Shift of Rural Labors and Economic Diversity
----Analysis on the Practice of Integration of Urban and Rural Areas in Chengdu, China

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It is the major way for the most developing countries and transition economies that, the shift of rural labors and economic diversity aims at fitting in with the changes of market demands in the process of industrialization and urbanization, promoting the sustainable growth of rural population’s incomes, and accelerating the process of villages and agriculture modernization.
Based on the reform about the integration of urban and rural areas in Chengdu since 2003, the thesis analyzes the impacts of rural labors’ shift, economic diversity and rural land property rights reform on the growth of wage income, property income, and income of household operation in rural families.

And the thesis points out that the following measures are the main creative reforms and ways for Chengdu to solve the problems such as the dual economic structure between urban and rural areas, constructing the new forms between urban and rural areas, promoting the impartial growth and sustainable development.
1) “Three Convergences” reducing the proportion of population to land and “squeezing out” the rural surplus labors;

2) Extending the industry chain, embedding the modern productive factors, and developing high value-added agriculture;

3) Clarifying the land property in rural areas, and increasing property incomes of peasants.
一、 Background of Chengdu Reform

- The population registered in Chengdu is 10.4430 million in 2003. Among them, non-agricultural population is 3.8623 million, and agricultural population is 6.5808 million. The income proportion of urban population to rural population is 2.06: 1 in 1985 and now is 2.66: 1, which illustrates the incoordination of economic development between urban and rural areas.

- So, Chengdu began to make and carry out the whole development strategy of Integration of Urban and Rural Areas and Integration of Four Aspects (economy, society, culture and politics) in Oct. 2003; and Chengdu became the pilot city for National Urban-rural Comprehensive Reform Package in June, 2007.
二、Major Practice of Chengdu Reform

(一) Actualizing Effectively “Three Convergences”

1) Promoting the concentration of industry in developed zones of Chengdu. Chengdu’s industrial concentration is 68.2% in 2008.

2) Encouraging the peasants to locate in urban areas. Chengdu’s urbanization is 63.5% in 2008.

3) Motivating the land transfer to scale management. The total area with scale management is 1.9735 million mu (131,632.45 hectares), which is 65.19% of transfer of rural land in 2008.
(二) Extending the Agricultural Industry Chain Effectively

1) Accelerating the adjustment of agricultural industry structure, and promoting value contents of the traditional crop farming and livestock breeding.

2) Improving the processing level of agricultural products, and extending the chain of agriculture to manufacturing industry.

3) Exerting the functions of leisure agriculture, and promoting the development of agriculture and tourism.

4) Strengthening the innovation system of agriculture technology, and consolidating the functions of research and development to agriculture.
(三) Propelling Firstly the Reform of Rural Property Right System

1) Actually measuring the land, making sure the right and awarding the certificate, confirming the rural land property right.

2) Establishing land marketplaces for integrating Urban and Rural Areas, which creates platform for transfer of rural land property right.

3) Improving protection mechanism of cultivated land, innovating the mechanism of the urban regurgitation feeding the rural.

4) Establishing liability company limited for rural property right transfer, creating conditions to promoting rural land capitalization.
(四) Promoting Effectively Free Migration of Labors

1) Promoting reform of household registration system, breaking institutional barriers to labor migration.

2) Instituting and improving mechanism of employment for integrating urban and rural areas, promoting peasants to getting jobs in secondary and tertiary industry.

3) Instituting and improving social security system for integrating urban and rural areas, and promoting identity turning of rural migrant workers.
三、The effectiveness evaluation of Chengdu’s practice

(一) promoting the rural laborer to shift effectively

The rural employee’s situation of Chengdu from 2003 to 2008

Data sources: the data are from《Chengdu Statistic Year book》，the same below.
(二) promoting the rural economic diversity effectively

Vocation distribution of rural employee in Chengdu from 2003 to 2008
Situation of all kinds of incomes in per capita total incomes of rural families in Chengdu from 2003 to 2008
the constitution of per capita total incomes of rural families in Chengdu from 2003 to 2008
(三) curbing the tendency of urban and rural gap effectively

the change and compare of income gap among urban and rural residents in Chengdu and the whole country from 2003 to 2008

<table>
<thead>
<tr>
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<th>2003</th>
<th>2004</th>
<th>2005</th>
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<th>2007</th>
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<td>Chengdu City</td>
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<tr>
<td>per capita</td>
<td>9,641</td>
<td>10,394</td>
<td>11,359</td>
<td>12,789</td>
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<td>per capita net income of rural households (yuan)</td>
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<td>4,072</td>
<td>4,485</td>
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<td>2.64:1</td>
<td>2.55:1</td>
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<td>2.61:1</td>
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<td>The whole country</td>
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<td>per capita</td>
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<td>disposable income of urban households (yuan)</td>
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<td>2.98:1</td>
<td>3.28:1</td>
<td>3.33:1</td>
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Data sources: the data of the whole country are from 《China Statistical Yearbook》 (over the years).
四、Empirical Analysis of Practice in Chengdu

(一) reducing the proportion of population to land by “Three Convergences”, and “squeezing out” the surplus rural labors
（二） Extending the industry chain, embedding the modern productive factors, and developing high value-added agriculture
(三) Clarifying the land property in rural areas, and increasing property income of peasants

- Firstly, peasants getting much property income, by clarifying the land property in rural areas and breaking institutional barriers to the agricultural land shift.

- Secondly, strengthening peasants’ conception of land and the property consciousness so as to help peasants protect and claim their properties.
Thank you very much! Welcome to chengdu!