Study on the New Institutional Environment and New Results from Practice in the New Round of Rural Land System Reform in China

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Abstract. Under the background that the state has vigoriously explored and promoted the new round of rural land system reform, the project has studied the new institutional environment gradually formed in rural land system reforms and the new results from practice in the reform pilots, concluded revelations of the new institutional environment and the new results from practice, and provided the policy recommendations of realistic value for the successful promotion of the new round of rural land system reform.

Research Background

In November 2013, the 3rd Plenary Session of 18th CPC Central Committee defined the direction, task and requirements of the rural land system reform expressly, and embarked on the new journey of rural land system reform. In December 2014, the CPC Central Committee deliberated and approved the “Opinions concerning Rural Land Expropriation, Collective Operating and Construction Land Entering Market and Homestead Institutional Reform Pilot Work”. President Xi Jinping underscored that the rural land system reform should stick to three bottom lines, namely unchanged public land ownership, the warning limit of arable land and undamaged interests of peasants, and the reform should be promoted in an orderly way based on pilot work. The NPC Standing Committee approved and empowered the State Council to carry out rural land pilot reforms in 33 counties (cities and districts) including Daxing District, Beijing City in February 2015. After 5-year exploration, the rural land system reform has accomplished positive progress and important results in institutional building and pilot practice.

Analysis of the New Institutional Environment in the New Round of Rural Land System Reform

The author thinks that the new round of rural land system reform in China undergoes four stages, i.e. the kickoff stage, pilot promotion stage, institutional building stage, and institutional stability stage, and this is a progressive course for a new institutional environment.

Analysis of the Institutional Environment in the Kickoff Stage

This stage lasted from November 2013 to January 2015, and the milestone was that in November 2013, the 4th Plenary Session of 18th CPC Central Committee defined the direction, task and requirements of the rural land system reform expressly, and the new round rural land system reform was started on the national level. In this stage, the law failed to meet the realistic needs of socioeconomic development. The state built the institutional environment based on relevant decisions of the Communist Party of China on rural land system reform, and then provided guidance for the reform practice.
Analysis of the Institutional Environment in the Pilot Promotion Stage

This stage was from February 2015 to December 2018, and the milestone was that the 13th Meeting of the 12th NPC Standing Committee authorized the State Council to carry out pilot reforms of rural land expropriation, collective operational construction land entering into the market and homestead system in 33 counties (cities and districts). In this stage, the legislative authorization of NPC made up for the inadequate laws, and the State Council may have timely and efficient feedback on striking difficulties and common problems in pilot areas and then provide guidance.

Analysis of the Institutional Environment in the Institutional Building Stage

This stage was from January 2019 to the promulgation and enforcement of the newly amended “Land Administration Law”, and the milestone was the official implementation of “Rural Land Contracting Law”, which was amended on January 1, 2019, and defined “separated rural ownership rights”, rural land circulation, etc. in terms of legislation. “Land Administration Law (Draft Amendment)” was deliberated and passed in the 32nd Executive Meeting of the State Council and the Executive Meeting of Political Bureau of CPC Central Committee successively at the end of 2018, and it will be submitted to the 7th meeting of the 13th NPC Standing Committee for deliberation. In this period, the rural land system reform has been in the stage for reinforcement of practice results with the legal system, and the new institutional environment is almost complete.

Analysis of the Institutional Environment in the System Stabilization Stage

This period is projected to be from January 2021 to December 2022, and the milestone is the promulgation and implementation of the newly amended “Land Administration Law Enforcement Regulations”. In this stage, the state will comprehensively organize and evaluate relevant systems in alignment with the newly amended “Land Administration Laws” and “Land Administration Law Enforcement Regulations”, take different moves, complete auxiliary system building, and organize rural land resources allocation and regulatory mechanism. The new institutional environment is basically stable and increasingly mature.

Analysis of New Results from Practice in the New Round of Rural Land System Reform

Since the new round of rural land system reform kicked off, the pilot areas have put the national decisions and deployment into practice earnestly, adhered to the bottom lines, liberated their thoughts, adjusted measures to local conditions, made explorations vigorously, and accomplished replicable and probable creative results, and they have played a positive role in rural revitalization.

Analysis of New Results from Land Expropriation System Reform Practice

Firstly make explorations on narrowing down the land expropriation range. Most pilot areas have formulated the “Land Expropriation Catalogue”, which points out the types of land to be expropriated and lists the specific land use types. The land for non-public projects beyond the urban construction land range defined by the general land use planning will not be expropriated. Secondly regulate the land expropriation procedures. Safeguard lawful rights of the peasant whose land is expropriated, and establish procedures involving risk assessment, democratic consultation, compensation and resettlement, dispute settling, follow-up supervision, etc. Thirdly complete the multiple security mechanism for the peasant whose land is expropriated. Raise the land expropriation compensation standard by 30-50% higher than the legal compensation standard, so the peasant whose land is expropriated gets more land value-added benefits, and meanwhile the social security pension for these peasants is realized.
Analysis of New Results from Practice of Rural Collective Operational Construction Land Entering into the Market

Firstly empower the collective operational construction land with use right equivalent rights. Allow the collective operational construction land use right to be sold, leased, used for capital contribution or buying shares with a price, as well as transferred, rented or mortgaged. Secondly adjust measures to local conditions to decide the subject to enter into the market. The pilot areas will have collective ownership representatives or authorized agents of the townships, villages and villagers groups as the subject to enter into the market. Most pilot areas don’t have collective economic organizations, so villagers committees or villagers teams will be the subject on the market. Thirdly build and complete the market trading rules and service regulatory system. The pilot areas will refer to the state-owned land construction land trading system, establish the collective operational construction land entering into market management measures, trading rules, land price systems and service regulatory systems, and build the rural property rights trading platform.

Analysis of New Results from Rural Homestead System Reform Practice

Make explorations actively on safeguarding rural household houses, building homestead compensated use and exit mechanism, delegating the exam & approval rights of homestead, completing homestead management system, etc. Firstly complete the homestead rights security and acquisition way, and explore multiple ways to realize “the homestead for every household” under local circumstances. Secondly establish the homestead compensated use system dominated by rural collective economic organizations, and make explorations on charging compensated service fees for excessive homestead occupation, more homesteads for one household and the homestead occupied by non-collective members by inheriting or other ways. Thirdly make explorations on building the rural homestead voluntary compensated exit mechanism, and encouraging peasants to return their homestead through diverse compensated trades.

Revelations from the New Institutional Environment and New Results from Practice

The Rural Land Product Attribute is Changed

Rural land is owned by the collective and used by collective rural households, but under the rigorous purpose control before, the government has the absolute control of rural land use and flow by the rural land transference and expropriation systems, and the public goods attribute of rural collective land is beyond the club goods attribute. Under the public land ownership in the new institutional environment, the land rights of village collectives and rural households will be protected and realized to the maximum extent, and the club goods attribute will be manifested.

The Positions of the Government, Market, Village Collective and Rural Household in Rural Land Have Been Changed

The new round of rural land system reform highlights on market allocation reinforcing, administrative intervention weakening and villagers self-governance intensifying. Rural land has a special nature in China, and it has the public goods and club goods attributes under the protection of the “Real Rights Law”. Multiple stakeholders including local governments, village collectives and rural households have the will to protect the land and the impulsion to use the land in violation of laws. The inherent contradiction is mitigated but cannot be eliminated thoroughly by the new round of rural land system reform. As a result, the rural land use and management, which depends on governmental administration, market competition or self-governance of villagers alone, will have defects and risks.
The Market-oriented Competitive and Cooperative Relations of Multiple Rural Land Stakeholders Have Changed

In the new institutional environment, the price, circulation and use of rural land will be market-oriented, the administrative intervention will exit to the maximum extent, the roles as local government land resources allocators and land finance benefiters will be gradually unimportant, and the core function of rural land administration will be to guarantee economic development by enforcing the law, regulating and protecting arable land resources. However, local government, village collectives, rural households, land use enterprises and other social organizations still have dual and even multiple interests needs in rural land. They are in competitive and cooperative relations, and there is no doubt that their diversified competitive and cooperative relations will have substantial influence on lawful rural land administration.

Summary

The new round of rural land system reform in China has promoted the uniform urban and rural construction land use market building, improved rural industrial development land security capabilities, raised land property incomes of peasants, and lifted rural land use and governance levels, so the results are remarkable. The problems discovered in the reform course need to be resolved in the progressive reform, in a bid to make sure that the state, local government, village collective, rural households, etc. can benefit from the reform.

References


