

**RURAL LAND DEVELOPMENT IN CHINA:
PRACTICES AND PROBLEMS**

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Executive Summary

1. Land is still firmly under state control in China. China's overall rural land development has made great contribution to its economic development. The peasants have created an innovative way to transfer rural land to meet the needs of economic reform and maximize their interest share through land appreciation caused by industrialization and urbanization since 1978.
2. However rural land development had not been easy due partly to the inefficient management of the Housing Construal System and farmland transfers, the social conflicts in land expropriation, and the massive construction of housing with limited property right (小产权房).
3. The consensus is that the poorly defined property right (土地产权主体不明确) and the limited dimension of property right (土地产权不完整), which largely derives from the collective ownership, are major factors leading to the current rural land problems.
4. In a wider context, the country's dual urban and rural land structures, the deficiencies of the land legislations, and the overlap of political power and economic interest among multiple levels of authority have further exacerbated the land problems.
5. The institutional framework and related land use patterns have resulted in heated debates on the collective land ownership regime, including the conversion of collective ownership to individual private title-ship (privatization) and to state-owned status (nationalization), and the granting of fuller land-use right to individual peasants without changing the collective ownership.
6. The central government's current stance, implied by its land policies, shows no sign of changing the nature of collectively owned land. The core of the

rural land reform is still about the good management of relationships between the nation, the collectives and the individuals.

7. The last decade witnessed slow rural land development. Even the most significant attempt made by the 2008 rural land scheme registered little progress. The Land Administrative Law has been under review by the joint ministries since 2009. When it will be released and whether it will come with innovative ideas and breakthroughs remain unknown.
8. The slow progress in the improvement of legislations on the rural land sector, termed as deliberate institutional ambiguity, has caused great social conflict.
9. There is also a call for the government to adopt a clear stance and to take urgent action to provide a harmonious environment for the 2013 leadership handover and its subsequent governance, which is crucial for further land reform in the ownership dimension.