

**The New York Times**

## **China Announces Land Policy Aimed at Promoting Income Growth in Countryside**

By EDWARD WONG  
October 12, 2008

BEIJING — Chinese leaders said Sunday that they would adopt a rural growth policy aimed at vastly increasing the income of China's hundreds of millions of farmers by the year 2020, setting in motion what could be the nation's biggest economic reform in years.



*A new land policy is aimed at lifting the income of China's more than 800 million farmers.*

The new policy is intended to stimulate market-driven economic growth in the countryside and to narrow the enormous income disparity between rural and urban Chinese, one of the largest such gaps in the world. Its adoption is another significant step away from the system of communal farming and collectivization put in place under Mao.

The announcement, made through reports in state news organizations on Sunday night, came at the end of the Communist Party's annual four-day planning session. The reports did not give details of the reform, nor did they say when the plan would take effect. Policy decisions made at the planning session are often given pro forma approval by the National People's Congress in an annual meeting the following March before details are unveiled and implementation begins.

Scholars and government advisers said in interviews during the four-day session that the new policy would allow China's more than 800 million peasants to engage in the unrestricted trade or sale of land-use contracts, good for decades, that are given to them by the government. Adopting such a system would be a significant move toward privatization.

Since early October, state news media have run stories extolling the virtues of a system in which farmers would be able to trade, purchase or sell their land rights.

**See related:**

State news reports on Sunday night described the rural reform package in general terms, but said that a new land management system would be put in place. A draft of the new policy that had been written up by the Central Committee began circulating on Thursday in the planning session, which was attended by 368 Communist Party members and overseen by President Hu Jintao.

[China May Let Peasants Sell Rights to Farmland](#)  
**(October 11, 2008)**

Xinhua, the state news agency, cited an official statement that said Chinese leaders had agreed at the session that the country "will stick to and improve its rural basic economic system." To do so, the agency reported, the government will "set up a 'strict and normative' land management system in the countryside, expand policy support for agriculture, establish a modern rural financial network and a system to balance the development between rural and urban areas, and improve the rural democracy."

The government's goal is to double the per capita disposable income of rural residents by 2020, according to Xinhua.

While China's cities have profited enormously from economic reforms first announced in 1978, the countryside has lagged further and further behind. Protests in rural China are a big source of social unrest these days, and the most common grievance centers on the seizure of land by corrupt government officials.

"With rapid industrialization and urbanization, the violation of farmers' land rights happens all the time, as local governments make decisions for farmers instead of allowing farmers to decide for themselves," Song Hongyuan, the head of the Research Center for the Rural Economy in the Ministry of Agriculture, said in an interview. "Thus the government needs to improve the policy to fully protect farmers' interests."

In theory, the new policy would grant peasants more land security and lead them to make better use of the small fields that they now manage under 30-year contracts. The ability to sell the contracts would also lead to the establishment of large-scale farms, which some economists say would help China's agricultural industry better compete in a global marketplace.

For those farmers who decide to move to the cities, as many are doing now, the policy discussed at the planning session would allow them to cash in on their land assets and relocate to the cities with some savings. In theory, the farmers would also be able to use the land rights as collateral for loans.

Policy makers were also discussing whether to increase the contracts to 70 years, but it was unclear on Sunday night whether that measure had been adopted in the reform package.

A law passed in 2002 allowed peasants to engage in limited trades of their land-use contracts but still kept many restrictions.

In some parts of China, especially in coastal provinces like Guangdong or Zhejiang, farmers engage in robust trading of land. Peasants who move to cities to become migrant workers often informally give up or swap their farmland to family members.

Advocates for land reform say that in order for any new system of land use to work properly, the Chinese government still has to ensure that the rule of law is established and followed, especially by local government officials.

“Implementation of the law is the key,” said Keliang Zhu, a lawyer with the China research division of the Rural Development Institute, a Seattle-based group that pushes for land reform for poor people around the world. “You have a much greater test in the future. We need to make sure to establish supporting institutions that will help to carry out laws and policies.”

Mr. Zhu said the government needed to educate farmers and local officials about the legal aspects of land rights. In addition, farmers should be given full documentation ensuring their rights to a piece of land, he said. Officially, the government says that 80 to 90 percent of peasants have proper documentation, but in reality only half do, he said, citing recent statistics compiled by the Rural Development Institute.

Under the new policy, companies buying land-use rights from peasants will probably still not be able to easily convert the land to some use other than farming. Senior Communist Party officials often express reservations at allowing businesses unfettered access to China’s land.

*A version of this article appeared in print on October 13, 2008, on page A6 of the New York edition.*