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## **Major China Study Confirms Rural Land Rights Help Narrow Rural-Urban Economic Gap**

**SEATTLE** – The largest independent study ever conducted of land rights in rural China confirms that poor farmers who receive secure, long-term land rights are far more likely to invest in their land, which in turn improves production and incomes and helps narrow the large economic and social gap between China's rural majority and its relatively prosperous urban population.

"This report has important implications for both Chinese policymakers and for other governments, business leaders, and investors concerned with the state of the global economy," said Roy Prosterman, professor of law emeritus at the University of Washington and chairman emeritus of the Rural Development Institute (RDI), an international nonprofit that promotes land rights for the rural poor as a critical component to alleviate global poverty. Over the past 40 years, RDI has worked in more than 40 countries, helping more than 400 million people secure land rights.

"For China's leaders, success in narrowing the urban-rural income gap and ensuring long-term rural stability likely will turn heavily on their ability to ensure farmers' long-term, secure rights on the land," Prosterman said. "Indeed, the Chinese revolution that brought the communists to power in 1949 gained much of its support from a peasantry with insecure land rights.

"For China's government and the international community, prosperity for China's rural majority is crucial to the development of that largely untapped internal market, one that should then be able to absorb vast amounts of both domestic production and foreign imports."

The study, conducted by a U.S.-China consortium of scholars, recently was published in the *New York University Journal of International Law and Politics*, a leading American international-law journal. The report, "The Rural Land Question in China: Analysis and Recommendations Based on a Seventeen-Province Survey" is by scholars from RDI, Renmin University in Beijing, and Michigan State University

Nearly 850 million of China's 1.3 billion people still make their living from agriculture, and a large economic and social gap has emerged between that rural majority and the relatively prosperous urban population. The study focuses on the results of Chinese government efforts, beginning in the late 1990's, to close the urban-rural gap by giving the rural population long-term and documented rights to the land they farm. With secure land rights, it was anticipated that farmers would invest in their land, improving production and incomes, and reaping other benefits.

The comprehensive study reflects detailed interviews conducted in mid-2005 with a random sample of more than 1,900 farm households living in 17 provinces that contain the vast majority of China's agricultural population. The findings are accurate to  $\pm 2.2\%$  for that population.

Besides their much greater willingness to invest in the land the study concludes that farmers with secure land rights also are much less likely to receive disappointing compensation if their land is taken for a non-agricultural purpose. Furthermore, the secure multi-year land rights of farmers who might wish to transfer their rights to other farmers is estimated to have a market value worth hundreds of billions of dollars.

On the negative side, however, the survey found that only a minority of Chinese farmers, 40 percent or fewer, have received clear and documented land rights, and that further government implementation of the program has lagged badly in recent years.

The authors of the report are Zhu Keliang, a staff attorney of RDI, Roy Prosterman, Professor of Law Emeritus at the University of Washington and Chairman Emeritus of RDI, Ye Jianping, Professor and Dean of the Land & Real Estate Management Department of Renmin University of China, Li Ping, a staff attorney and Chief Representative of RDI's Beijing Office, Jeffrey Riedinger, Professor and Acting Dean of International Studies and Programs at Michigan State University, and Ouyang Yiwen, a Ph.D. candidate in economics at Michigan State University.

Today, RDI is engaged in a number of land rights projects globally, including an ambitious "micro-land ownership" program with the governments of three states in India, one of the world's most populous and impoverished countries.

"Our research has taught us that it only takes a little bit of land to make a big difference in lifting people out of poverty," said Prosterman. "We have found that plots of land as little as 1/10th of an acre, or less, can provide a foundation for extremely poor people, especially women, to build a sustainable livelihood and a better economic future."

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