social system, the children of have to stay in rural areas with their one part parents, grandparent or relatives at home. Lack of caring of parents leads to many of them have psychological problem. It has already become a serious social problem in China and attracted attention of many experts.

“Kongxinfang” (empty house): It usually means the un-used house in rural areas caused by move, transfer of rural population and the village expands without order and planning.

Sannong Wenti: A common term that used for rural development of China. It covers three factors: agriculture, rural areas and farmer. OECD (2009) interprets it as agriculture, rural communities and farmers.

1 ha=15 mu

Land (L änder pl) state, province, or region

List of Interviewee

Jiangxi Province:

Xu Jianbin	Deputy Director-General, Department of Land and Resources, Jiangxi Province
Liu Jianwei	Deputy Mayor, Ganzhou People’s Government
Ma	Head of Zhanggong District, Ganzhou City
Zeng Tao	Division Chief, Land Consolidation Centre, Jiangxi Province

Huang Jinyan	Staff, Land Consolidation Centre, Jiangsu Province
Huang Yanfu	Deputy Director, Land Administration Bureau of Ganzhou City, Jiangxi Province
Lai Qihua	Director, Land Administration Bureau of Ganzhou City, Jiangxi Province
Li Guangjian	Deputy Director, Department of Rural Development of Ganzhou City
Liao Xiaoling	Head of Xingguo County, Ganzhou City
Liu Dinghui	Deputy Head of Xingguo County, Ganzhou City
Zhuo Qiusheng	Director, Land Administration Bureau of Xingguo County, Ganzhou City
Liu Yufeng	Deputy Director, Land Administration Bureau of Xingguo County, Ganzhou City
Lai Ying	Deputy Director, Land Administration Bureau of Xingguo County, Ganzhou City
Wu Zhihai	Deputy head, People’s Government of Ganxian County, Ganzhou City
	Director, Department of Rural Development of Ganxian County, Ganzhou City
Wang Binglan	Deputy Director, Department of Rural Development of Ganxian County, Ganzhou City
Sun Haiquan	Director, Land Administration Bureau of Ganxian County, Ganzou City
Guo Hualan	Deputy Director, Land Administration Bureau of Ganxian County, Ganzhou City
Lin Li	Director, Land Consolidation Centre of Ganxian County, Ganzhou City
Ling Hongqing	Head of Land Administration of Jibu Township, Ganxian County, Ganzhou City
Luo Chuanyong	Head of Jibu Township, Ganxian County, Ganzhou City
Dai Hualing	Head of Shejian Village, Jibu Township, Ganxian County, Ganzhou City
Shandong Province:	
Xu Jingyan	Deputy Director-General, Department of Land and Resources, Shandong Province
Xu Guangmao	Vice Division Chief, Division of Technology & Foreign Affairs, Department of Land and Resources, Shandong Province
Wang Lisheng	Head of the County, People’s Gov. of Qingzhou, Shandong Province
Liu Fangren	Director, Land Consolidation & Rehabilitation Center of Shandong Province
Li Xiansong	Director, Land Administration Bureau, Pingdu City, Shandong Province
Yuan Puliang	Deputy Director, Qingzhou Land Consolidation and Rural Development Centre
Guangdong Province:	
Huang Yongsong	Deputy Director, Land Consolidation Centre, Guangdong Province
Ye Zhengyuan	Director, Land Consolidation Centre of Qingyuan County, Guangdong Province
Qiu Qiang	Deputy Director, Land Consolidation Centre of Qingyuan County, Guangdong Province
Wu Suzhen	Director, Land and Resources Administration of Qingyuan County, Guangdong Province
Li Wenyi	Deputy Director, Land and Resources Administration of Sanshui District, Foshan City, Guangdong Province
Zhong	Division Staff, Land and Resources Administration of Sanshui District, Foshan City, Guangdong Province
Central Government /Ministry/Academies:	
Zeng Yesong	Secretary-General, Research Fellow of Sannong Research Centre
	Inspector of Research Office, Party School of the Central Committee of C.P.C.
Fu Zhiping	Director of Research Institute on Strategy Development, Prof. of School of the CCP of Hainan Province
Long Hualou	Research Fellow, Institute of Geographic Sciences and Natural Resources Research, Chinese Academy of Sciences
Xu Xuelin	Vice Director, Land Consolidation Centre of MLR

Gao Xiangjun	Director, Shanghai Bureau of State Land Supervision
Chen Liping	Research Fellow, Information Centre of MLR
Zheng Lingzhi	Director, Land Surveying and Planning Centre of MLR
Cheng Xu	Prof. of China Agricultural University

Germany:

Simon Landmann	Mayor of Landkreis Dachau, Bayern
Peter Selz	Amt für ländliche Entwicklung Oberbayern
Klaus Fredrich	Amt für ländliche Entwicklung Oberbayern
Franz Demmelmeier	Representative of Gemeinde Weyarn, Honorary Professor
Maximilian Geierhos	Bayerisches Staatsministerium für Landwirtschaft und Forsten
Tomas Müller	Amt für Ländliche Entwicklung Oberfranken, Bamberg
Spreng Klaus	Academic Staff, Land Management Centre, Technical University, Munich
Ritzinger Anne	Scientific Research Staff, Land Management Centre, Technical University, Munich

Questionnaire

The Questionnaire and Analysis of 240 Farmers

Name of the respondents: _____ Sex: _____ Age: _____
 Location: _____village, _____town _____county _____city, _____province

Part1:

1. How many cultivated land do your family have? _____
 How many family members in your family?
2. How many cultivated land do your family have
 - a. 5 years ago _____mu
 - b. 10 years ago _____mu

What's the reason for amount change?

3. Who will do the harvest on your land during the harvest?
 - a. own family members
 - b. neighbour or friends
 - c. some organisation for harvest in the village
 - d. Others
4. Have you signed the contract on you cultivated land?
 - a. no
 - b. if yes, how many years? _____ Which term for the contract now?
 - c. Others, please explain it
5. Which land of your village enterprises use now?
 - a. cultivated land
 - b. homestead
 - c. land for public facility use
 - d. waste land
 - e. others (explain it)
6. Is this existing, that your cultivated land or homestead used to be changed into construction land?
 - a. no
 - b. yes
7. If yes, do you get compensation?
 - a. no
 - b. yes, according to _____yuan/mu

Part 2:

1. Do you think that rural development is necessary in your village?
 - a. yes
 - b. no
2. Do the application for the rural development projects voted by the villagers meeting?
 - a. yes
 - b. no
3. Are you satisfied with the present environmental protection in rural areas?
 - a. yes
 - b. no if no, what need to be improved?
4. According to the new rural planning, if you need to move to live in new residential area, Will you agree?
 - a. yes
 - b. no
5. If you want to operate a small size family enterprise or livestock breeding, can you get small size loan for it?
 - a. yes
 - b. no what's the reason?
6. Are you satisfied with present rural infrastructural construction, such as water supply and drainage, electronic, road and etc.?
 - a. very satisfied
 - b. satisfied
 - c. unsatisfied
7. Have you got any chance to join some profession training course?
 - a. no
 - b. yes if so, which kind of training?
Are all such trainings free of charge?
 - a. yes
 - b. no if so, how much did you pay for it?
8. Which phase do you think the national compulsory education will support?
 - a. primary school
 - b. middle school
 - c. high school
9. How much did your family pay for the "three changes" project? How much percentage it account for the total investment? _____%
10. Which do you prefer, the village divided by natural village or administrative village?
 - a. natural village
 - b. administrative village

Part 3:

1. Are there some family members from your family work in cities?
 - a. no
 - b. yes if so, how many?_____
2. Do they have permanent living place in city?
 - a. yes
 - b. no
3. Do they plan to live in the city in a long term?
 - a. yes
 - b. no
4. Do their children live together with them together in the city?
 - a. no
 - b. yes
5. If "yes", have the children already gone to school?
 - a. yes
 - b. no
6. The family member who working outside will come back during harvest?
 - a. yes
 - b. no
7. Do you think the family member who work in cities is different from urban people?

female respondents, account for only nearly 10%.

-Age: most of the respondents are between 50-60 years old, it is about 77% of the respondents; 40-50 years old account for 13%; 8% of the respondents are above 60 years old; only 2% of the respondents is younger than 40 years old. It shows that most of the middle age labours are working in the cities. Only old people stay at home to take care of the grandchildren.

-Education: 19% of the respondents got primary school education level; 15% got high school education; others 66% are graduated from middle school.

-Distribution: 10 towns which including 18 villages in Xingguo County and Ganxian County

-the role play in village: Only 22% of respondents are representatives in the villages; most of respondents are normal farmers.

Part 1:

1. Regards to agricultural land, there are about 5% of the respondents answered that the amounts of their family agricultural land have decreased. The reason is mainly because of most of the villages now has begun the second round contract term, agricultural land have been distributed among the new amount of the villagers and family members now. It shows that in inland undeveloped area, agricultural land is not decreased with economic development and urbanisation as many other areas.
2. During harvest time, about 41% of the respondents rely on family member or friends, neighbour's help; During harvest time, only 13 families which account for 29% of the respondents use reaping machine. It shows that agricultural machine is not popular used and agricultural mechanization extent is low.
3. 100% of the farmers have signed 30 years land use contract.
4. 87% of the respondents answered that their village enterprises use idle land or village owned constructed land for workshop. Only 13% of the respondents said the village enterprises also use part of the agricultural land. It shows that land tenure and use right in rural areas is not very clear nowadays.
5. There is no land expropriate happened in this area. It shows that in the relative undeveloped inland rural areas of China, cultivated land has not been expropriated up to now.
6. As there is no land expropriation happened, therefore, there is no problem regards to the compensation.

Comments: The second round of land contract has been carried. Most of the people who stay in rural areas now are senior people and children. The young generation usually go to work in cities and come back during the harvest season. The degree of agricultural mechanisation is relatively low due to land fragment. In the research area where economy is undeveloped, cultivated land has not been expropriated and most of the village enterprise use idle land. But there is some enterprises use farmland. It shows that land tenure and land use right in rural areas is not very clear.

Part 2:

1. 100% of the respondents think rural development is necessary for them.
2. 100% of the respondents answered that setting up pilot area has been approved by villager represent committee. It shows the extent of public participation.
3. 66% of the respondents are not satisfied with present environmental situation. Most of them thought it will be improved, especially in road construction and improvement.

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4. Regarding to moving to the new residential area to live according to the new planning, 44% of the respondents showed that they don't want to move. It shows traditional ideas and habits still exist deeply in farmers' mind.
 5. Only about 26% farmers said that they can not get loan from bank if they want to operate small industries or home breed aquatics business. It shows that government's policies on trying to help rural economics with financial support.
 6. Respondents are varied regarding to the present situation on rural road, water supply and drainage, electronics. Because village renewal works are not exactly the same levels within the survey villages. The final average result is: about 41% respondents are very satisfied with present rural infrastructural construction; 58% thought it's generally good; only nearly 1% respondents are not satisfied with present situation. It shows that with rural development program, most of the rural infrastructural constructions have been improved.
 7. There are only 19% of the respondents have not taken part in any professional and technical training during rural development process. It means most of the farmers got training. In which, 99% respondents got free training which covers tobacco, navel orange, flower, and other agricultural plant or livestock raising technique. Some only get computer and basic knowledge learning.
 8. About education in rural areas, 44% of the respondents think compulsory education in China now should last to middle school stage. Other 56% though it should be the level of high school. It shows nowadays, farmers have realized the importance of education and knowledge.
 9. 100% of the families have invested during "three changes" program in Ganzhou. The ration of their investment is account for 60-80% of the total investment in the program.
 10. Only 33% farmers like to keep the administrative village. Other respondents like to keep the divided boundary line by natural. It's clear to see that natural divided boundary is more welcomed than man made.

Comments: General speaking, rural development in China is welcomed by rural people. In the research area, public participation exists. It is partly because of the change of concept of local people and officials, partly because it is a pilot area so there is such requirement specially. Rural development is various in practice, and develop level is also different. Until now, most of the rural people are satisfied with rural development program in general, but a large amount of farmers don't want to move to new residential area if the village renewal plan asks them to move. It is due to the farmers' traditional concept. Natural boundary between villages is still the priority for farmers. People's self help and contribution make rural development in the research areas more significant and effective.

Most of the farmers now can not or very difficult to get loan from bank for different business based on improving economic situation. Professional training that the key factor for surplus labours in rural areas has been emphasized, but still need to enforce. Farmers expect that governments give more support for rural education and training.

Part 3:

1. Regard to emigrated worker, 74% the families (most of the families has 3-6 peoples) has 1-3 person working outside. Only 26% of the farmers' families have no one work in cities.
2. All the respondents answered that they don't have permanent living place in the cities where their family members worked. It shows moving to cities is still a high cost issue that nearly no farmers can afford at this moment.
3. Only less than 3% of the think about living in cities later. This in a way shows small town strategy maybe a suitable solution for urbanization of China.

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4. 4+5 Some social problems come up. As most of them can not afford to have a permanent living place in cities, so “Liushou ertong” (Left-behind children) come out. Only less than 1% of the respondents said that their children can stay with their parents.
 5. Besides, without city residential (Hukou) cause many children can not go to school in cities or must pay more than cities’ children. It also shows unequal treatment and policies between urban and rural.
 6. Only 39% of the respondents go back home to help during harvest time. Most of them didn’t go. (One reason is nowadays, there is no so much farmland for each family; another reason is immigrated worker may not go back as they will at this moment due to the working schedule. Anyway, they can get help from neighbours when necessary).
 7. Regards the different treatment between urban people and, only 3% respondents thought that there is not different; 33% respondents thought the different treatment mainly show on different payment; 30% respondents thought the different shows both on payment and social status; another 1% thought the different show on other aspects. About 33% the respondents said the different social statue between rural and urban people is the mainly difference.
 8. About 93% respondents answered that they believed that children can help when they are getting old. It reflects that at present rural China, social security system still can not guarantee farmers’ safe life when they are getting old though in the later question 9,
 9. 100% respondents answered that there is medicine insurance system in their villages. The medicine insurance level in rural areas is still very low. When farmers are getting sick, 45-50% of the cost will be paid by them according to present system in study area. It is a social problem.
 10. Regarding to retirement insurance, as rural retirement system is different from the regulation in urban area, farmers can join it according to their willing, only 22% of the respondents joined retirement insurance system. It in a way shows that this new system has not understood and trusted by farmers. Meanwhile, it still has a big room to improve.
 11. About education level, 19% of the respondents answered that they have primary school education level; 15% got high school education; others 66% are graduated from middle school. It shows that middle school education is the most of composition of farmers.
 12. 22% of respondents are representative in the village. Other 78% of respondents are normal farmers.
 13. Beside seldom family has nobody working in cities (no) and seldom family has planting or raising business at home, income of in cities is the main income of more than 74% farmer families. The amount range from 44-60% of the total family income.
 14. All the respondent farmers’ families have one or several home electronic appliances, such as refrigerator, washing machine, TV and etc.
 15. About 89% of the families have motor car or even truck. It seems motor car has become a very common and popular transport tool that affordable by farmers.
 16. Only 2% of the families have small agricultural machines, such as thresher. It shows agricultural mechanism is not common in rural China now.

Comments: Most of the families have 1-3 persons working in cities, their income account for the mainly income of the families. But these immigrated workers usually have no permanent plan about living in cities because of children’s education, unequal treatment, different medicine system and retirement insurance that so many problems related with Hukou system. In such realistic situation, it is almost impossible for them to afford living in cities.

Due to such dual track system, many social problems emerged, such as “Liushou ertong” (Left-behind

children), people relief from poverty become poor again, eager to have more children so that they can rely on them when getting old, etc.

Interviews

Interview Questions and Analysis in China

* Interviews of farmers, officials and experts are from all research areas and different research departments

1. What is your attitude towards rural development in China? Is it necessary?

Most of the interviewees think that rural development is necessary at present situation. It is also welcomed by most of the villagers. It improved rural condition regards to living, production, environmental and infrastructural construction; especially improve the relationship between local officials and villagers. But seldom villager leaders have not so much enthusiasm for rural development. They worry about it will pass away like many other programs and can not really solve the fundamental problems finally. Some of the works just stays at the surface, like clean the pond, change the traditional unsanitary toilet and etc. Meanwhile, the original limited working group has to do more work to face the supervision from upper levels. Lack of solid financial support makes them feel that to carry out such work is difficult at certain degree.

2. Are you satisfied with present rural development situation? Why?

Regards to present rural development situation, most of the interviewees are satisfied with because it definitely changed rural situation in a way. But there are still a lot of problems existing, E.g, many respondents think that there is no certain financial support system and sustainable strategy to guarantee the sustainable rural development in their local area.

3. What do you think are the main factors that restrict rural development? What do you think are the urgent problems that farmers wish to solve?

At present, there are many factors restrict rural development, such as dual track system between rural and urban, that leads to unequal treatment between rural and urban, rural people and urban citizen. It not only cause migrated worker in cities have no sense of belonging to the cities where they worked for a long time, but also cause many social problems, such as “Liushou ertong” (children stay at home with grandparents while their parents go to cities to work, usually they can only meet when new years’ time). These children growing up without caring of parents, most of them have problem in psychology at different degree. The reason for such phenomena is because farmer workers can not get good salary in cities, they are not belong to a part of citizen, the present Hukou system regulated that they have to pay more expensive fee for their children if they go to cities for education, health care and other service, they can not afford it. This system will hamper social harmony. Most of the local officials show their concern to the present dual track system and wish it can be solved soon. But most of the scholars consider to the deeper level and think that as a country with big population, the solution for this problem should be careful and varied according to the different development situation in different areas.

Meanwhile, lack of enough local enterprises, lack of continually education and training system, lack of infrastructural construction are all the main factors that restrict rural development.

The urgent problems that farmers wish to solve are improving rural infrastructural construction, develop local economics/enterprises, and enforce farmers’ professional training.

4. *How about the social security situation in your governing area?*

In most of the inland areas, social security has just begun and the level is relative low. In Ganzhou, there is only one county as a national pilot county on co-op medical service in 2004, the system covers 86.3% of the counties in Ganzhou in 2007. Though the covering areas are big, the level is very low. The total amount is 26 Yuan per year per capita. It can not really solve the problem that many farmers who relief from poverty then go back to poor situation again because of sickness.

But the situation is different in Sanshui, Guangdong province. Social security system such as co-op medical service has been applied in the last 90s. According to the ratio 3:3:4(farmer, village, and governments), the amount is 100 Yuan each person per year. Meanwhile, each senior farmer can get retirement fee as 200 per month. There is big difference between these two areas on social security situation.

5. *How about the local level policy making situation? What are the problems? Do you think “bottom up” system is necessary in our policy making?*

There are problems on central policy making. Usually, the start point from central government and related departments is good. But it is not always match our local situation. E.g, Land Administration Law regulated that “one household shall have only one house site”, but there is no detailed contents. This makes us difficult to deal with the problem such as one household has several house sites during village renewal process. Some farmers will refuse to pull down their old houses, even it has become “kongxinfang”. Local officials face the difficult situation: if they insist on pulling down, it will cause the conflict between local government and farmers; if not, it will surely hamper the application of planning.

If there is “bottom up“ system on decision making, our concern can be considered by central government then the situation will be different.

6. *What do you think are the main income resources for farmers nowadays?*

In inland areas, the main income of farmers is from working in the cities, it can account for more than 70%. Other main income resources are planting, raising industries. But in the coastal economic developed areas, farmers’ main income is from non-agricultural industries, such as local enterprises. Seldom farmers take planting or breeding as professional industries with large areas operation.

7. *What’s your opinion towards economic development and environmental protection? Does the official assessment and appoint system match the idea of economic development and environmental/natural resources protection together?*

Environmental protection is a long term hard work and will benefit next generation; its importance has been recognized and accepted by most of the people, and also the local officials as well. But nowadays, economic is still the most important factors that local level will consider because it related with the development and social stability of the areas. Now the local levels have realized the importance of environmental protection, such as when they want to introduce a new project, they would consider if the project will bring pollution or not. There are many such examples (e.g, Liao Xiaoling introduced one case : we refused to continue the co-op with one Hong Kong leather company though the factory

was nearly finish construction because we found out later that the factory will bring serious pollution. Though we have to pay 2.9 million Yuan for compensation, we still insisted on our decision.)

As local officials, it's very difficult to balance environmental/natural resources protection and economic development. Usually, our official assess system doesn't take environmental protection as a factor to consider officials' promotion and appointment. As local officials with conscience, we can not ignore people's living environment and leave a pity to our next generation. The good things are that the central government and governments at different levels have began to focus on this problem and try to introduce a more efficient system to realize the balance between these two factors. On the other hand, we have realized that these two factors are not conflict; they can benefit each other in a long term.

Towards this question, high rank officials and scholars show very strong decision to prevent it. But the grass root officials show dilemma. As local officials, economic development is still the basic to increase local financial income. Without it, local government can not carry out any public service function for people. After tax-fee reform, central level has most of the financial income, but the distribution system to local area is not going well. It leads to difficult situation to local government.

8. What's your idea towards illegal land requisition? What are the main reasons behind?

All the interviewees think that illegal land expropriation still exist though there are so many strict regulation and policy on protecting farmers' interest because of several main reasons: rapid urban development and limited land resources; land requisition cost, low compensation to farmers and later profit that land will bring both to developer and local government encourage such illegal requisition; un-clarified land tenure leads farmers can not become real involver to take part the negotiation and final decision; lack democratic system leads to farmers have no chance to express their opinion that close related with their interest. Farmers are strongly against such illegal behavior. Illegal land requisition did happen in many villages where village heads united with land developer to cheat farmers or lower the compensation because of their own interest. It has caused serious conflict between farmers and governments and need to be paid more attention. Many interviewees also think that public land use is ill-defined at present. It also leads to illegal land expropriation, right misuse and land conflict.

Another idea strongly supported by many experts is that present land compensation price on land requisition is unreasonable low and land compensation system need to be updated with rapid economic development.

9. According to your working experience, what kind of role does public participation play in rural development project? Does it work very well in practice?

Most of the scholars think that it is very important during rural development, though at the very beginning, it was not totally accepted by the local people. The outputs of many projects have showed it is a key factor to guarantee the success of rural development.

Officials in central and provincial level also emphasized that according to the working experiences, people's involvement can really help them to understand the goals and process of certain project so that they can give ideas, suggestions actively. It guarantees the goals of project can match peoples' wish and requirement. Governments can adjust the methods in time. It leads to the project can be finished efficiently.

This concept seems not so popular to the grass root officials, especially the heads of town and village. According to their experiences, such public participation will take more time and energy for them. In most of the situation, it was carried out only because that public participation has become a basic requirement and criteria on applying for national or provincial project. It is not so necessary in practice. On the other hand, farmers are not really interest in it, except for land distribution and the issue that they think really close related with each family. Many farmers think that their opinion is not important for the leaders and finally the decision will be made by the leading group but not farmers' idea.

This is due to long term habit and concept that farmers have been excluded from decision making. It also reflects that there is still a long way to go for public participation concept being totally accepted. To make it systematic and regulated in China may be a good way.

10. What kind of role does small town development strategy play during economic development?

Small Town Development Strategy is a very important strategy during present development period. It attracted most of the surplus labors from rural areas, reduce the pressure to big cities; in return, the development of local enterprises promote prosperous of rural economics, offer more opportunities for rural surplus labors, improve local infrastructural construction, help more farmers can live a better life that they can afford, and promote the social stability. Meanwhile, it offers an experiment chance for reform of Hukou, social and retirement system for the rural areas.

11. Should rural collective land be owned by private farmers or collective organization? How to protect farmers' interest during land requisition?

Present public owned land tenure is not doubted at present social development stage. The main point is: to clarify the land use right and protect such right. For example, when land requisition should be more transparent and legalized; the compensation should be relatively satisfied with farmers; should consider living and production method of farmers who lost land in a long term; enforce farmers' professional training; further clarify that farmers should be the subject of collective owned land.

12. What kind of problems do you think existing in present administrative system? What are the most difficult problems you are facing now (when you are a grass root officials)? What problems exist in "Villager Autonomy" system?

Most of the interviewees admitted that present policy making system is not democratic enough. "top down" system limited the policy to reflects the requirements of grass root in time; regulations and policies are usually not concrete and hard to find exact standard for local level to implement; the overlap of horizontal and vertical between different functional departments hamper rural development efficiently working; present selection, appointment system and 3 years (even short) term on local officials leads to "near sight" development plan in local areas.

Some grass root officials think that more financial support should go to grass root area, not only to rural development support, but also the administrative fee. After reform on tax and fee, financial income in county and town are limited and central financial support can not realized in time or reach the amount as it should be. It leads to difficult financial situation for local officials. Some of the towns can not pay staff's salary on time and usually, local officials' salary is not so good. On one hand, local officials have to face the financial challenge of administration and other daily work; on the other hand,

they have to manage a lot of trivial work that close related with villagers. Heavy workload makes them face a lot of pressure. Though they play very important role on carrying out central government policy, some of the local officials' working capability can not reach the requirement. So the capacity building at local levels should be enforced.

In term of "Villager Autonomy" system, some village heads admit that there is corruption and bribe happened during village voting because some people think that to be a leader can benefit them rather than serve villagers. But this is not a common phenomenon.

13. What's your idea regards to "dual track" system?

"dual track" system is a special system that was made in China during special historic period. It used to contribute to economic development and it also bring to some social problems that hamper social and economic development at present. But it can not be solved one night immediately in the whole country. As China is a big country with one forth of world's population, social and economic development is not even everywhere, it must be solved step by step. It is a social problem that close related with economic development. Now in costal economic developed area, there is not big difference between rural and urban in term of working treatment, education, and housing. But it's still very obvious in inland area. Some pilot area and experiment is necessary.

14. What's your idea towards present rural development policy and strategy? From your point of view, which parts are still missing or need to improve?

Actually, China is still a biggest developing country. There are many problems during development process that we can not copy from other developed country as we have different historic and social background. For example, many western developed countries had many colonies during industrializing process that can help them to solve surplus problem. First of first, solve 1.3 billion peoples' grain problem and reduce absolute poverty is great contribution from China to the world. But this is not our final goal. An ideal government should lead its people realize equal, stable, rich and harmonious life. Present central government has already realized this point and tried to create a harmonious society to the people.

Rural development is not only related with rural areas and rural people, it is an issue related with the whole society and whole country. It should cover social, economic, cultural and environmental factors. Present rural development policy is relative comprehensive in theoretical dimension, but there are still many problems in practical. In fact, our policies and regulations are usually very good, but there are always problems in implementation and practice. This reflects that on the one hand, our capacity building need to be improved, on the other hand, administrative and management system need to be enforced. This is the key point and guarantee for implementation of policy and strategy. Otherwise, any good and effective policy and strategy is invalid and can not have effect.

Comments: Rural development in China has contributed a lot on improving rural infrastructural construction; promote rural living and production conditions. It is welcomed by most of the local peoples and officials. Though at the initial stage, there are always some problems, but the main trend is very good. Present "dual track" system in China hampers rural development and needs to be changed.

As lack of the systematic mechanism on "bottom up" and public participation, policy making can not reflect the ideas from grass roots exactly and can not be updated when it doesn't match the realistic

situation. Nowadays, with economic development, local officials have to face more workload and new challenge such environmental protection, land resource protection, farmers' interest protection. Therefore, capacity building and financial support at local levels become more important.

Land issue is an unavoidable issue in rural development. It is not the simple choose between public and private land ownership, it is the issue that how to maintain farmland and how to protect farmers' interest and stop illegal land use during development.

Rural development is an integrated concept that related with many aspects and fields. It needs not only the good policies and laws, but also the good governance and efficient administration to implement.

Interview Questions and Analysis in Germany

(The interview in Germany was taken from Aug. 2008 to Dec. 2009)

1. Does the gap between rural and urban in term of economic and social situation used to exist in Germany in the past? If so, how does government policy or program (such as GAK, GRW, ELER and other program) mitigate or eliminate it?
2. During rural development process, how do the different projects such as ELER, GAK, GRW, LEADER and village renewal work? What the relationship between the above projects? How does Germany avoid overlap phenomena of administration during these projects being implemented?
3. How does Germany "top down-bottom up" system work? (also in term of policy making)
4. How about the public participation situation in rural development program? How it developed during the process of village renewal? How to make it a mechanism system? What kind of role Bayern School of Village Renewal and Rural Development (Schule der Dorf Erneuerung und Landesentwicklung) play during rural development process?
5. How does FFH (Fauna and Flora Habitats) influence in term of natural resources protection in line with 'Natural Protection Act' in Germany?
6. During rural development process, does agricultural modernization play an important role? How? What is the situation about family farmland agriculture/farmer association agriculture?
7. In which way, Germany guarantee farmers' living standard in term of retirement and social insurance welfare system? How do farmers' education and training system work?
8. How does "central place theory" work in solving over supply labours and maintain farmers in rural areas in Germany?
9. What experiences does Germany have on land cultural feature protection and rural tourism? How do the programs work? How does it benefit the local people?
10. Do you think in Germany, the "equivalent living standard" is already realized or just a goal?

Part 1: Answers and Analysis of the Interview (government officials):

1. Due to the original situation in Bavaria, the development of rural and urban areas passed by in different manners during the last century and decades. Because of the structural change and the changes of automated operating processes in agriculture, a lot of jobs get lost in rural regions, especially after World War II. Meanwhile, the big cities were growing together as an agglomeration area with new jobs. Such situation was more obviously in industrious area. So, strictly speaking, there are differences in the society in term of living condition, education, working condition, social contact, etc. But the rural areas catch up a lot with some advantages such as cheaper living, easy to find land to buy, close to nature, harmonious social structure and working community.

From the political aspect, the demand to “equivalent living conditions” in town and country (urban and rural areas) is stated by the “Landesentwicklungsprogramm”, a program to develop the federal states of Germany. Subsidies like ELER, GAK and LEADER, which are primarily placed to the development of rural areas’ disposal, should approach the aim of equivalent living standard in rural areas.

2. The measures of the rural development, both in land consolidation and village renewal, are supported by subsidies from ELER, GAK and the federal state of Bavaria. These subsidies are referred to the administration of rural development. Mainstream measures from Leader-processes are realized from the administration as well.

Already in the preparation phase of the projects, the administration coordinates with all involved authorities. So the aims of superior plannings like land development or regional development can be considered at the introduction of projects. It is discussed by early integration of all relevant authorities, which administration is responsible for the single steps of project to avoid duplication of effort or of financial support.

3. Top-down and bottom-up are strategies of information processing and knowledge ordering. In practice, they can be seen as a style of thinking and teaching. The Bavarian “Genossenschaftsprinzip” (Principle of land owners cooperative) means, that important tasks of the authority of rural development are transferred to the body of participants and so to the owners of the parcels. So the bottom-up-process is strongly established in the Land Consolidation Act.

4. The fundamental concept for projects of rural development is the voluntary willingness of participation of the involved citizens. Relevant themes were found for each village renewal by SWOT-analysis (comparison between strength and weakness) and worked out later in workshops. Techniques for teamwork were taught at the “Schule für Dorf- und Landentwicklung” (school of village and rural development) and these themes were deeply extended.

Public participation is the key to success. Public are the experts on local area. A procedure for rural development can only succeed when the people are closely involved from the beginning and also can participate.

5. The intention of protection of the FFH-Directive (as well like Bird Protection Directive) consists in protecting endangered species of animals and plants, but also habitats.

The regulation of this directive has been installed in the national laws. Bavaria transferred the framework laws into the Bavaria Nature Protection Law. If flora and fauna and their habitats were regarded as resources, these resources are protected by European Directives.

Otherwise the safeguarding of large surface biotopes, like riverside forests or extensive utilized mowed meadows, contributes to the protection of soil and water. But it must be noticed, that the qualitative state of soil, water and air was in foreground for the reports of the biotopes and not the protection.

In this context it is pointed to the Water Framework Directive of EU that commits directly to the protection of the resources water and soil.

6. The technical progress plays an important role in agriculture and proceeds in a very fast way. The projects of rural development are the basic elements for a modern agriculture. This happens mainly by land readjustment and road construction and also by supply of areas and parcels for new farm buildings.

In 2007 existed 117,867 farms in Bavaria. Because of the structural change, the amount of farms is decreasing to 2.6 % each year per average.

The farms in Bavaria are primarily run by families. Most of the farms obtain no adequate income to preserve the substance of the farm. So the national agriculture is supported by EU-subsidies. These subsidies are a fair compensation for social desired environmental services, which are accomplished by the farmers (e.g. Agrarian-Environment-Program or Cross Compliance). The farmers' association stands up for the interests of the farmers and the continuity of the subsidies.

7. In Germany exists an own Agrarian Social Insurance (provision for old age, health insurance, nursing care insurance, accident insurance).

Due to the decreasing amount of farms in Germany, always lesser insurance contributors stand opposite to an increasing number of insurance acceptors. That's why the social insurance for farmers is subsidized with national funds.

There is basic education system that almost the same in rural and urban. To the people that interest in farming, there are special education services to guarantee such people can also learn knowledge regards to agricultural production and mechanical technology. Based on the theoretical study, only after 2 years' practice, can they have chance to become farmers.

8. The interview didn't get valid answer about the question on central place theory.

9. Basis for the planning and concepts of the rural development is a very intensive stocktaking. The results contain statements to cultural features and also to tourism, if necessary. The concepts name measures to these themes, which were executed by subsidy-programmes from the administration of rural development.

10. In the whole country not similar but equivalent living conditions were tried to approach. This is a perpetual task and duty.

Comments: Strictly speaking, there are differences between rural and urban areas, but can not say there is a gap between the two. It benefits from the concept of “equivalent living standard” and implement through specific rural development program. Rural development in Germany experienced the phase that from agricultural to multi-functional and integrated which emphasize landscapes, environmental and traditional cultural protection, etc. It in a way, contributes to rural areas on maintain people staying.

During rural development, the administration coordination has been emphasized and realized through specific planning and financing. Public participation becomes an important factor under the “Genossenschaftsprinzip” and continually improved by land consolidation, village renewal practice.

Farmer’s training and education has become a system in Germany. Besides, “equivalent living standard” guarantees farmers have the same right and opportunities on education, employment, social security and other fields as urban citizens.

Part 2: Answers and Analysis of the Interview (Mayor):

Gemeinde Bergkirchen is a small town including 17 gemeinde (communities). The population here is totally 7500. Population increase ratio in the past 30 years is only 1% each year. Meanwhile, farmers’ number is also decreasing. 25 years ago, each village had about 25 farmers. Now there are only 4-5 farmers in each village.

Farmers’ number is decreasing. Nowadays, there are only about 200 farmers in this area. Bayern is changing from an agricultural state into industrial state. (the ratio bet. income on agricultural and industrial field changes from 9:1 to 1:9)

Gemeindegebiet Weyarn is a town that located in Miesbach, Bayern. It is 35 km from Munich. Weyarn has a population of about 3200 people, 20 villages. It won the “European Village Innovation Prize 2004” and a special price in a rural development competition of 2005.

Over surplus labour:

In area of Gemeinde Bergkirchen, there are about 50 factories and companies can offer jobs for supply labours. The other supply labours can also go to Munich, the big city that only half hour’s S-Bahn away to work.

Meanwhile, the “machine ring”, an association which rent machine to do the harvesting, sowing, weeding and etc also offer some jobs for local farmers. Part time farmer that used to be more popular within 60s-80s last century now is getting less and less because young generation think it takes more energy and doesn’t worth to do anymore.

The gap bet. Rural and urban:

There is no big gap between rural and urban people, areas. The differences exist in a way, but don’t mean that rural is behind. E.g, living in rural is relative cheaper, because people have their own house, or the land there for housing (rent) is cheaper than in the central city.

In term of social status, farmers are really the same as the urban people. Now man can not compare farmers' living standard with 50 years ago.

Overlap:

Overlap of institute does exist. But government try to avoid it by certain methods in practice. E.g, during rural development program, only the ministry who finance the program will be in charge of it. The others related department only join and assistance in a way. It makes working extent very clear. Meanwhile, it regulated that one program can only be financed by one department. It's a good method to prevent from overlap.

Agricultural modernisation:

It is very important for rural development in Bayern. Agriculture in Bayern is traditionally in the form of family farmland. With the situation of more and more people give up agriculture and work in un-agriculture field, less and less farmers still keep on working as farmers. So the farmers rent neighbour's farmland and in this way, farmland is continually enlarged. The enlarged farmland is suitable for machine use. Industrial agriculture is developing rapidly with the enlarged farmland.

(20 years ago, each family had 10 ha, now they rent 60 ha, the total number increased to 70 ha.)

Village renewal example:

In Gemeinde Bergkirchen, "Kreuzholzhausen" is a traditional agricultural village and located remote with 200 people, only 8-10 farmers. Transportation here is not so convenient but people eager to live there and maintain its old traditional feature. So the local government try to help them by village renewal program. There is an old restaurant owned by senior person who is over 70 years old. This restaurant is the centre and the meeting point for the villagers for years. People worry about that in the future, the restaurant will closed with the old man death and they will have no association place. The local government bought a piece of land from the central church and build a new meeting place for the village. Meanwhile, they build some important main street for the village and renewal the old building there. In this way, the village's traditional feature and agriculture have been maintained. The investment is 60000 EU.

Government support on tourism:

In some mainly tourist areas, local government did so. But in Gemeinde Bergkirchen, community only helps local people to finance the advertisement on tourist resources.

Change land use:

It is not allowed to change land use function from agricultural to construction. Certain piece of agricultural land can be sold to anyone but only for agricultural purpose. Only the community can decided which piece of land can be changed into construction use according to law and regulation in term of it. But the decision should be improved by the above official government. Only the land owner can get the profit.

The situation here is: selling the agricultural land to construction purpose is not an easy thing. Even real estate developers have to consider if there is enough people come to this area to living, and if there is enough infrastructure construction to support. Kindergarten, school and etc. are in charged by community regulated by law.

Farmers' education:

Farmers have 3 years' education. The first year learning and training at home, the 2nd and 3rd year is go

to other farmers' home so that to learn new and different things. After finish the 3 years training, If they study further, they can become master, which belong to high level and experienced farmers.

Social welfare and medicine care system:

Farmers have their own welfare and medicine system. Though the form is different from urban people, but effect and result is the same. With less and less farmers' support, the system now is financed by government.

Central place theory:

They think the concept is correct, and in practical, they are following the essence of the concept. Actually, in practice, they develop their community according to certain citizen, certain amount infrastructural construction and service centres.

Public participation:

Public participation has been carried out since 1993 and even regulated it as a basic principle during village renewal program. Conventional decision making system and complementary decision making system work together to reach the final decision and implementation. They make such participation broadly understood to every villager, including children. A good example is that during one village renewal project that related with a school's construction, all the children in the school were asked to public their own opinion and suggestions. They even participated in the construction during the free time, and decided what kind of desks and chairs they prefer. It shows that public participation as a tradition, is not only accepted by adults, but penetrates to children as well.

Comments: With the decreasing of family farmers, more and more large piece of farmlands offer possibility for agricultural mechanisation and modernisation. Meanwhile, local enterprises can absorb many surplus labours who give up agricultural production.

Village renewal program contribute a lot on improving rural construction while protecting rural traditional feature. Meanwhile, it also benefits the solving of rural surplus labours problem. During rural development, certain regulation and mechanism help to avoid overlap among the related departments.

Farmland has been protected under land use planning and the decision of local community according to the law and regulation. Besides, farmers' education and social welfare has been regulated and supported by government finance.

Public participation has been accepted and also regulated thoroughly. It has become a very important part during rural development and also guarantees rural development working in a healthy way.

Part 3: Answers and Analysis of the Interview (scholars):

1. The attitude to NZL program:

It is a good example of self-help on local level by supporting the village through experts. This is a right way. You can not call for self-help without providing villages with some support by state, may be financial input or experts advice. This is the case in NZL which got strong advice and consultancy from Germany, it works. It was the very beginning; it was not ordinary case because it was the first time in China that in a systematic

way, village renewal and land consolidation project was started.

2. What can we learn from NZL?

Everywhere in China, when they start village renew, rural development projects, state should provide framework of guidelines, financial program and regulations, but the program is only the sense of impute of stimulation.

But much important is: it should be private and state institution which supports village renewal in term of sustainable development concept about future direction, about different disciplines which should be part of the comprehensive concept. It is still new for China. This is integrated aspect.

Second, despite the top down decision that we usually follow, we could start a bottom up approach in this village. We call local working group which compose with local farmers and non-farmers. It was a success story in my opinion.

20 years later, when we look back NZL, it was astonishing. The village didn't lose population.

That is a good example to show that pure agriculture can successfully convert into multi-sectoral business sector. Now, there are only 5% of the farmers in NZL. It shows that it is possible to convert rural areas from agricultural sector to non-agricultural sector. It shows that people can stay in rural areas when they are not interesting in agricultural work any more. That is the message of NZL.

3. What factors attract the people to stay in NZL?

Agricultural, business, industrial sector, environmental sector are all the factors that attract people.

The key factors for success: one is dynamic person, like the village head in NZL before; need lot of patient to convince, to educate; need clear system approach of planning, of integrated a lot of different sectors, financial support to implement.

If NZL program start now, we will focus more on sustainable land use, energy issue. Energy issue is close to rural development, to the village renewal, sustainable agriculture, renewable energy for the new house.

Landscape should be also one important part for the project now as in Chongqing. It is a typical revolution that we move from the structural idea to improve the living condition in the village, toward ecological aspect, the landscape. That's the reason why the separate landscape learning is now a part of village renewal and land consolidation. But it was not the case in NZL. At NZL moment, the project didn't make own landscape planning. It was more or less still focus on intensive agriculture, but not landscape.

It is own Chinese product based on Bayern input, experience and idea at the beginning. But it didn't try to protect rural landscape and rural feature. Landscape and history is important.

Land consolidation and village renewal is not for get more agricultural land, but for landscape. Building more wide traffic road is a crazy idea in rural china.

4. What do you think of the land tenure system in China?

Private or public ownership is not the key issue for China. The key point for ownership is that how to

implement ideas of sustainable land management, soil protection, sustainable development. It's not question of private or collective ownership. Private can also be land misuse. For historic reason, Europe has feudatorial system for a long time. It is a kind of divided property. Now in Germany is private ownership. But what is important is not the ownership itself. How to make the tenure system stable and maintain long time so that to protect farmer's interest, enthusiasm toward land, protect land and try to efficient use land is more important.

What has reached is 30 years' land use right. Farmers can rely on stability of so called ownership for 30 years. It brings the effect that they deal with the land very carefully. Within this term, land can be use sustainable. It is reasonable.

China must reach in term of the collective system more sustainability. The problem on land tenure system in China is the management of collective land. How can one head of a village decide to allocate land by own idea (I heard it in NZL. One farmer return his land back, the head wants to give it back to whoever he thought is more suitable)?it is a little bit dangerous when strong party leader to decide the land distribution.

Land is scare of commodity, scare of resource. What Germany has reached in a long term private ownership is so called "social binding idea" in Article 14 of German constitution. It means that everybody who is owner or the user of land, has to follow public interest. That means especially if the state needs some land, he has to accept with certain compensation. To avoid land expropriation, we use our different model or method of land consolidation, it means much more each owner has to regards his land of common ownership of the land, has to take care of the land beauty for the public interest. I can not find this idea in China. "social binding idea" is a wonderful idea that all land belong to all the people, despite its private ownership or collective ownership, therefore we have to take care of sustainability of land. Land belongs to the present generation, also the next generation and future. This is we have to move on. Landscape is so important in China. We can not only enjoy the beautiful landscape in old time and face the ugly landscape at present developed China.

5. What's your attitude towards central place theory?

It is always under discussed. Now for financial reason, some people want to higher the class of the city (such as from small to middle so that to get more financial support).

Some businessmen argued that the idea which behind the central place theory has social and economic influence. Within certain distance area, people will go to the nearby central city for daily activities, such as shopping, going to school, working and etc.

It is a very success story, because it brought a kind of structure, to stabilize the country. That is the reason why we don't have so called empty areas. Because we have functional central areas that offer surrounding area necessary need.

It take me sometime to understand that urban development and small town development idea in China. The different is as a most populated country, the population in small town of China is so big. But it is the situation in China. It shows that central place theory is a global idea. Now the idea is still the base for our development.

6. What do you think about the rural development in China? Is there anything from your point of view that China need to focus?

Generally speaking, I'm not so sure if one ministry is powerful to carry out integrated rural development idea in China because integrated rural development needs several departments to cooperate. Meanwhile, I also think that HSS should broad the cooperation with different functions department in China. China needs to pay more attention on sustainable development in the future.

7. Germany also experienced the period that agriculture as a low productivity sector, and the period to convert agriculture to non-agriculture. What suggestions can you give China regards to this situation?

In Germany, rural areas not only produce agricultural product, but also landscape. Farmers' number is decreasing from 13% in 1971 to 2%-3% now. With economic development and modern agriculture, farmers will definitely decrease continually. This is a trend. What we need to do is to offer good training and education to farmers so that they can go to city to find job. Meanwhile, to create more enterprises in the nearby area, more attracted environment so that they can stay in their hometown as non-agricultural employee.

Comments: As a first village renewal project in China with German experience, NZL set up a good example of self-help on local level by supporting the village through expert. It is the first time in China that in a systematic way, village renewal and land consolidation project was carried out. It demonstrates sustainable and integrated rural development concept as well as the practice of public participation in China. NZL project also shows how to convert pure agriculture into multi-sectoral business sector successfully. To maintain the rural population during agriculture decrease period is also the significant experience learns from Germany. As a very early project, the weakness on the project is that it didn't pay enough attention to eco-environmental and landscape aspect as some new German project in China nowadays.

No matter what kind of land tenure system a country carries out, it will guarantee land management, soil protection, and sustainable development. Now the system of 30 years' land use right is reasonable on protection farmer's interest. Meanwhile, the concept means that everyone who is owner or the user of land has to follow public interest that was called "social binding idea" can be a good reference to China.

Central Place Theory is very success in Germany on brings a kind of structure to stabilize the country, to balance the development between rural and urban areas. Combine with good training and education system for farmers, it makes rural surplus labours can work nearby and keep on staying in rural areas. It has special significance to China at present.