

**GUANGDONG'S INNOVATION
IN LAND USE**

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EAI Background Brief No. 873

Date of Publication: 5 December 2013

Executive Summary

1. Guangdong's high economic growth was accompanied by massive land use, resulting in land shortage, high land development intensity, low utilization rates, and massive defaults in the land sector, etc. This has greatly constrained its economic development, particularly in the Pearl River Delta Area.
2. In 2008 the Ministry of Land and Resources granted a special policy privilege to Guangdong on the economical and intensive use of land. It allowed holders of land sites with historical complications to register in retrospect and the private sectors to share interest in the value-add after project renewals.
3. The implementation of the renewal scheme varied across Guangdong. The key to Fusan's success was that the government was willing to share interest with landholders and encouraged them to embark on self-renewal programs.
4. Yet slow progress was recorded in some regions. In Guangzhou the representatives of the Guangzhou 14th Congress claimed that the government was reluctant to share interests from value-added land with the farmers.
5. In Shenzhen it was mainly due to obstacles in property right classification; in Dongguan many applications were disapproved as over 90% were for real estate purposes. In Huizhou, investors avoided the scheme because of insufficient governmental financial assistance.
6. As a whole the scheme has yet to solve Guangdong's urgent land problems. Nevertheless it implies that the government has to take a different approach in project renewals from new land development.
7. The scheme has changed the mindset of the government in land use and management, shifting from a "heavy reliance on land revenue" (土地财政) to interest sharing with landholders (让利于民).

8. The scheme also implies that clear property right classification over land is essential to help eliminate long existing conflicts. Without preferential policies for land plots with historical complications (relating particularly to land title-ship), the scheme would not have made much progress.
9. The authorities highly appraised the implementation of the renewal scheme in Guangdong as it was tailored to local situations (particularly in the PRDA) and provided implications for correcting disorderly land use in Guangdong.
10. The Minister of Land and Resources suggested generating Guangdong's experiences into a policy package for application to other regions. However Guangdong's scenario of fast economic growth, mature market mechanism, land reform experiences, etc., makes the experience inapplicable nationwide.