

Risk Analysis of Collective Forest Right Transfer in Post-Forest Era

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Abstract—The analysis of the economic risks of the circulation process is from the perspective of the forest transfer of the out of the party and the transfer of the turn to the party. It is believed that the social risk of circulation is mainly reflected in the increase in the gap between rich and poor residents and increase forest disputes. However, the nonconformity goal between different stakeholders including the conflict of local government partial interests and national macro targets are the main reasons of ecological risk. This paper has a positive reference value for deepening the system construction of forest right system reform.

Keywords- risk analysis; collective forest right transfer; post-forest era

I. INTRODUCTION

By the end of 2016, the country has 2.705 billion MU of the right collective forest area, accounting for 98.83% of the total area of collective forest land. The main reform task of "Clear property right, Determine right and issue certification" has almost done. Collective forest area entered Post – forest supporting measures construction stage. Forest rights circulation, as the one of the important means of supporting measures construction, plays a positive role in optimizing the efficiency of forest resource allocation, Improving the quality of forest resources utilization, enhancing the living standards of forest farmers, ensuring the social harmony and stability. However, there is a series of questions in the current collective forest rights transferring. Like excessive intervention by administrative power, the lagging behind construction of regulatory system, the not perfect circulation supporting measures, etc. These problems make the forest resources difficult to configure according to the law of marketization. These may produce a series of economic, social and ecological risks.

II. ECONOMIC RISKS

A. *Damage the Interests of the Transfer of Forest Rights*

Individual forest farmers, as the main body of forest right transfer, are in the weak chain of the economic behavior. In the transfer of forest rights may be affected by the lack of right to know, the right to speak, the right to participate in the damage. It cannot obtain the prior agreed forest rights transfer income[1]. The specific performance includes three aspects, Firstly, the local government use themselves excessive administrative power to participate in the transfer of forest rights for their own local interests(And some even a

compulsory unilateral circulation),forming an exceeding low compensation for the use of compensation. It damages to the economic benefits of forest farmers. Secondly, the management rights belong to the collective economical organization of forest management, with clear delegation agent characteristics. Delegation—In the agent-agent economic model, the inconsistency between the principal and the agent's responsibility and the incentive and the asymmetry of the information makes it possible for the agent to use his own information superiority to deviate from the client's interests and take opportunistic behavior and profit for himself. The client and agent inconsistency in responsibility and motivation aspect and asymmetry in information in the agent economic model, making the agent may use their own information advantage deviate from the interests of the client, take opportunistic behavior for their own profit. Under the collective forest property rights of the main relationship fuzzy situation, village cadres and a few villagers as the core collective forest rights management agents are more from the perspective of their own interests to maximize the interest in the absence of effective supervision and incentive mechanism. Changing the name of the collective assets into "cadres forest", "private forest" damages the interests of individual farmers. Thirdly, once the transferee takes the risk beyond its own carrying capacity, its optimal choice strategy is breach of contract; economic terms are called "Rational breach of contract". Transfers "rational breach of contract" of the unethical behavior of forest means economic losses in terms of farmers.

B. *Damage the Interests of The Receiver of Forest Rights*

There are two main reasons for the loss of interest to the receiver. First, the loss of property caused by forest right transfer's default. As "economic man" ,the forest farmers are "rational individual", the difference of interest determines the attitude of forest rights transfer. When forest farmers think the price is reasonable, can be accept, they are willing to turn out of forest rights. But when the economy, policy environment changes, the original forest right has been turned out of appears the theoretical value, forest farmers may unilaterally default. They will request the receipt of forest rights or the other side of the forest price difference, or stolen trees, destruct the forest road and so on. This phenomenon creates a great risk to the transfer of forest rights. Second, the risk of frequent policy adjustments. Forestry is a weak industry, in many district that collective forest areas forestry is not the leading industry, the government may frequently adjust the industrial policy, a large number of woodland was changed to his use to drive the economy and pursue official performance. This policy

instability results in the use of forest land was forced to exterminate. It creates a risk of economic loss that greatly damages the interests of the transferee.

III. SOCIAL RISKS

A. *Increasing the Gap between Rich and Poor Residents*

In the early years, in the case of heavy burden about forestry tax, the flagging price of timber, and the unprofitable management of forestry, many farmers chose to migrate to the city or to start up their own business. They transferred their forest rights to others. In a certain period of time, they lost their land-the carrier of life. With the upheaval of international economic situation and the adjustment of national industrial policy, a large number of labor-intensive, low-tech and value-added enterprises are facing collapse or industrial upgrading. This leads to a large number of migrant workers in rural areas returning home. In the absence of a sound social security system, these landless migrant workers lost their basic life and social insurance. Their living standards maybe will decline sharply. And those early forest owners purchased forest rights in the low-cost. In the factors of forestry tax reform and timber market prices and so on, those owners get high economic returns by their own management experience, technical advantages and moderate scale of operation. The rapid trend of getting rich roads widens the rural income gap and affects the rural social harmony and stability.

B. *Increasing the Contradictions and Disputes of Forest Rights*

There are multi-player games in the process of transferring forest rights. In the face of strong non-agricultural capital, powerful local government and "profitable broker" rural cadres, forest farmers are the vulnerable party in the game[2]. Their rights are easily violated. A large number of farmers losing their land too quickly leads to 2 results, one is increasing the rural polarization between rich and poor, the other is producing a large number of forest disputes. These result in a new class antagonism. When the legitimate rights and interests of the forest farmers are violated, they lost their basic livelihood security, their basic right to life. Destruction and resistance are their only choice. A large number of forest disputes are produced by mandatory, non - standard forest rights transfer. These disputes easily lead to mass incidents or leapfrog petition. Finally become the main factor in rural social instability.

IV. ECOLOGICAL RISKS

A. *Target Conflict of Different Stakeholders*

The government hopes to optimize the efficiency of resource allocation through standardized forest rights transfer, and then improve the quality of forest stands[3]. This will help forests to achieve a better ecological protection utility and realize the forestry development strategic goal. However, the practice of "rational small farmers" and personalized capital of the enterprise's own goal-oriented are contradictory with the country's strategic intent, leading to the conflict between micro-goals and macro-goals. Farmers (or business) pursue for

economic benefits. They achieve their economic goals through the harvest of timber and other forest products[4] In the absence of adequate ecological fund compensation, the ecological efficiency of the forest will not be taken into account. Interest-driven forest farmers may take short-sighted behavior of deforestation. The probability of this thing is great. From this point of view, the obstacles of the current forest rights transfer indirectly damage the forest resources, increase soil erosion, crisis forest ecological security and land resources security.

B. *The Conflicts between Local Interests and Macroeconomic Objectives*

Because the local government's local interests and national macro strategic objectives will be inconsistent, the normal flow, forest resources, forest ecological security and homeland security will also be affected. If some local government officials pursue for the GDP and personal performance, they provide great condition to attract investment[5]. And they forced farmers or rural collective organizations to transfer forest trees in a low-cost. The transferred forest trees are usually used as raw material forest cultivation base of large industrial enterprises. In this mandatory transaction process, when the government, enterprises and individuals have a fierce conflict, the forest resources will often become the object for vulnerable farmers to get compensation. At the same time, the forest land is concentrated in the hands of forestry companies, the company will carry out large-scale to unified afforestation, resulting in a single structure within the region and plant diversity decreased, and forest ecosystem diversity will be destroyed, the exchange of system energy flow, material flow and information flow is limited, the anti-interference ability of the system declines, and ultimately may lead to regional ecological environment deterioration.

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