

A Study on Chinese Rural Professional Economic Corporations — Their Functions in Agricultural Cooperation and Problems in Legislation —

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Summary

Chinese rural professional economic corporations (“professional corporations”) have been built and developed with various forms in each district, responding to needs of introduction of new crops and so on, since the reform and open policies began.

This study first classified professional corporations mainly from the viewpoint of styles for sale, based on results of field surveys, thereafter analyzed and clarified their functions in agricultural cooperation and problems in legislation.

The main function of many professional corporations is “the market complementary function”, which provides both farmers and brokers with places for trades of agricultural products and forms complementary markets. And in not a few cases, integrating farmers' production by processing enterprises and such is an important factor to build professional corporations. Meanwhile, few professional corporations act for farmers to sell agricultural products.

As things stand, professional corporations have many elements which are not compatible with the system of co-operatives. For example, brokers, enterprises and such whose interests are contrary to farmers are also members of professional corporations. It can be said that many difficult problems are lying in the way of legislating professional corporations as co-operatives.