



Study on the Sustainable Development of Land Share Cooperatives

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Abstract. As a new type of rural collective economic organization, land share cooperatives play an important role in activating farmers' subjectivity, driving rural economic development and rural revitalization. Under the support and guidance of various policies, land share cooperatives have developed faster and shown higher development potential. Based on the exploratory analysis of land share cooperatives, it is found that there are still practical problems that need to be solved. Specifically, in the practice of land shareholding cooperatives, there are mainly three development dilemmas: lack of legal protection, lack of cooperative profitability and structural defects. In view of this, it should be optimized by promoting the deepening and innovative development of the cooperative industry chain, improving the standardization of the cooperative statutes, and strengthening the legal protection of land share cooperatives, with a view to fully releasing the effectiveness of the governance of land share cooperatives.

Keywords: land share cooperatives, structural barriers, Law on Farmers' Specialized Cooperatives

1 Introduction

The 19th Party Congress put forward the strategy of rural revitalization, and vigorously developing the rural collective economy is conducive to the realization of the rural revitalization strategy. Subsequently, the National Rural Revitalization Strategic Plan (2018-2022) emphasized, "Deeply push forward the reform of the rural collective property right system, promote the transformation of resources into assets, capital into shares, and farmers into shareholders, and develop multiple forms of shareholding cooperation. Improve the power and management of farmers' possession, income, paid withdrawal, and mortgages, guarantees, inheritance, etc., of collective asset shares. Study and formulate a law on rural collective economic organizations to enrich the power of rural collective property rights." The sustainable development of land share cooperatives is of great significance in driving the rural economy and realizing the strategic plan for rural revitalization. [1] In the field research, it is found that there are still many problems in shareholding cooperatives, which, as an important collective economic organization in the countryside, are related to topics such as farmers' income increase, economic development, and rural revitalization, which are related to the

country's economy and people's livelihood. Therefore, it is of great theoretical significance and practical significance to analyze the practice pattern and problems of land share cooperatives and try to put forward corresponding solution strategies.

2 Analysis of the Development Difficulties of Land Share Cooperatives

2.1 Lack of Legal Protection

In the operation practice of cooperatives around the world, most of them follow the relevant provisions of the Law on Farmers' Specialized Cooperatives, and up to now, there is no special law regulating land share cooperatives. In the Law on Farmers' Specialized Cooperatives, the third paragraph of Article 4 stipulates: "Farmers' specialized cooperatives shall follow the principle of voluntary membership and freedom of withdrawal". However, in field practice, land management rights cooperatives restrict the freedom of members to withdraw from the cooperative. Although, according to the relevant provisions of the Law on Farmers' Specialized Cooperatives, a member of a cooperative may voluntarily request to withdraw from the cooperative, the cooperative shall, in the manner and within the time limit stipulated in the articles of association, return the amount of capital contributions and the share of the provident fund that have been recorded in the member's account. After a member joins a cooperative with the right to operate land, the cooperative may conduct unified management of the land in which the member has invested, and returning the right to operate land when the member withdraws from the cooperative may be detrimental to the overall interests of the cooperative. Because of this, when members request to withdraw from the cooperative, the cooperative is often unable to return their land management rights and refused to members of the withdrawal request, this practice is contrary to the Farmers' Specialized Cooperative Law on the freedom of withdrawal of members of the relevant provisions of the cooperative. [2] Therefore, in the practice of land share cooperatives, it is impossible to find the relevant applicable principles in the Law on Farmers' Specialized Cooperatives, which creates a situation in which land share cooperatives have no basis. In addition to this, article 22 of the Law on Farmers' Specialist Co-operatives stipulates: "The election and voting at the general meeting of members of farmers" specialist cooperatives shall be conducted on the basis of a one-person, one-vote system, with each member enjoying the basic right to vote by one vote." In practice, however, key members with a large number of shares may directly hold important positions without being elected by the general meeting of members, or, although elected by the general meeting of members, the election process is formalized.

2.2 Lack of Cooperative Profitability

The lack of marketing ability of cooperatives has led to the unfulfilled demand for cooperative profitability. First of all, some cooperatives have insufficient brand building and less product influence. In practice, cooperatives are often due to the lack of

technical support and production experience, resulting in more serious homogenization of agricultural products, in the face of increasingly fierce market competition, cooperatives are difficult to carry out high-quality brand building, which leads to cooperatives market competitiveness to make up for the shortage. Secondly, cooperatives lack of Internet thinking, resulting in narrower marketing channels for agricultural products. Cooperatives mostly adopt traditional sales channels, such as selling in supermarkets, or through intermediaries to bring products to market. Traditional sales channels will limit the market competitiveness of cooperatives, while most cooperatives lack Internet thinking and will not use emerging social platforms to expand marketing channels, which cannot meet the profitability needs of cooperatives. Finally, cooperatives lack professional marketing talents. Most of the cooperative members have a low level of knowledge, insufficient acceptance of emerging things, and are unwilling to learn modern marketing knowledge, which, to a certain extent, weakens the marketing ability of cooperatives. [3] The person in charge of the L cooperative in Y city said that the current members of the cooperative are generally older, and it is more difficult to learn new marketing methods, and many villagers are only concerned about their personal interests, and are not interested in collective affairs, and are even reluctant to join the cooperative, which makes it even more difficult for cooperatives to make attempts to carry out new marketing.

2.3 Deficiencies in Cooperative Structures

On the one hand, there is a tendency towards corporatization of cooperatives. The purpose of the company-led cooperative is to give full play to the advantages of both the company and the cooperative and to form a win-win situation. However, if there is a tendency of corporatization of the cooperative, it will distribute voting rights and surplus by capital contribution, which satisfies the interests of the company members and infinitely enlarges the rights and interests of the company, but it also causes the alienation of the cooperative, and largely harms the rights and interests of small farmers. On the other hand, the formulation of cooperative statutes is not standardized. In the process of formulating the statutes of cooperatives, the statutes are formulated in a more arbitrary manner. For example, some cooperatives copy the rules and regulations of other cooperatives, which is not conducive to the development of their own cooperatives; some cooperatives are formulated by the chairman of the board of directors or large contributors, which does not represent the will of ordinary members; some cooperatives' rules and regulations are not yet sound, and the lack of supporting systems has led to problems in the cooperatives' finances and shareholding setup. [4] The person in charge of M Cooperative in Y City said that the current formulation of the bylaws of cooperatives is not standardized, and that in the formulation of the bylaws of cooperatives, the chairman of the board of directors and the main members of the cooperative have a greater right to speak, and their opinions determine the formulation of the bylaws to a large extent, whereas the participation of the ordinary members is relatively low.

3 Countermeasures for the Development of Land Share Cooperatives

3.1 Promote the Deepening and Innovative Development of Cooperative Industry Chain

Increasing the sustainable development capacity of shareholding cooperatives requires promoting the deepening of the cooperative industry chain so as to improve the cooperatives' profitability, development potential, and ability to withstand market risks. [5] For one thing, it should focus on the innovative development of the supply of agricultural products and promote the broadening of the supply chain of agricultural products. If joint-stock cooperatives are to improve their sustainable development capacity, the improvement of added value of agricultural products, deep processing and finishing of products, and the improvement of added value of agricultural products are important initiatives for cooperative reform. [6] The chairman of the cooperative should focus on the deep processing of agricultural products market positioning, develop to create a diversified product with cooperative characteristics, and quickly occupy the market. Secondly, in the sales of agricultural products of share cooperatives, should focus on the innovative development of innovative cooperative sales methods. The chairman of the cooperative can cooperate with universities and youth teams to form a cooperative characteristic marketing team, create cooperative public number, cooperative agricultural products sales website, Taobao website, with the help of jitterbug video, network live broadcasting of emerging ways to promote cooperative agricultural products. Joint-stock cooperatives can further condense and promote the cooperative brand and village culture with the help of marketing teams, and closely integrate village culture and cooperative agricultural products through a series of folk culture promotion activities, giving cultural connotations to cooperative agricultural products and promoting the benign development of agricultural products. [7]

3.2 Improving the Standardization of Cooperative Statutes

The standardization of cooperative statutes plays an important role in the election of cooperative directors, the protection of the rights of cooperative members, the investment of production materials and capital, and the distribution of cooperative income. Enhancing the standardization of the articles of association and improving the governance mechanism of cooperatives will help the standardized development of cooperatives and have a significant impact on the development of the rural economy, which is an endogenous driving force for rural revitalization. [8] First, the standardization of cooperative statutes needs to respect the laws of market operation. In the process of cooperative management and charter drafting, special attention should be paid to the role of resource allocation in the internal market of cooperatives, fully respecting the power of development of cooperatives and members, implementing a series of structural adjustments, enhancing the sense of participation of ordinary members, effectively safeguarding the interests of ordinary members, and enhancing the communication and exchange between the chairman of the board of directors and ordinary members.

Secondly, the regulation of cooperative statutes needs to realize the full expression of members' will. Should strengthen the implementation of the informal system of normative, in the cooperative's bylaws, the election of the chairman of the board of directors, new members, members of the withdrawal of the daily management of the cooperative, fully respect the will of the ordinary members of the cooperative, in the cooperative bylaws to clarify the specific management measures, do not due to the chairman of the board of directors or other managers of the personal will of the decision-making, to achieve the value of the fairness of the informal system. [9]

3.3 Strengthening Legal Protection for Land Share Cooperatives

Land share cooperatives, as a special kind of farmers' specialized cooperatives, have the status of equal market subjects, and many provisions in the existing Law on Farmers' Specialized Cooperatives cannot be applied to land share cooperatives, so special provisions should be made for land share cooperatives on the basis of the existing law. For example, should be added to the "law on specialized farmers cooperatives" in the relevant provisions, in accordance with the "voluntary membership, free to withdraw" basis, land share cooperatives to formulate the articles of association, it should be clear that when the villagers to land management rights into the cooperative, and asked to withdraw from the cooperative, whether or not to return their land management rights, and if not, how should be compensate the members. The statute should be clearly communicated to the villagers when they join the cooperative so as to avoid unnecessary disputes. Another example is that in land share cooperatives, key members with more shares may directly take up the chairmanship of the board of directors or other important positions without going through the election of the general meeting of the members, or although elected by the general meeting of the members, the members' votes do not express their true meanings, and the election process is formalized. Therefore, on the basis of the Law on Farmers' Specialized Cooperatives, it should be stipulated that land-share cooperatives should not present differences in electoral rights because of the amount of members' capital contributions, that members' electoral and voting rights should be effectively safeguarded, and that the election of the various positions in the cooperative should be further made more transparent to avoid formalization of the process.

4 Conclusion

Document No. 1 of the Central Committee of the People's Republic of China in 2024 proposed 'building a modern agricultural management system' and 'upgrading the production and management level of family farms and farmers' cooperatives'. At the present stage, land share cooperatives have been commonly used in various activities of driving rural economic development, preventing scale poverty, and constructing modern agricultural management system, which has unique advantages in activating the farmers' subjectivity and promoting the modernization of agricultural production, but the problems existing in practice should also be paid great attention to. This paper

discusses the real problems of land share cooperatives in practice, and tries to put forward corresponding countermeasures. The three major measures of promoting the deepening and innovative development of the cooperative industry chain, improving the standardization of cooperative statutes, and strengthening the legal protection of land share cooperatives can not only promote the sustainable development of land share cooperatives, but also effectively safeguard the rights and interests of small farmers, and contribute to the improvement of the level of production and operation in the countryside as well as the good development of the economy.[10]

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