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## **Secure land rights will boost China's rural economy, survey says**

*RDI and NBR publish new report on China's efforts to provide secure, long-term land rights to rural families*

SEATTLE, WA – New survey data indicates that China has made significant progress in economic development through land reform, contributing to a growing sense of security for the country's 200 million farm families, who are increasingly investing in land and benefitting from market transfers. However, a unique nationwide survey, led by the Rural Development Institute (RDI), shows that implementing those land rights is still a challenge.

"China faces an incredible urban-rural gap. The majority of China's citizens still live in the countryside, where they lag far behind the urban population on almost every social and economic indicator," said Roy Prosterman, founder of RDI, a global nonprofit working to secure land rights for the world's rural poor. "Our latest survey confirms that implementing secure, marketable land rights for China's rural families could help close that gap. Research shows that secure land rights give farmers the incentive to make long-term investments and can be a massive new source of wealth—one that can be estimated at \$1.2 trillion."

The survey, published today in a *Special Report* by the National Bureau of Asian Research, is the fourth in a series of research projects being conducted by RDI and its partners to assess the degree of implementation of land rights reforms throughout rural China. In 2008, RDI partnered with Michigan State University and Renmin University to survey 1,773 rural households in 1,656 villages across 17 major agricultural provinces. Farmers were asked questions on a range of topics, relating to the extent, nature and economic impact of the implementation of China's land laws. The following are key findings of the survey:

- **59 percent of rural households have been issued contracts, certificates or both documenting their rights to their parcel of land**, but more than 40 percent of farmers still lack the proper, legal documentation required to confirm their land rights, leaving them unable to make long-term investments in land.
- **China's efforts to educate people about their land rights has been successful, with more than 90 percent of farmers reporting that they are aware of the new 30-year land rights policy.** However, many do not understand important aspects of their new legal rights.

- **Nearly one-fourth of farmers have made one or more long-term investments in their land.** Having a contract, as opposed to just a certificate, boosted the likelihood of investing in land.
- **Land readjustment, or the practice of redistributing land to current land holders, continues to be the strongest factor undermining China's secure 30-year land rights policy.** Since 30-year land rights were introduced, 34 percent of villages have carried out land readjustments. Prohibition of this practice however is gaining quick support, with nearly 75 percent of rural farmers opposing this practice, up from 25 percent in 2001.
- **Land takings by the government for non-agricultural purposes contributed to land insecurity.** 29 percent of farmers say their villages have experienced at least one land-taking, with the highest rate of land-taking occurring in 2008. Of those who had experienced land-taking, only 44 percent were notified in advance, and only 27 percent were consulted about the amount of compensation.

“China’s government has shown a tremendous level of progress toward long-term, secure land rights and economic growth. However, there is still room for improvement,” said Keliang Zhu, a staff attorney at RDI who manages the organization’s programs in East Asia. “History has shown that when farmers have secure and transferable land rights, they invest, expand and diversify production, increase their farm income, and consume a wide range of goods and services. Post-war land-tenure reforms in Japan, Taiwan, and South Korea are prime examples. It is essential that mainland China continue to improve its legal regime for rural land rights and press forward to implement the existing law on the ground.”

RDI has worked closely with China's central policy-makers on rural land tenure issues since 1987, and is the principal foreign advisor in a reform effort under which 85 million families have received secure, 30-year land-use rights. Today, RDI’s focus is principally on the key challenges of full implementation of this vital law, working closely with the government and other partners to understand the successes and challenges of China’s land reforms, providing recommendations as needed.

“A critical determinant of China’s long-term economic growth and social stability will be whether the wealth of its economic boom can reach the majority of its 750 million farmers,” said Prosterman. “Our research shows that secure, long-term land rights can foster sustainable, broad-based development and lay the foundation for wealth-creation and empowerment for millions of rural citizens. With increased spending power, China’s farmers will be better equipped to participate in the market place, and further fuel the local, national, and ultimately global, economy.”

#### ***About the Rural Development Institute***

RDI is an international non-profit working to secure land rights for the world's poor. Over the past 40 years, RDI has worked in more than 40 countries, helping more than 100 million families attain secure land rights. A global pioneer in using law to create land ownership opportunities, RDI’s collaborations with government partners create leveraged, sustainable and generational poverty alleviation. For every dollar contributed, on average, RDI has helped secure land rights for six families. For more information, visit [www.rdiland.org](http://www.rdiland.org).

#### ***About the National Bureau of Asian Research***

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