

**CHINA'S 2008 RURAL LAND REFORM:
AN ASSESSMENT**

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Executive Summary

1. The 16th National Congress of the Chinese Communist Party (CCP) in 2002 first raised the prospects of rural and urban integration (城乡统筹) in alleviating the *san nong* problems (三农问题) and the problems with the rural and urban dualist structure (城乡二元结构问题). Chinese leaders recognize the need for new land policy initiatives for rural and urban integration.
2. The central government released the Decision on Several Significant Issues to Promote Rural Reform and Development at the Third Plenary Session of the 17th Central Committee of the CCP in October 2008, deemed as the second “take off” of rural land development after the one in 1978.
3. There were high expectations for the Decision. Most scholars and practitioners expected to see some major breakthroughs (e.g. in the land ownership, the transfers of rural residential properties) in stimulating rural-urban integration and letting the peasants benefit from China’s urbanization and industrialization.
4. The Decision is making baby steps rather than great leaps in its implementation to address concerns such as land transfers, share cooperation system, rural-urban integration and farmland protection.
5. Two bright spots of this scheme were the affirmation of the long-term and stable farmland contractual tenure under the Housing Contractual System (HCS), and the proposal of a uniform land market to eliminate rural-urban disparity. Yet it showed that the central government has no intention of changing the land collective ownership.
6. This policy initiative and the follow-ups indicated that China is attempting to alter its rural land use patterns gradually and in response to growing social,

economic and environmental pressures. This is in contrast to its swift industrialization, urbanization and marketization over the past three decades.

7. The 2008 scheme and its follow-ups show that more needs to be done to check the repercussions of rapid economic development. Other than regional land transfers, no significant breakthroughs at either legislative level or practical level have been achieved.
8. Rural land development, particularly in the transfers of farmland and construction land, has come to a crossroads which requires the government to adopt a clear stance and to take urgent actions. As stated by the head of Minster of Land and Resources, “China’s land development has come to a critical point and calls for a fundamental reform”.
9. Under the current socio-economic climate (currency, export, property market downturn and social tension in land expropriation), a rural land reform to transform land resources to assets and capital (土地资源的资产化资本化) and establish a uniform land market could be a good solution for China’s economic development.