

FOR IMMEDIATE RELEASE
April 17, 2006

For More Information
Gail Romero, (206) 528-5880
gair@rdiland.org

In China's land-reform efforts, rural reality lags official policy

SEATTLE, WA -- New survey data collected and analyzed by a team of U.S.- and China-based researchers paints a stark picture of rural land reform in China. Since 2001, the team reports, instances of the Chinese government reallocating land have more than tripled. Meanwhile, despite the terms of a 2002 law requiring that farmers be notified of strengthened property rights, fewer than half of all farmers have received official documentation.

The data help explain the "significant public discontent in China's countryside," said Jeff Riedinger, acting dean of International Studies and Programs at Michigan State University and one of the study's authors.

A better understanding of China's stewing rural strife couldn't be timelier. After more than two decades of stunning economic growth focused mostly in China's eastern urban centers, the country is grappling with the largest urban-rural income gap in its modern history.

Now, as farmland continues to give way to development, both Chinese and foreign observers have noted increasing incidents of rural unrest, including violent conflicts between the Chinese government and farmers. In January, China's Premier Wen Jiabao said that efforts to narrow the rural-urban wealth gap were falling short and that land grabs by officials were provoking mass unrest in the countryside that could threaten China's national security and economic growth.

The study, to be published this fall in the *New York University Journal of International Law & Politics* (Vol. 38:4), measures the extent of the problem and makes recommendations on how the unrest might be mitigated. The authors include Riedinger and researchers at the University of Washington, the Seattle-based Rural Development Institute and Renmin University in China.

In 2005, researchers from Renmin University visited more 1,700 villages in 17 provinces and collected close to 2,000 survey responses. Farmers were asked questions on a range of topics, including whether they had received state documentation outlining their recently improved property rights and how the process of government reallocation of rural farmland or nonagricultural purposes was working in practice.

China's 2002 Rural Land Contracting Law requires the government to issue contracts or certificates to all farmers describing their rights to profit from their land parcels and be mostly sheltered from government intervention or reallocation for 30 years. The law is the most significant recent piece of Chinese legislation to address explicitly farmers' rights to their most important asset.

The researchers found that less than 40 percent of farm households have received valid contracts or certificates. After a period of heightened investment from 1999 to 2002, Chinese farmers more recently have shown a decreasing willingness to make long-term investments on their land.

Farmers' confidence also flagged, the researchers say, because of the spike in land takings by local and regional governments. According to survey data, the number of annual takings was 15 times higher in 2005 than in 1995 – a trend that runs counter to recent legislation, including the Rural Land Contracting Law, designed to protect quasi-private property rights.

Other survey data reflect a gross inadequacy in terms of how farmers are compensated for takings and dubious claims of public interest associated with such takings. Among these findings:

- Only one in five farmers subject to a taking said they were consulted about the amount of compensation they might receive.
- In about a third of cases where cash compensation was promised, the promise has not been fulfilled.
- More than 30 percent of government reasons given for most recent takings were for reasons that, according to most Western legal norms, wouldn't qualify as public interest – factory (15.8 percent), development zone or industrial park (13.1 percent), urban or suburban apartments or housing (2.8 percent), and gas station (1 percent).

The takings are “typically schemes where local governments and business developers [act in concert]...so that they can take farmers' land away as cheaply as possible,” the authors wrote.

The researchers, whose work is funded in part by the Bill & Melinda Gates Foundation, also make several recommendations on addressing the issues identified by their survey. One is to urge the Chinese government to work on distributing an official contract or certificate to at least 85 percent of farm households by March 2008, the fifth anniversary of the Rural Land Contracting Law. Additionally, the researchers suggest a widespread publicity campaign to inform farmers of their strengthened property rights under the law.

According to survey data, farmers who receive documentation and are exposed to information about their rights are more likely to make long-term investments in their land. Such investments are crucial to China's ongoing economic growth and stability, the researchers say.

Another key recommendation is to reform land-takings rules by improving compensation standards, ensuring farmers receive the lion's share of compensation and increasing procedural fairness.

Riedinger noted that the team is working closely with the Chinese government, which has supported the research via the Development Research Center. A government-sponsored think tank, the center advises China's cabinet officials on social and economic development issues.

The researchers conducted a Feb. 20 daylong workshop, arranged by the center, for senior Chinese government officials in Beijing. The team also has presented their findings at the World Bank in Washington, D.C., another supporter of the research, as well as the Council on Foreign Relations in New York City.

Symbolic support has been lent to the work, which has been ongoing since the 1990s. Several years ago, Jiabao, China's premier who has spoken out several times about the importance of addressing concerns of the country's farmers, joined members of the team in their village field research activities. Jiabao's goal, Riedinger says, was "to see how the team's data collection methods were different than those used by China's government, which often produce questionable data."

For example, Riedinger said, local officials often asserted that the vast majority of area farmers had received official contracts or certificates about their 30-year rights – claims that survey data roundly refuted.

Despite these concerns, the team appears optimistic about the long-range prospects for China's farmers, mostly because of two and a half decades of reforms aimed at strengthening private property rights. The key, the authors wrote, is that solutions to current issues, "must include, as a central element, providing farmers with greater land tenure security."

###

The Rural Development Institute (RDI) is an international nonprofit organization working to secure land rights for the world's poorest. For over 40 years, in over 40 countries, RDI has helped bring secure land rights to more than 400,000,000 people. RDI is known internationally for its work with governments, multilateral donors such as the World Bank, USAID and UNFAO, and foundations such as the Bill & Melinda Gates Foundation and John Templeton Foundation. Headquartered in Seattle, RDI has offices in Beijing, New Delhi, Bangalore, Jakarta, and Kigali and a legal aid center in Russia.

Michigan State University has been advancing knowledge and transforming lives through innovative teaching, research and outreach for 150 years. MSU is known internationally as a major public university with global reach and extraordinary impact. Its 15 degree-granting colleges attract scholars worldwide who are interested in combining education with practical problem solving.