



Land reform in China

Promises, promises

A “breakthrough” in land reform? Or a damp squib?

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THE farmers of Shangmatai township, about 90km (55 miles) south-east of Beijing, near the port city of Tianjin, are waiting anxiously for land reform. According to the peasants, the local government has seized their land to build an artificial lake in order to attract tourists. They say they have received no compensation. Late last year lawyers and academics in Beijing seized on their dispute with officials, among several others, as a reason why peasants should be given clearer ownership rights. “Peasants want to recover the land ownership rights that belong to us,” says a statement signed by 17 farmers of Shangmatai in March.



Collective ownership, singular toilAP

So far, they have had no luck. Activists say they are kept under surveillance. Several claim to have been beaten by goons hired by local officials. One was detained for 18 days in April. Courts have refused to hear their case and officials have tried to intimidate a lawyer representing them, the activists say.

Their main hope now appears to rest with the Communist party’s leadership. After a meeting in Beijing, the party has announced “breakthroughs” in its thinking about the countryside. A communiqué issued on October 12th by the party’s Central Committee promises “a new upsurge” in rural reform. Some believe that, at long last, the party has recognised that the key to agricultural improvement is land ownership. But such is the secretive way that policymaking works in China that it may be several days (or longer) before news trickles out of what these “breakthroughs” actually amount to. The details, for the time being, are classified.

At the moment, rural land is “collectively” owned but may be leased to peasants on 30-year contracts. It cannot be mortgaged and selling usage rights or buildings can be legally problematic. Urban land, in contrast, though state-owned, is readily traded, with far longer leases.

Chinese academics have long argued that a freer and better-regulated rural property market is essential if peasants are to enjoy more of the fruits of growth. They say it would encourage the consolidation of tiny, inefficient plots of land leased to farmers by collectives and allow peasants to cash in on their land’s market value, enabling them to use the capital to go into business in the cities. Academics also think that a proper land market would protect farmers from indiscriminate land grabs by local officials who often take collective ownership to mean control by themselves.

Of the tens of thousands of peasant protests that occur every year in China, nearly half relate to land grabs, said a report in *Caijing*, an influential Beijing magazine. Tighter approval procedures introduced in 2006 have simply resulted in local officials forcing peasants to rent their land, instead of seizing it outright. This problem, the report said, was getting “worse and worse”.

This is all the more embarrassing because of the party’s plans to celebrate the 30th anniversary of China’s economic reforms in December. Rural residents are much better off than they were in 1978, especially thanks to the growth of non-farming incomes. But city-dwellers have grown richer even more quickly. Migrants from the countryside to the cities are still largely excluded from urban social-security provisions as well as the subsidised education that city-dwellers enjoy.

President Hu Jintao appeared to signal a new approach by paying a visit in September to Xiaogang village in the central province of Anhui. Xiaogang has an almost totemic significance. Peasants there met secretly 30 years ago and agreed to parcel out communal land to individual households.

The party has long hailed this action as the beginning of the end of the disastrous Maoist agricultural system. Optimists thought that by going to Xiaogang, Mr Hu was hinting that something similarly big is once again afoot.

But for all the official hype about the Central Committee recent meeting—of “great, profound and far-reaching significance”, said the *People’s Daily*—the party remains weighed down by taboos. Two years ago it decreed that 120m hectares must be preserved as arable land to ensure food security. That leaves hardly any for conversion to other uses.

Since the meeting, the Chinese media have reported that the basic principle of collective ownership of rural land will remain unchanged. This means village committees, mostly controlled by party appointees, will surely retain considerable say over any land deals. Some reports have said reforms could start with free trade in non-arable rural land. Guangdong Province in the south has partially allowed this since 2005. But officials in Beijing still worry that the practice could result in swathes of farmland being redesignated as non-arable in order to open it up for sale.

One specific idea the Central Committee has announced is that peasant incomes are to be doubled by 2020. But even this is cautious. It requires an annual growth rate of 6%, about what China expects to achieve this year but down on last year’s 9.5% and less than the 7.1% average since the reforms began. The party’s prescription could amount to more of the same.

Asia

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