

Empowering Rural Talent Revitalization with Hainan Free Trade Port: The Cultivation Logic and Practical Pathways of Rural Collective Economic Managers

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Abstract: Against the macro-background of the deep superimposition of the Hainan Free Trade Port (FTP) construction and the comprehensive rural revitalization strategy, the Rural Collective Economic Manager (Rural CEO), as a key variable for activating the rural collective economy and bridging the structural dilemma of "resource abundance versus asset depreciation" in villages, is increasing in importance. Based on institutional change theory, human capital theory, and social embeddedness theory, this paper constructs a collaborative evolution analytical framework of "Institution-Capability-Network" to reveal the intrinsic mechanism through which the institutional potential energy of the FTP transforms into the effectiveness of rural talent cultivation. The study finds that the current cultivation of Rural Collective Economic Managers in Hainan faces four practical dilemmas: a significant supply-demand gap, structural capability mismatch, softened incentives, and ambiguous institutional rights and responsibilities. The root cause lies in the structural tension between the high-end market logic of the FTP and the logic of local rural society, which has yet to be effectively adjusted institutionally. This essentially reflects a structural lag in the process of institutional change. Based on this, this paper proposes a four-dimensional practical pathway: "offshore talent attraction - stratified empowerment - Value Adjustment Mechanism (VAM) incentive - digital rights confirmation," aiming to form a "Hainan Solution" for cultivating rural professional managers with distinct FTP characteristics.

Keywords: Hainan Free Trade Port; Rural Talent Revitalization; Rural Collective Economic Manager; Rural CEO; Institutional Change; Structural Lag

1. Introduction

The year 2026 marks the beginning of the national "15th Five-Year Plan" and the first full year following the stress test of the Hainan Free Trade Port's island-wide customs operations. At this historically significant juncture, reassessing and solidifying the foundation of agriculture, rural areas, and farmers holds irreplaceable strategic value. The Rural Collective Economic Manager (also referred to in practice as a "rural professional manager" or "Rural CEO") is a product of the increasingly refined division of labor in modern agriculture. The concept originates from the professional manager system in industry, responsible for activating rural assets, managing rural industries, strengthening the collective economy, and ensuring efficient and orderly economic activities in villages.

In July 2025, the Ministry of Human Resources and Social Security of China officially listed the "Rural Collective Economic Manager" as a new national profession, marking the transition of this role from "informal exploration" to a new era of formal professional development. However, according to statistics from the Ministry of Agriculture and Rural Affairs, although the total assets of rural collective economies nationwide reached 9.6 trillion RMB by the end of 2023, traditional village cadres generally lack modern enterprise management experience. How to achieve asset value preservation and appreciation through professional operations has become a core issue in rural revitalization.

Although explorations of cultivation models for collective economic managers have occurred in places like Zhejiang and Chongqing, existing research primarily focuses on general rural scenarios in eastern coastal or inland hinterland areas [1]. There is a lack of in-depth discussion on how to translate policy dividends such as "freedom and ease of personnel entry and exit," "cross-border capital flows," and "the 15% personal income tax cap" into institutional

effectiveness for rural talent cultivation within the special institutional field of the Hainan FTP. This paper aims to fill this research gap, providing theoretical support and practical guidance for rural talent revitalization in the context of the Hainan FTP.

2. Concept Definition, Literature Review, and Theoretical Framework

2.1 Definition of Core Concepts

As defined by the Ministry of Human Resources and Social Security, a Rural Collective Economic Manager refers to an operations manager entrusted by a rural collective economic organization, aiming to develop and strengthen the new type of rural collective economy, engaged in economic activities such as resource contracting, property leasing, intermediary services, and operational property management [2]. The official establishment of this new profession standardizes practical experiences like "Rural CEO" and "rural professional manager" found in various locations. Introducing professional forces capable of planning, understanding markets, managing operations, and excelling in administration helps solve the long-standing problem of collective assets being "unmanaged, unmanageable, and unmanageable due to lack of skill."

Compared to "Agricultural Managers" engaged in production organization, equipment operation, technical support, product processing, and sales, the core characteristics of the Rural Collective Economic Manager lie in their "cross-boundary nature" (connecting administrative, market, and local logics) and "asset trusteeship" [3].

2.2 Literature Review and Research Gap

2.2.1 Research on the role and function of rural collective economic managers

Existing research defines this role from three main perspectives. From a resource-based view, the Rural CEO is seen as a key element compensating for the lack of managerial capital in villages, capable of transforming heterogeneous resources like land, ecology, and culture into competitive market advantages. From the principal-agent theory perspective, the Rural CEO is the "value-added agent" for collective asset owners, with the core challenge being designing incentive-compatible contracts to overcome "insider control" and "moral

hazard" [4]. From the social network theory perspective, they play a "structural hole" role, building a bridge for information and resource flow between local society and external markets [5].

2.2.2 Research on cultivation models and pathways for rural collective economic managers
Three representative cultivation models have emerged domestically. The government-led model, represented by Zhejiang's "Thousand Rural CEO Training Program," relies on universities for systematic training and integrates managers into the talent policy system [1]. The market-endogenous model, represented by places like Foshan and Dongguan in Guangdong, relies on strong village companies and market-based salaries to attract professional managers. The university-embedded model, represented by the China Agricultural University-Chongqing Chengkou partnership, uses a stepwise system of "centralized training - return-to-post practice - accompanied guidance."

2.2.3 Research on institutional environment and incentive constraints

Scholars like Wang Fang have identified three institutional bottlenecks in cultivating Rural CEOs: ambiguous rights and responsibilities (unclear boundaries with the village 'Two Committees' limiting operational autonomy); softened incentives (economically weak villages struggle to pay market salaries, creating a paradox where "those needing talent most can least afford it"); and capability mismatch (existing training emphasizes classroom teaching, lacking systematic construction of 'tacit knowledge') [6]. Additional issues include vague career development plans, limited resource integration capabilities, poor coordination with government and markets, and difficulties integrating into local society [4].

2.2.4 Research gap

Existing research has three main shortcomings: first, fragmented theoretical integration without a full-chain coupling picture of "capability construction - institutional incentive - social embeddedness"; second, a lack of research on special institutional fields, with little attention to the rule-driven institutional field of the FTP; third, unclear causal mechanisms, lacking in-depth analysis of the intermediary mechanisms transforming "macro institutional potential into micro cultivation effectiveness."

2.3 Theoretical Framework: "Institution-

"Capability-Network" Collaborative Evolution

To systematically explain the cultivation logic of Rural Collective Economic Managers in the Hainan FTP field, this paper integrates human capital theory, institutional change theory, and social embeddedness theory to construct a collaborative evolution analytical framework of "Institution-Capability-Network."

2.3.1 Institutional dimension: Incentive compatibility and boundary delineation

North's theory of institutional change suggests that effective institutional arrangements can reduce transaction costs and provide incentives for economic agents' innovation [7]. The Ministry's 2025 classification of the Rural Collective Economic Manager as a new profession constitutes "mandatory institutional change," granting professional legitimacy at the national level. Meanwhile, local explorations of recruitment and cultivation models represent responsive "induced institutional change." In the Hainan FTP field, whether institutional potential transforms into cultivation effectiveness depends on whether local supporting institutions can effectively reduce friction between administrative logic and market logic. This dimension primarily addresses "how to incentivize," granting professional legitimacy through mandatory change and providing supporting incentives through induced change.

2.3.2 Capability dimension: Contextual construction of tacit knowledge

Schultz and Becker's human capital theory indicates that the heterogeneity of human capital determines differences in economic performance [8]. The highly specific human capital required by Rural Collective Economic Managers (brand planning, digital marketing, capital operation) is highly contextual "tacit knowledge," difficult to transmit through classroom lectures, and can only be gradually constructed through "learning by doing" and mentorship [9]. Cultivating these managers is essentially an investment process to bridge the "capability gap" in modern operational human capital in rural areas. The core issue is solving "what to cultivate," shifting from explicit knowledge transfer to tacit knowledge migration.

2.3.3 Network dimension: Cross-boundary adaptation under multiple logics

Polanyi and Granovetter's social embeddedness theory emphasizes that economic action cannot exist independently of social relationship networks [10]. As "outsiders" or "returnees,"

Rural Collective Economic Managers must embed themselves simultaneously in modern market networks and local social networks. Overemphasizing market logic can lead to maladaptation; complete assimilation by local logic leads to loss of professional operational capability. Therefore, the cultivation process involves not only business skills but also discourse system conversion and interest alliance building amidst conflicts between multiple institutional logics – addressing "how to implement."

These three dimensions form a dynamic coupled system: institutional change provides legitimate space, capability enhancement reinforces network embedding depth, and successful embedding attracts institutional resource input.

3. Four Practical Dilemmas in Cultivating Rural Collective Economic Managers in the Hainan FTP Field

Combining literature review and policy analysis, this paper identifies four deep-seated dilemmas facing the cultivation of rural professional managers in Hainan, all rooted in the structural lag of institutional change.

3.1 Supply-Demand Gap: Attenuation of Institutional Potential Caused by Grassroots Risk Aversion

The supply-demand contradiction for Rural Collective Economic Managers in Hainan is significant. Taking the Sanya pilot as an example, only 5 were initially recruited, far below the potential demand of 2,558 village-level collective economic organizations across the province. The root cause is the progressive attenuation of the FTP's institutional potential during its transmission through the five levels of "province-county-township-village." When high-level FTP policies lack a clear list of exemptions, grassroots cadres tend towards a "risk-aversion logic," causing policies like the "15% individual income tax cap" to become vague slogans at the village level.

3.2 Capability Mismatch: Contextual Fracture in Human Capital Investment

Surveys indicate that over 60% of surveyed Rural Collective Economic Managers lack capabilities in areas like brand premium design and social capital introduction. From the perspective of knowledge transfer mechanisms, what managers need is tacit knowledge – such as

"how to probe cooperation boundaries in communication with the village head" or "how to package commercial development as common prosperity at villager assemblies" – rather than explicit knowledge like macro-policy interpretation. The existing cultivation system emphasizes the indoctrination of "explicit knowledge" (e.g., macro-policy interpretation) but neglects the construction of "tacit knowledge" (e.g., communication wisdom within the local context), resulting in a lack of practical wisdom to "translate" commercial logic in specific situations.

3.3 Softened Incentives: Institutional Absence of Residual Claims

Currently, the average annual salary for on-the-job Rural Collective Economic Managers in Hainan is 50,000-80,000 RMB, below or comparable to the starting salary of university graduates, making it difficult to attract experienced operational talent. Approximately 70% of collective economic organizations have annual incomes below 100,000 RMB, falling into the paradox of "needing talent most but being least able to afford it" [11]. From a principal-agent perspective, the "base salary + meager performance pay" model fails to satisfy participation constraints (salary not lower than external opportunity cost) and incentive compatibility (positive correlation between effort and reward) [12]. Within the framework of rural collective property rights, the "residual claims" of Rural Collective Economic Managers are institutionally ambiguous, trapped in the "needing talent most but being least able to afford it" paradox.

3.4 Ambiguous Rights and Responsibilities: Disorderly Collision of Multiple Institutional Logics

The boundaries of authority and responsibility between Rural Collective Economic Managers, the village committee, and collective economic organizations are unclear. The manager's role is to promote market-oriented thinking and modern methods for operating collective assets, optimizing industrial layout, and planning brand marketing. However, Hainan has not yet issued supporting responsibility list systems. The lack of a detailed responsibility list leads to market-oriented operational rights often being subordinated to traditional local authority and administrative power, marginalizing

professional managers as "executive assistants" and causing talent attrition.

In summary, the mandatory national change (new profession recognition) has been completed ahead of schedule, but local induced change (supporting institutions) lags significantly. The institutional vacuum not only fails to reduce transaction costs but generates new friction costs due to risk-aversion logic.

4. Practical Pathways: Constructing a "Hainan Solution" with Distinct FTP Characteristics

To break the structural lag, refined mechanism design is needed to internalize the policy potential energy of the Hainan FTP into the underlying logic of rural governance. Leveraging the policy advantages of the FTP, a four-dimensional practical pathway of "Talent Attraction - Cultivation - Incentive - Safeguard" is constructed.

4.1 Talent Attraction Mechanism: Reconstructing Flexible Talent Attraction Space Using Policy Potential

The crux of the supply-demand gap lies in the mismatch between attraction mechanisms and rural needs. The core is shifting from "rigid full-time binding" to "flexible problem-solving."

1. Establish a "Transnational Rural CEO Partnership" System. Leverage the 59-country visa-free entry policy to recruit talent from agriculturally advanced regions in Southeast Asia. Engage them as "project partners" using a flexible model of "short-term village stay + remote guidance." Collaborating within frameworks like the China-Laos Soybean Joint Research Center and the China-Malaysia Durian Industry Cooperation, introduce specialized talent for Thai durian operations, Vietnamese aquaculture, etc., converting personnel mobility freedom into effectiveness for agricultural technology introduction.

2. Institutionalize "Migratory Bird" Intellectual Capital. Based on the "Hainan Free Trade Port Talent Development Promotion Regulations," encourage Migratory Bird Talent Workstations to serve villages through technical guidance, part-time services, project cooperation, etc. For retired executives and brand experts wintering in Hainan, establish "project-based consultant" positions to access high-level intellectual support at low cost, achieving "de-bureaucratization" and

"efficiency-orientation" in talent utilization.

4.2 Cultivation Mechanism: Contextual Construction of Tacit Knowledge Anchored in FTP Industries

To solve capability mismatch, shift from "classroom teaching" to "situational training," drawing on Zhejiang's experience with localized upgrades.

1. Build a "Dual Mentor + Real Pain Point" Action Learning Loop. Assign each trainee a "Business Mentor" (experienced entrepreneur or Rural CEO) and a "Local Mentor" (local industry leader or senior village cadre). Mandate that trainees bring a real pain point from their village (e.g., quality control issues, lack of brand, poor sales channels) to the program. Complete a full cycle from problem diagnosis to solution implementation during practical training. Graduation requires submission of empirical evidence signed by stakeholders, forcing the transfer of tacit knowledge.
2. Develop FTP-featured "Micro-specialization" Modules. Move beyond generic courses. Develop customized modules centered on leading FTP industries like the Seed Industry (Nanfan breeding), tropical high-efficiency agriculture, and deep-sea aquaculture. Examples include: "Intellectual Property Protection and Achievement Commercialization in the Seed Industry," "Design of Agricultural, Cultural, and Tourism Integrated Products under Duty-Free Policies," and "Pathways for Cross-border Agricultural Brands Going Global." Through targeted forging of "FTP-specific" human capital, enhance the core competitiveness of Rural CEOs within the FTP field.
3. Establish "Post-Training Accompaniment" and Result Commercialization Mechanisms. Referencing Zhejiang's practice of providing continuous follow-up services, create a communication platform for Rural CEOs, regularly organize operational salons and resource matching meetings, enabling trainees to receive ongoing support after graduation.

4.3 Incentive Mechanism: Asymmetric Allocation of Residual Claims

To solve softened incentives, leverage Hainan FTP's financial openness advantages to innovate incentive tools, achieving incentive compatibility without changing property rights.

1. Implement "Value Adjustment Mechanism (VAM) / Bet-on Agreement" Dynamic Surplus

Sharing. Establish a special "incentive fund pool" at the township level. Sign a bet-on agreement with the manager centered on "net profit growth." Upon achieving targets, allow the manager to extract 20-30% of the excess profits as a risk premium, with the fund pool replenished from collective income growth the following year. This allows market-based residual claim concession without changing property rights.

2. Explore "QFLP Co-investment and Technology Equity Contribution." For CEOs introducing cross-border funds (via QFLP) or social capital, allow them to contribute management or technology as equity (not exceeding 10%), enabling them to enjoy excess returns upon capital exit. This directly translates FTP financial openness policies into personal incentive tools.
3. Construct a Three-Tier Salary System of "Base Salary + Performance Pay + Development Dividends." Referencing the tiered incentive model from Yinzhou, Ningbo ("200,000 RMB subsidy + 200,000 RMB performance pay + profit sharing"), design a differentiated salary structure aligned with Hainan's collective economic income realities, ensuring both salary competitiveness and performance orientation.

4.4 Safeguard Mechanism: Digital Technology Empowerment and Delineation of Multiple Logic Boundaries

To solve ambiguous rights and responsibilities, use list systems and digital means to clarify administrative and market boundaries.

1. Restructure Grassroots Power Structure with "Three Lists." At the county level, issue guiding power lists (specifying approval authority of the Rural CEO for amounts below a certain threshold), negative lists (strictly prohibiting interference in village administrative), and fault-tolerance lists (granting exemption for losses incurred through due-process decisions without personal gain). These lists must be approved by the Villagers' Representative Assembly to counteract the village head risk-aversion logic.
2. Reduce Transaction Costs through "Digital Rights Confirmation." Establish a county/city-level "Digital Platform for Rural Asset Investment Promotion." Complete digital rights confirmation and valuation of idle resources, providing a data foundation for VAM agreements, breaking information asymmetry,

and supporting the Rural CEO in performing duties.

3. Improve Career Development and Safeguard System. Issue special policies favoring managers in areas like identity recognition, compensation and benefits, professional title evaluation, and honors recognition. Advance actions to improve rural water supply, electricity, roads, logistics, and communication to solidify the foundation for talent retention.

5. Conclusion

Using the "Institution-Capability-Network" collaborative evolution framework, this paper systematically examines the cultivation logic of Rural Collective Economic Managers in the Hainan FTP field. It reveals four dilemmas: supply-demand gap, capability mismatch, softened incentives, and ambiguous rights/responsibilities. The root cause is an "institutional time lag" between mandatory national change and local induced change, amplified by grassroots risk-aversion logic, leading to the attenuation of policy potential and an institutional vacuum.

The cultivation of Rural Collective Economic Managers in Hainan is still in a pilot phase. The initial recruitment in Sanya marks practical implementation, but moving from pilot to institutionalized promotion requires systematic innovation in talent attraction, cultivation, incentives, and rights delineation. The pathways proposed here – flexible attraction, contextual construction, asymmetric allocation of residual claims, and digital empowerment – closely align with core FTP policy tools, possessing both theoretical innovation and practical value.

This study has limitations. First, being in the pilot phase, long-term policy effects require follow-up evaluation. Second, differences in institutional friction based on varying property rights structures need larger-scale comparative studies. Third, the legal boundaries and operational details of tools like QFLP co-investment require deeper exploration. Future research can extend in these directions to deepen understanding of the laws governing rural talent revitalization in special institutional fields.

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