

Study on the Path of Increasing Farmers' Income from the Perspective of Income Structure

Yang zhen

International business school
Shannxi normal university
Xi'an China
00665@163.com

Abstract—The strategy of rural revitalization has been put forward scientifically and reasonably. The increase of farmers' income is the basis of their affluence. From the perspective of income structure, which includes the business income, salary income, property income and transfer income, this paper studies farmers living in the countryside and farmers who move into cities. Therefore, finally it concludes some basic routes for two types of farmers to increase their income, and proposes some valuable views that will benefit the increase of farmers' income. The above four ways cannot work at the same time if the farmers want to maximize the benefits, but the income growth mechanism is interconnected. The reform of land ownership confirmation, land circulation, urban and rural household registration system is of great significance to the increase of farmers' income.

Keywords—Farmers' income; Income structure; The path; Increase

I. INTRODUCTION

The strategy of rural revitalization with foresight has been put forward in the 19th congress. The increase of farmers' income is the basis of their affluence. As farmers' incomes increase, they will have more resources to improve their quality of life. Traditional content in the study of increasing farmers' income is general, this article sticks to the perspective of income structure, business income, salary income and property income and transfer income, these four dimensions covers all the range of the farmers' income. This article research form the perspective of the overall farmers, trying to figure out the route of increasing four types of income, but in the objective circumstances, one family cannot have four kinds of income, operating income needs agricultural specialization and scale management, using the method of agricultural mechanization and modernization, then the agricultural efficiency will improve ,and operating income has the chance to grow, thus it is difficult to be employed by other organizations to get salary income. And farmers in the countryside can take part in the work of town enterprise or local industrial park to obtain salary income, then do not have the redundant brain and physical strength to get operating income. Although these four types of income may be obtained by farmers, the proportion of income may vary greatly from farmers in the countryside to farmers moving into city.

II. RESEARCH STATUS

A. Foreign research

Yasuyuki Todo&Ryo Takahashi (2011) estimated the impact of farmers' field schools on agricultural income in rural Ethiopia. Farmer field schools are established with the association for forest conservation and forest management, which is funded by Japan. This paper uses the method of differential propensity score matching to correct the possible deviation due to the selection of participants. By attending farmer field schools, farmers' real per capita income increased by about \$60 to \$160, the equivalent of, or more than, the average per capita income before the program. There is evidence that the sharp increase in income is due to the introduction of new agricultural measures, such as new techniques taught and promoted in farmers' field schools [1]. Kumar (2017) in 2016-2017, pick up more than 100 households steadfastly in Omaha in Galveston area to test and implement intervention in natural resource management, using the integrated analysis tools for the proposed interventions in agriculture system modeling. Experiments on simple interventions, such as soil water retention and using the recommended level of nitrogen fertilizer, crops in the whole farm can increase net earnings about 7% and 12% respectively in normal and dry years, through replacing low yield cows and buffalo, intensive farming system, net income increased 20% to 50% in a normal year and 35%-136% income increased in dry years. These studies help to explore the systematic intensification of different situations to design better ways to improve farmers' income [2].

B. Domestic research

FeiYan He (2015) pointed out: we should face new challenges under the new normal state to increase the farmers' income, by fully excavating agricultural internal income potential and developing rural secondary and third industries' income space, widen the channel of the external rural income, increase the intensity of policy to increase the farmers' income, carry out economic policy to narrow the income gap between urban and rural residents under the new normal. It is pointed out that there are four ways to increase revenue. Firstly, we should cultivate and develop new agricultural management subjects and build a modern agricultural management system with Chinese characteristics. Secondly, increase policy support for supporting farmers benefiting farmers and alleviating their

worries. Thirdly, advance the reform of rural land management system in an orderly manner and guide the orderly circulation of rural land management rights. Fourth, increase education investment in rural areas to improve farmers' comprehensive quality [3]. PengJun Li (2017) proposed that the development of agricultural tourism resources in poverty-stricken areas has natural advantages such as beautiful natural scenery, good ecological environment and rich national culture. The farmers in poor areas can increase their income by developing agricultural tourism resources: one path is to become a shareholder with resources, which including their own collective grassland, cultivated land, and forest, etc., the compensation can be transformed into equity. Poor people have no mortgage to get the operating funds, thus the government can provide financial support through the type of agricultural park collective construction, loan is converted into capital, paying out dividends on a regular basis according to the operation situation; the second route is to work in agricultural park. The third way is to start a business like a farm or specialize in service industry like characteristic souvenir business [4]. FuSheng Zeng (2017) proposed a new idea to develop new industrial and new business forms and solve the dilemma of increasing farmers' income. He pointed out that rural areas are not equal to agriculture, and rural areas should not only develop primary industries, but also develop rural agricultural products processing industry. According to international experience, when a country's per capita GDP exceeds \$5,000, its tourism consumption will enter a period of rapid growth. China's per capita GDP exceeded \$5,000 in 2011 and exceeded \$8,000 in 2015. In the future, China will enter a channel of rapid growth of tourism consumption. It's important to support local powerful agricultural enterprises to extend the industrial chain and combine agricultural production with rural tourism; and encourage social capital to invest in leisure agriculture in accordance with various financing modes, including PPP mode, "Internet plus" mode and crowdfunding mode [5]. XueMei Liu (2017) summarized the natural environment factors that affect farmers' income: farmer own quality, policy factors, market factors, scale management, and technology factors and so on, and the empirical analysis shows that the farmers' income has a great relationship with above factors. through analysis on the main body behavior factors, finally it is concluded that :to promote countermeasures of increasing farmers' income in JILIN province ,the following four points shown below: first, to develop the farmer cooperative organization and constantly improve the quality of the farmers; Second, accelerate the industrial structure adjustment of JILIN province agriculture, promote the industrialization management; Third, improve the circulation of agricultural products; Fourth, develop JILIN province green organic high value-added agriculture to promote industrial integration [6].

III. THE PATH OF INCREASING THE COUNTRYSIDE FARMERS

A. Operating income

Advance the upgrade transformation of traditional industries like agriculture, forestry, husbandry and sideline fishing. The government can moderately raise the purchase price of agricultural products. It's important to improve agricultural innovation, competitiveness and total factor productivity. Competitiveness comes from high product quality, innovation is the diversity of agricultural product and meeting consumer demand, total factor productivity come from agricultural mechanization and modernization, the premise is farmland scale, farmers per capita cultivated land in China is very few, so promoting the land circulation matters, the farmers mainly depend on operating income can use the advantage of scale economy to obtain higher operating income, which is similar to the farmers in the west. Farmers who do not want to farm or move to cities can also receive land transfer income. As China has a large population, the average cultivated land occupied by each person is only 0.1 hectare, which is equivalent to one third of the world's per capita cultivated land. Per capita arable land is 0.53 hectares in the United States, China's per capita arable land area is equivalent to 1/5 of America's per capita arable land area, assuming that the traditional per acre revenue was 1000 yuan per Mu, if farmers cultivated Mu per capita number is 10 mu, the average annual income is ten thousand yuan, and the cost is relatively high, the actual annual income is far less than ten thousand yuan. If the number of Mu per capita is 50, then the income per capita is fifty thousand yuan. At this time, agricultural science and technology measures can be used to realize large-scale operation, so as to reduce the expenditure of unit arable land and the advantage of scale economy will show up. At this time, farmers' income opportunities have increased to a large extent.

Increasing investment in science and technology, strengthening the introduction of technology, using mechanization and modernization of production methods, as well as e-commerce and modern logistics services, the operating income can be enhanced.

B. Salary income

For farmers, they should be hired to get salary income, those farmers choose to stay in countryside, if they want to find the work and save the expenditure, the working place should be near to their family, the economic organization form can be diversified like township enterprises, village enterprises, or collective enterprises. Comparatively speaking, the remaining peasants work to obtain wage income. The township enterprises can process farmers' agricultural product or other types. Through the comparative advantage of production, the township enterprises can compete with the suburb enterprises and keep a foothold in market. Improving farmers' salary income, the key is to improve the economic efficiency of township and village enterprises and build a good income distribution plan at the same time, realize the balance capital accumulation of township enterprises and the expenditure of farmer's salary.

By improving the efficiency of township enterprises, introducing agricultural industrial parks and improving the income distribution system, the improvement of salary income can be promoted

C. Transfer income

The government increase policy support for agriculture and rural areas. The issue of agriculture, rural areas and farmers has always been a major concern of the central government. The central government abolished agricultural taxes in 2006, the purpose is to alleviate the farmer's burden. The transfer payment way in China includes fiscal subsidies (farm machinery purchase subsidies, subsidies for mechanized equipment use), tax breaks (cancellation of agricultural tax), the lowest life guarantee (health care, life safeguard, old-age security). Transfer income is not unlimited, first of all, the rural population is large, unlimited subsidies will bring great financial pressure. Secondly, financial subsidies need to be decided after deliberation by the National People's Congress. Third, financial subsidy is not sustainable, lazy thinking and lazy behavior are easy to breed out, thus causing efficiency loss and unfair phenomenon.

The increase of transfer income can be promoted by increasing the financial support for agriculture, increasing the investment in rural social security and reducing the expenditure on farmers' taxes and fees.

D. Property income

The property income source of countryside farmers is few but has a huge develop potential. Due to the low degree of rural capital accumulation, there may be historical collective property, this part of collective property can be divided into equity hold by farmers themselves. At the same time, the biggest resources in rural areas lie in land. If the farmers' land can be confirmed and transferred smoothly, more benefits can be obtained. The three rights are the ownership, the contract right and the management right. The ownership belongs to the country, the contract right belongs to the farmer and the management right belongs to the transferee. By conducting rural land circulation work and the rent of peasant household land, the farmers' greatest asset liquidity can be released, to safeguard the contract right of farmers and adhere to the farmer's economic interests.

By deepening land system reform, promoting land circulation and transferring land management rights, the improvement of property income can be realized.

IV. THE PATH OF INCREASING FARMERS' INCOME IN CTIY

A. Operating income

Rural college students start up business, rural residents moving into city to start a small business, both can obtain operating income, entrepreneurship has certain risks, whether opening shops, starting up small or micro enterprise, financial support are necessary, it also needs skills training at the same time. The college students study in urban with rural background should study the law and follow the rules of certain

markets. Financial support, skill training and business quality are all essential conditions for starting a business. Strategy of 'Double Creations' can help to reduce the threshold of enterprise registration, by forming market supervision administration, all kinds of license registration conduction business and enterprise handling tax expenditure can be reduced very quickly, by pushing forward the tax cuts and rate reduction, thereby not only benefits entrepreneurs and innovators, but also help to increase farmer's operating income. In order to promote the increase of operating income of rural migrant farmers, certain preference policy can be made to the establishment of enterprises by local government.

The increase of operating income can be promoted by increasing skills training, providing financial support and strengthening entrepreneurial guidance.

B. Salary income

Farmers moving into middle or small city, then they will compete low-skilled workers, for those college students with rural background, they decide to live in the city and occupy themselves in work that need skilled workers, thus facing competition with high skilled labors. For those with low educational background and rural background, the relocation life is mainly engaged in low-skilled work, such as catering, logistics, environmental protection and other low-value-added work. Wage income is mainly affected by its own factors, industry factors and macro-economic situation. For college students study in urban with rural background, professional choice, skill and comprehensive quality will affect the salary income level, for the low-skilled farmers moving into city, relatively balanced revenues is formed in catering and other service industry, the income gap is affected by the overall supply and demand. Is there any difference between the income of the migrant farmers and that of the urban residents in the same post? There is no significant difference. As long as it is integrated into urban life, the income level of both migrant farmers and urban residents remains basically the same.

Salary income can be increased by improving the comprehensive quality of individuals, deepening the reform of income distribution, and raising the threshold of personal income tax and carrying out tax credit measures.

C. Transfer income

The resources of transfer income are government departments, farmers moving into city partly belong to vulnerable groups, and farmers are in big disadvantage in social security nowadays. Many Chinese farmers have the idea of homesick, they are newcomers of the city, thus need a period of time to adapt to city life, so they can't occupy themselves in production quickly, so the state and local government can give these farmers monetary or living subsidies. For college students study in urban with rural background, their economic foundation is weak, the local government should help to promote the university students' employment and promote rural college students moving into the city, the local government can provide a certain amount of policy support. Thus, the college students who have just graduated will gradually adapt to urban life.

Transfer income can be increased by increasing financial support, subsidies to farmers in cities, and improving their social security.

D. Property income

Property income includes income from rental or sale of the assets such as securities. property income or the farmers moving into city, on the one hand, the income from the revenue generated by the rural land circulation process, the asset can be acquired rights then to sell or rent for a long time, also can be rural land compensation fees; on the other hand, bank deposits, stocks, funds and other financial assets can be the resources of property income.

Property income can be increased by deepening land reform, promoting land circulation, buying securities such as stocks, and investing in movable or immovable property.

V. CONCLUSION

This article first analyzes the research status at home and abroad, and combining with the objective reality of China, to research the problems of the farmers' income from the perspective of income structure, including operating income, salary income, property income and transfer income. Respectively research the route of increasing farmer's income in countryside and in city and come to some valuable conclusions: urbanization process benefit both countryside farmers and farmers moving into city; Professional skills are very important for new type of professional farmers or migrant workers. The reform of land ownership confirmation, land circulation, urban and rural household registration system is of great significance to the realization of urban and rural population mobility and the increase of farmer's income.

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