

# **Income and economic composition of rural farmers in China, and the difference that a Basic Income would make**

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**Abstract:** There are many forms of economic entities in rural China, including family farms, agricultural cooperatives and agricultural companies. With the development of economy, farmers' income is no longer single. Wage income and family operating income have become an important part of farmers' income. Rural development has always been the focus of the country. The state provides various subsidies to farmers to increase their income. With the support of basic income, farmers will have higher investment and return in operation, culture and education

## **1.Kinds of farm**

According to the constitution, land in rural and suburban areas, except for those owned by the state as stipulated by law, belongs to collective ownership, that is, it is operated and managed by agricultural collective economic organizations such as village agricultural production cooperatives or villagers' committees, so that land users do not need pay for tax of land ownership. And the farmers have the right to use land, grow crops and generate income. There are different types of farm.

### **1.1 household farm**

It is usually defined as 'A type of agricultural business entity with family members as the main labor force, and taking agricultural income as the main source of family income.'

According to the degree of scale, intensification and commercialization, there are different forms. Some are less mechanized, conducted mostly by the elder family members. The productivity is always low, according to less consumption, they can maintain their normal life. In this case, most young generation of the family always go out to work. Others with higher intensification, large scale, are always well-organized. Better management, higher mechanization or better sales channels benefit the members with considerable income.

### **1.2 Farmers' professional cooperatives**

It is a characteristic farming organization in China. Farmers' professional cooperatives take farmers as the main body, conform to farmers' wishes, and are farmers' own enterprises. According to the cooperative law and the concept of cooperative system, the establishment of farmers' professional cooperatives is to truly let farmers voluntarily take shares, truly participate in production, sales and services, truly realize democratic management, truly achieve the "risk sharing, market breakthrough, benefit creation and platform sharing" of all members of cooperatives, and truly become farmers' own "hand in hand, side by side "Heart to heart" cooperative enterprises, mutual aid platforms, channels for getting rich and shared groups.

The cooperatives help the partners to improve efficiency via Joint procurement, sharing machinery and expanding scale. The production can be sold to large markets or retailers in the name of cooperatives. Otherwise, these cooperatives can apply for

the subsidy of government.

There are a few kinds of employment patterns in cooperatives. one is self-employment that members take part in the work. Another is enterprises are registered as farmers' professional cooperatives. Farmers only receive land transfer funds and do not really participate in them.

### **1.3 agricultural company**

Enterprises registered in the form of company system to engage in agricultural production, operation, sales, processing and service are relatively complete and mature market subjects and pure enterprises compared with the above two.

## **2. Farmworkers' income**

Generally speaking, Farmers' income includes wage income, family operating income, property income and transfer income.

According to the data of the National Bureau of statistics in 2019, wage income, including migrant workers, accounts for 45.7% of the total income of farmers. Among the household operating net income, the agricultural operating net income accounted for 27.18%, and the non-agricultural operating net income accounted for relatively little, 13.87%. Transfer income accounts for 10.22%, mainly government subsidies, including government agricultural subsidies, social security income and other policy subsidies. Property income accounted for the smallest, only 3.01%, including land transfer income, asset income and dividend.<sup>i</sup>

## **3. Possible impact of basic income (UBI) on Farmers' lives**

To a certain extent, basic income can improve farmers' income level, improve farmers' quality of life, improve planting efficiency and increase family operating income by purchasing better seeds and fertilizers. Through more agricultural training and education, improve planting technology and increase income generation.

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<sup>i</sup> [1]杜鑫.当前中国农村居民收入及收入分配状况——兼论各粮食功能区域农村居民收入水平及收入差距[J/OL].中国农村经济,2021(07):2-17[2021-08-21].<http://kns.cnki.net/kcms/detail/11.1262.f.20210728.1117.010.html>.