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**Comparative Analysis on Land Reform Policies  
to Improve Tenure Security in China**

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## Abstract

This thesis has attempted to analyze and resolve rural problems that are hampering China's development by improving rural land tenure security through a new round of land reform. The main subject of the research focuses on comparatively analyzing a series of reform policies that were promulgated and implemented by the Chinese Communist Party (CCP) in different periods from which an evolutionary pattern of land reform policies is identified. The pattern reveals the *guiding principles, unique features* and *influencing factors* during the *making, implementation* and *revision* of reform policies. Then, through a field survey, the status quo of tenure security is discussed from various aspects, particularly on the *perceived certainty of rights on land*. Then, the core issue of tenure insecurity in modern China is identified both as *competitive* and *cooperative* relationship between the *government* and *farmers*. The study regards them as two *interests groups* in a gaming situation. By developing models based on *Group Theory* and *Game Theory*, the research further explores the motivations and interactions as well as simulates effects of policy changes on land rights and interests for both groups. Model analysis also suggests that a potentially win-win scenario for both groups can be achieved by reforming the interest-sharing structure in the current land tenure system, which shall be regarded as the optimum direction of new reform policies.

Finally, the research concludes that, in order to resolve tenure insecurity issues in rural China, the direction of new reform policies should focus on three aspects: *improving practicable rights for farmers, reforming land markets* and *land administration*. Accordingly, applicable policies and recommendations are proposed.

Keywords: Land Reform Policy, Land Tenure Security, Comparative Analyses, China

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## Zusammenfassung

In der vorliegenden Arbeit wird versucht, unter dem Aspekt der *Rechtssicherheit des Bodens* die Probleme in den ländlichen Räumen, die zur Zeit die Entwicklung Chinas beeinträchtigen, zu analysieren und aufzuheben. Der Hauptgegenstand dieser Untersuchung besteht in der vergleichenden Analyse der Landreformen, die die Kommunistische Partei China (KPC) zu unterschiedlichen Zeiten verkündete und in Kraft setzte. Auf der Basis dieser Analyse wird ein evolutionäres Modell der Geschichte der Landreform der KPC definiert. Dieses Modell weist wiederum auf die führenden Prinzipien, Besonderheiten und Einflussfaktoren hin, die man bei Entwurf, Realisierung und Änderung der Reformpolitik verfolgte. Anschließend wird durch Feldforschung der *Status quo der Rechtssicherheit in China* geschildert und unter verschiedenen Betrachtungsweisen diskutiert, vor allem unter dem Aspekt der selbst wahrgenommenen Sicherheit über Nutzungsrecht. Daraus wird deutlich, dass das Kernproblem der *Rechtsunsicherheit* im heutigen China in einem sowohl konkurrierenden als auch kooperierenden Verhältnis zwischen Regierung und Landwirten liegt. Deshalb werden die zwei Interessensgruppen in der vorliegenden Arbeit in einem Zusammenhang gesehen: In auf Grundlage von Gruppentheorie und Spieltheorie herausgearbeiteten Modellen werden die Interaktionen zwischen Regierung und Landwirten und deren Motivation erörtert, und parallel wird der Einfluss der Politikveränderung auf Eigentumsnutzungsrechte und die davon berührten zwei Gruppen simuliert. Es kann nach der Analyse dieses Modells gefolgert werden, dass eine gegenseitige Win-win Situation dadurch gewonnen werden kann, in dem die Strukturen im jetzigen *Eigentumssysteme an Boden* verbessert werden. Dafür werden in der vorliegenden Arbeit abschliessend Vorschläge entwickelt.

Zusammenfassend formuliert: Um der Rechtsunsicherheit im ländlichen China zu lösen soll sich eine verbesserte Bodenpolitik auf folgende drei Aspekte fokussieren: Stärkung der Nutzungsrechte der Landwirte, Reform des Grundstücksmarktes sowie Verbesserung des Bodenmanagementsystems. Dazu werden vom Autor konkrete Vorschläge und Schritte erarbeitet.

Stichwörter: Landreformpolitik, Rechtssicherheit des Bodens, vergleichende Analyse, China

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## Chapter One: Introduction

*“We permit some people and some regions to become prosperous first, for the purpose of achieving common prosperity faster. That is why our policy will not lead to polarization, to a situation where the rich get richer while the poor get poorer.” – Deng, Xiao’Ping, 1986*

After three decades of remarkable economic development, China’s growth is slowing down. Since 2008 the global financial crisis has seriously discouraged the country’s exportation which reveals the serious problem in the structure of economy and the pattern of growth. As some scholars argued: the growth in the past two decades is mainly driven by investments especially from the government, which created a serious problem of overcapacity in production. The decrease in exportation is merely a triggering element that exposes this structural defect; and recent stimulus plans to sustain development through governmental investments can only exacerbate the situation. Therefore, the country should focus on the structural reform on the macro-economy, which means to focus on innovation instead of expansion and minimize government’s interferences in market as well as encourage private entrepreneurship and investments. One of the most important preconditions to ensure the confidence of the public is to concretely protect property rights (Xu, 2012). In the meantime, the country is haunted by the so-called “three rural problems<sup>1</sup>” where a growing gap between rural and urban developments as well as people’s livelihoods is identified, which not only impedes the country’s development but also threatens socio-political stability. Hence, to protect property rights of rural residents is the priority of reform, especially their rights on land, or in other words, to improve land tenure security. Following the rationale, this research commences with establishing the connection between rural land tenure security and developmental problems in China.

### 1.1 Land Tenure and Tenure Security

“Land tenure is a legal term that means *the right* to hold land rather than the simple *fact* of holding land... it is used to refer to land tenure prescribed by statutory or common law; to customary land tenure; and to observed land tenure practices in a particular historical context

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<sup>1</sup> “Three Rural Problems” or “San Nong Problems” indicates the issues on: Agriculture, Rural Communities and Farmers ,and is used frequently when describing rural problems in general.

(Bruce, 1998, p.1) and “as the way in which the rights, restrictions and responsibilities that people have with respect to land are held.” (Magel, 2001); also it “includes public and private rights and written and unwritten sets of laws. In the broad sense, land tenure is also seen as the equivalent to land tenure systems; this way of viewing land tenure concentrates on the relationships between people and land.” (Kirk, Löffler & Zimmermann, 1998, p.1); from the perspective of property rights, it is the bundle of rights and responsibilities under which land is held, used, transferred, and succeeded (La Croix, 2002, p.1). It derives from both statutory and customary law regarding not only property rights and ownership, but also institutions of marriage, of power and control, and of inheritance (Maxwell, Wiebe, 1998, p. 4). From these definitions, it could be concluded that the core principle of land tenure is not only the “rights on land”, also how these rights are practiced – or “rights in hand”, it could be formally institutionalized or informally acknowledged (customary tenure) where many factors like social, historical, traditional, cultural, moral and so on are involved; also in many cases, both formal and informal forms co-exist at the same time in a specific society, region or country. Just as Bruce points out that “a land tenure regime cannot be understood except in relationship to the economic, political, and social systems which produce it and which it influences (1998, p.1). “Furthermore, to the people affected by different tenure systems, “land tenure is the *perceived institutional arrangement* of rules, principles, procedures, and practices, whereby a society or community defines control over, access to, management of, exploitation of, and use of, means of existence and production (Dekker, 2005, p. 1).” A land tenure system or regime consists of legal, political, economic, historical, and social elements, which could vary significantly in different societies or regions; especially as the *people’s perception* is taking into account, which as a rather subjective element and hard to accurately illustrate, quantify or measure. In the discussion of reforms on land tenure system in China, the thesis would focus on both institutional changes as well as their effects on people’s perceptions.

Land tenure security, thus, is “the *perceived certainty* of having rights to land for a certain and well-defined period of time (Dekker, 2005, p. 1)”. Also the other definition by IFAD: land tenure security refers to people’s rights to control and manage a parcel of land, using it, disposing of its produce and engaging in transactions, including transfers (IFAD, 2009-1). The land tenure security issue has been a long and growing topic for researchers from many professional backgrounds. And the focal points of the studies cover many academic fields, such as agricultural production and food security, natural resource protection and sustainable development, human rights and gender issues; as well as the studies that focusing on the tenure

security in relation with poverty reduction, economic growth, and good governance (detail contents refer to Magel & Franke, 2007; FAO, 2007, UNECA, 2004, UN-HABITAT, 2008, WB, 2003, Dekker 2003, 2005, Maxwell and Wiebe, 1998, Roth and Bruce, 1994). Most of these studies are dedicated to research on rural land tenure in developing and emerging economies, where rural tenure systems are greatly diversified and facing challenges in the progress of urbanization, industrialization and globalization; especially to those who still have a strong dependency on agriculture and massive rural populations. However, land tenure security issues are not only limited in rural areas, especially when urbanization not only geographically blurs traditional boundaries between urban-rural areas, but also socially, economically and psychologically as well. When looking for the sources of global issues in urbanization: slums, urban poverty, urban degradation and etc., it is always the case that these so-called “urban problems” link to or originates from unresolved rural problems. Hence, the study on rural tenure security issues should focus on the rural aspect with an “urban perspective”.

Generally, tenure insecurity can be observed with following features:

- *Poor access to land*, which always affects the people who need land the most. “A quarter of the world’s 1.1 billion poor people are landless. Almost 200 million do not have sufficient land to provide a decent standard of living, and the majority of the world’s poor people are rural (IFAD, 2009-2)”.
- Landholders are incapable in protecting their rights on land while encountering the economically or politically privileged parties in a society; especially during land transactions and distribution of interests from land, like compulsory expropriation, forced eviction or land grabbing by the governments, public or private entities. It is estimated that about 5 million people worldwide suffered from forced eviction every year (UN-HABITAT, 2008, p.4).
- Insecure tenure always indicates uncertain landholding, which will negatively affect the *landholders’ perceived security* that can further jeopardize access to credit, discourage investment incentives and lead to malfunctioning land markets.

All these problems can directly affect a country’s economic development, social order and political stability. Therefore, governments, organizations and institutes put huge efforts in improving land tenure security as well as exploring effective approaches.

In the case of modern China, though the country still has a massive rural population of millions who holds rural land under the *Socialist Collective Tenure System*. The status of tenure security for

landholders (farmers) is a crucial aspect of rural development; particularly their perceptions and attitudes towards the existing land tenure system and institutions are of great importance to social and political stabilities.

## 1.2 Land Reform and Policy

“Land policy is understood as conscious action to bring about an sustainable use of land (allocation) as well as of a socially just distribution of land ownership and of income from land; land reform is a part and a concrete consequence and measure of land policy” (Magel, 2011) Also, land reform “is the deliberate act to change the existing land tenure in a (rural) area making it a non-evolutionary way to change land tenure (Dekker, 2003, p. 77)”. In motivations, land reform has been for one or another (or in some cases both): to *modernize agriculture* or to *redress inequalities in the distribution of land assets*. Then, in practice land reform usually indicates the redistribution of tenure rights through government-initiated or government-supported activities. Due to various tenure arrangements in different countries or under different circumstances, there is no “standard formula” for land reform. Specific motivations, indications and approaches of reform may vary significantly in an international perspective (ibid, pp.77-80). In this thesis, the term of “land reform” would imply the activities initiated by *Chinese Communist Party (CCP)* and its government that is dedicated to alter the property rights of rural land as well as the arrangements on agricultural productions.

Land policy is the principal institutional arrangement for a government to actualize its administrative goals on land which plays a vital role in land reforms. In a more comprehensive view, land policy is a rather complicated set of policies that consists of laws, regulations and policies elements that not only serve land administration and management, but cover many other related institutions, like constitutional and civil laws, financial and taxation policies, policies on property rights and so on. Functionally, the land policy in action not only defines the whole spectrum of property rights on land and all the stakeholders’ accessibilities to these rights, but also represents the statutory tenure regime in a society as well as influences on the evolution of tenure system. In nature, as public policy, it structures the connection between people and land, but more importantly, the relationship in respect of rights on land; and these relationships reflect the ruling party’s or governments’ political agenda in land administration. In another word, it is the illustration of the institutionalized land tenure system. The deliberate change of tenure system through land reform, then, could be considered as “the result of a drastic land policy intervention (Dekker, 2003, p.7)”. Hence, *Land Reform Policy* could be concluded as the

public policy designed to change existing land tenure system, and as the institutionalized instrument to support the implementation of land reform.

Evaluation or appraisal of public policy is the prevailing method in assessing the performance of public policies in modern world. "Policy evaluation uses a range of research methods to systematically investigate the effectiveness of policy interventions, implementation and processes, and to determine their merit, worth, or value in terms of improving the social and economic conditions of different stakeholders (GSR, 2007, p.1:4)." This research focuses on evaluating a series of reform policies promulgated and implemented by the Chinese Communist Party (CCP) in 20<sup>th</sup> century; and analyzing effects and consequences that land reforms incurred to land tenure system and influences on tenure security. First, the research introduces some pervasive phenomena and problems of tenure insecurity and relates them with the country's current developmental issues. In a final step, it will present the relevance of this research with China's next land reform and future development.

### **1.3 Development Bottlenecks in China and their Relevance with Land Tenure Security**

According to the *Policy Brief of OECD: Rural Policy Review: China* (March 2009), though the country had been achieved remarkable progress in economic growth and poverty reduction in the past three decades, the country's long pending issues in rural society, also known as "Three Rural (or "San Nong") Problems", are increasingly threatening the country's development and social stability. Rural problems are considered to be the bottleneck of China's development.

#### **1.3.1 Rural Problems in China: Backgrounds and Facts**

"Three Rural Problems" in China are the consequence of the so-called "urban-bias" development strategy (refers to Oi, 1993, pp.129-149; Yang, 1999, pp.306-310, Gao, Zheng & Sun, 2010, pp.23-32), which created huge socio-economic differences in people's livelihood between rural and urban societies over the years.

China is experiencing a period of fast urbanization accompanying with fast industrialization, as well as the soaring economic development going hand in hand with drastic social changes. The highly regarded and nationwide structural reform in late 1970's was originated from the rural society and agricultural sector, which rapidly unleashed the tremendous strength in boasting the country's economic development. According to the National Bureau of Statistics of China



(NBSC), from 1978 to 2007 the annual GDP increased from 364.52 billion RMB to 24,661.9 billion RMB, the average annual growth rate is 9.5%, for 16 years the growth rates are over 10%, with the highest record of 15.2%. As the most populous country in transition, till 2008, the rural population of China is 727.5 million, 55.06% of the country's total. The number reached its peak of 859.47 million and 70.96% of total population in 1995, and from 1996 to 2007, the percentage drops 1.32% annually in average (NBSC, 2010), which indicates around 17 million rural population has been "urbanized" yearly.

Also, productivity improvements in agriculture creates a significant labor plus in rural China; meanwhile, the accelerating industrialization and the growing demands for labors in the urban area made the *Rural Workers* or *Migrant Workers (Min'Gong)* a major driver for development of industries and urbanization. According to the NBSC's statistic report on March 29<sup>th</sup>, 2009, until the end of 2008, there are 225.42 million (31% of total rural population) rural workers nationwide; 85.01 million or 37.7% of them are working locally, and the remaining 62.3% or 140.41 million rural workers are working remotely away from their homes. Generally, these workers are less educated and skillful than their urban compatriots; and they normally accumulate in the labor-intensive, low-end services and construction industries while facing the problems like insecure employment and poor living conditions with low salary and shabby welfare or insurances. Notwithstanding these mistreatments, the gap between rural and urban livelihood makes the income from working in the city too vital for them to loss (NBSC, 2009).

However, three decades of glorious GDP growths could not hide the truth of serious and escalating imbalances of people's livelihood between rural and urban. By comparing the *net annual household's income per capita (NAHIPC)*, according to NBSC, in 2008 the average rural NAHIPC is 4,761 RMB (roughly 470 Euro), whereas the average urban NAHIPC is 15,781 RMB (roughly 1,570 Euro), which is 3.31 times higher than the rural level. And the gap of incomes is still growing rapidly. From 1978 to 2008 the average growth rate of rural-urban difference in NAHIPC is 14.56% per year (NBSC). Additionally, there are other gaps concerning people's wellbeing between urban and rural societies, like in the provision of infrastructures and services, health care system, education and employment opportunities, social insurance and welfare, and so on, which further aggravate the issue.

Chinese society is undergoing a drastic transition where serious problems of social polarization and inequalities still affect more than half of its population in the rural area, which are potentially threatening its socio-political stability.

### 1.3.2 Rural Problems and Land Tenure Security

“Land is a key asset for the rural and urban poor. It provides a foundation for economic activity and the functioning market (for example, credit) and nonmarket institutions (for instance, local governments and social networks) in many developing countries.” (WB, 2003, pp. xvii) Rural problems appear as acute urban-rural imbalances and inequalities that particularly congregated around economic aspects such as incomes, estates and opportunity of development. Thus, to understand these problems, it is crucial to have enough knowledge on the current land tenure system and problems of tenure security as well as their impacts to rural livelihood and development.

#### 1.3.2.1 Rural Land Tenure System

Current land tenure system is based on the *Socialist Public Ownership* of land, according to Article 10 of the *Constitution of the People’s Republic of China*:

*“Land in the cities is owned by the State. Land in the rural and suburban areas is owned by Collectives, except for those portions which belong to the State as prescribed by law; house sites and privately farmed plots of cropland and hilly land are also owned by collectives.*

*The State may, in the public interest, requisition land for its use in accordance with law.*

*No organization or individual may appropriate, buy, sell or lease land or otherwise engage in the transfer of land by unlawful means. All organizations and individuals using land must ensure its rational use.”*

In other words, no private entity, individual or enterprise, has the right to own land, hence transactions of ownership only happens when the State government requisitions collective land under the premises of “public interests”. Then, the collective land becomes the State land, and this procedure is in more detail specified by the *Land Administration Law of the People’s Republic of China* (LALoPRC), in Article 2:

*“...The State applies, in accordance with law, a system of compensated use of State-owned land, with the exception of land the right to the use of which is allocated by the State within the provisions of laws.”*

“Compensated use of State-owned land” means any organization or individual who demands for land would only acquire the *use right* for a certain period of time after paying the required “compensation” to the State. Compensation is like a pre-collected rent but paid once for the

whole period of use. The period and compensational standard depend on the type of land use; and then, the *use right* could be traded in the urban land market; they can also be used as financial collateral or encumbrance.

*Collective Land Use Right* can be transferred inside the rural Collective organizations or among its members with strict restrictions on its utilization: collectively owned *Construction Land*<sup>2</sup> use right can only be transferred with authorities' approval; and *Agricultural Land* use right can only be transferred under the precondition of maintaining agricultural uses. And only the contracted *Waste Land* and *Construction Land* of rural enterprises' can be financially collateralized.

### **1.3.2.2 Tenure Insecurity Problems in Land Requisition, Decision Making and Land Markets**

Rapid urbanization and industrialization create huge demands for land. Since, land requisition is the only channel for new developmental space, and demands are rocketing nationwide; meanwhile, as requisition makes farmers physically losing their land, all these issues make land requisition process one of most debatable issues of tenure insecurity in China.

Quantitatively, from 2003 to 2007 the urban build-up area has been increased by 7,161.65 km<sup>2</sup> from 28,308 km<sup>2</sup> to 35,469.65 km<sup>2</sup>. Meanwhile, 7,049.23 km<sup>2</sup> rural collectively owned land was requisitioned by the State through land requisition procedure, in average 1,216.03 km<sup>2</sup> annually. But the actual number is presumed even bigger than the official statistics. As to the rural landholders affected by land requisition, till 2004, it is claimed that there are about 40 million land-requisition-caused landless farmers nationwide and its number is increasing by 2 million more each year (Zhao, 16<sup>th</sup> Sept, 2004).

Though farmers are legally entitled to compensations for their land that is requisitioned; instead of its market value, the compensation is calculated based on the price of *annual agricultural outputs on the land* (or the value of produced-crops), which usually too low for farmers to sustain their livings after the requisition. A great number of the rural population is turning into landless, and without a fair compensation, the landless farmers would most likely transform into rural or urban poor.

Legally, collective ownership is a controversial concept in Chinese practices (detail regulations refer to LALoPRC, Article 8 and Article 10). The law bestows the ownership to the *collectives* (economic organization of farmers), but does not further specify ownership to farmer individuals

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<sup>2</sup> Land Classification System in China categorizes all land in three major types: Agricultural Land, Construction Land and Wasteland

or households. Also, the collective decision exceeds the individuals' during the managements and operations of land. Such regulations cause confusions to individual farmers in practicing their rights as owners, especially when the leaders of the collective or village were capable of manipulating the decision-making process and making decisions upon own interests or of few.

Moreover, when the government demand land for either infrastructural or commercial developments under the premise of "public interests", the collective organizations are often excluded from the preliminary or the final decision-making, which means they are incapable to make decisions regarding the disposal of their land. The only participatory right for them is the public hearing over compensational standards for which the law has already set the upper-limit. Even without the mutual agreement on compensation, as long as the standard is legitimate and approved by the government, compulsory measures, like forced eviction or demolition, can be sanctioned. Even after the promulgation of the *Property Law of People's Republic of China* in 2007, in which clearly defines property rights for individuals on rural residential and agricultural land as well as farmer's entitlement to these rights, the actual implementation of the law is far from satisfactory. In recent years, frequently reported incidences of conflicts between farmers and local authorities during land requisition are consequences of the issue. For examples, on 13<sup>th</sup> Nov. 2009, Chengdu City, Sichuan Province, a rural proprietor poured gasoline on herself and burnt to death just in order to protect her property from the demolition teams consisted with developers, members of local governments and law enforcement (Qi, 2<sup>nd</sup> Dec. 2009). Another case in September, Liaoning Province, a 27 years old rural proprietor accidentally killed one of the demolition-team members who were hired by the commercial developer while he refused to leave his property and was trying to escape from capture and beaten. And, the case provoked months of heating debates over issues of land requisition, compulsory eviction, property and human rights nationwide (Wu, 20<sup>th</sup> Oct. 2009). Many similar cases happen rather frequently in the country and some escalated to mass protests and demonstrations, which sometimes ended with severe conflicts.

There is little certainty for rural individual landholder to perform the right as an owner, even less the right of disposal of their property; neither do they have enough power to fight for a fair compensation in facing the government's decisions. Rural landholders' incapability to protect and to practice rights on land may be the most distinguishable insecurity in land tenure of current China.

Thirdly, land prices (or more precisely, the fee for land use right) and housing prices are soaring in the urban market. Unlike the State government, local governmental leaders have their own agenda on land.

On one hand, land could be legally and cheaply requisitioned through administrative enforcements; then, it could be sold to developers with very lucrative profit in land market; and most importantly, the profit could be largely remained within the local fiscal budget. Meanwhile, any land development and related activities would boost the growth of local GDP, which is applied as a very decisive standard for evaluating local leaders' performances that would influence the promotion of their political careers; all these factors directly or indirectly motivate local leaders' personal enthusiasm in intervening land and real estate market.

As land tenure system in China is greatly influenced by the administrative force, and the power is bestowed to the local leaders who have their direct personal interests linked to the power; meanwhile the overheating market makes land development the most lucrative business; then, the combination of factors creates opportunities for rent seeking activities and administrative corruptions. Eventually, the losses and costs burden on the people in society, especially the vulnerable groups like rural farmers. As urbanization proceeds, more rural inhabitants would have to migrate to urban areas, and the costs for housing and living are unaffordable for these new residents. At this point, seemingly rural issues transforms to urban issues, which all could be traced back to insecurities of rural land tenure.

### ***1.3.2.3 Impacts of Tenure Insecurities on Rural Livelihood and Development***

Last but not least, for any rural households in China, land means much more than the means of production. In fact, due to decades of urban-biased development, the gaps between rural and urban societies are widening and the imbalances appear in many vital aspects of life, such as infrastructural investments, social welfare, medical care and educational systems, employment opportunities, financing supports and so on. These gaps make land a vital resource that could provide some basic safety and guaranty in rural livings, especially for the rural poor. 97.8% of all rural migrant workers have their share of land back home (NBSC, 29<sup>th</sup> March 2009), and during their absence from farming, their land are either cultivated by other family members or leased to others members in the same collectives; in some cases, land is left idle. Though comparatively lower than the income from the labor working in the city, incomes generated from land still act as the most stable and consistent economic resource for rural families. As it is barely possible for these workers to sustain their life in urban area, land means to them more likely a safety-net and

a means for survival. Additionally, the institutional limitations and dysfunctional rural land market could not facilitate the efficient transactions and fulfill the maximum economic value for their land, which can further cause land depreciation or idle. Without a functioning market, there is barely any access to credit for farmers, and all these problems presented the insecurities in current rural land tenure system, which not only threaten the rural society, also hampered the country's progress in development.

### 1.3.3 New Rural Development Strategy and Prospects of Land Reform

In recent years, the State government has realized the seriousness of rural problems and potential impacts to the country's future. It showed great concerns in finding solutions. On 11th Oct. 2005, at the *Fifth Plenary Session of the Sixteenth Central Committee of CPC*, in the context of "*The Eleventh Pentad Development Plan*" the government has proposed the new rural development strategy as "*Building a New Socialist Countryside*" in which a set of land related policies was proposed and played a vital role in supporting the fulfillment of the strategy. To interpret the new rural development strategy, it can be divided into 10 key aspects that related to rural tenure (Wang, 10<sup>th</sup> Mar. 2006):

- Enhance the practicable land use rights under the Household Responsibility Contracting (HRC) System;
- Formalize the use-right transaction of HRC plots;
- Strictly protect arable land for the national food security purpose;
- Reform the land requisition procedures,
- Reform the uses of collective construction-land and to establish a urban-rural-unified land market,
- Readjust the distribution structure of revenue and profit from land,
- Implement the consolidation of arable lands,
- Implement rural construction land readjustment,
- Establish and improve urban-rural unified land use and planning system, and
- Improve rural social welfare system for rural landless, promote sustainable urbanization and establish social welfare system for the career shifted former rural labors.

These ten points clearly show that the State government considered land as the key instrument in its new rural development strategy; they also indicate the demands for reform on current land tenure system. Later at the *Third Plenum of the 17th Communist Party of China Central Committee* in

Oct. 2008, the State once again stressed the importance of rural development, particularly in its determination in enhancing tenure security for rural farmers.

“Security of tenure is a condition for both sustainable urban and rural development. Consequently, all activities, programs, planning, projects etc. focusing on secure tenure have to be part of an integrated, comprehensive approach”. (Magel, 2001) What would then be the path for future land reform in rural China to improve tenure security and how to effectively curb “Three Rural Problems?” These are imminent questions for policy makers.

## 1.4 Reasons for Comparative Study of Land Reform Policies

The current land tenure system in China has been established after a series of land reforms since the 1920s, which was primarily led by the CCP.

Generally, about nine decades of history can be regarded as two phases: as the reforms before 1952 were rather “revolutionary” and those after 1952 as “reformative”. It also represent the shift of the party’s role and political objectives in different periods: from 1921 to 1949, the CCP’s political pursuit was to accomplish the revolution and seize power; and then, since 1949, after the socialist regime was established, the political objective shifted to construct and develop the socialist economy as well as maintain the rule of the regime.

Consequently, land reform policies have been always shifting in accordance with CCP’s political pursuit in different periods. Upon these reforms, the socialist land tenure system was formed and evolved. Only through a historical lens on these reforms a study can understand more accurately the characteristics and problems of the current tenure system.

In the revolutionary period, “land reform” was a major instrument for CCP to mobilize and organize mass support from rural areas, during which land reforms have always regarded as the *Peasants’ Movements* led by CCP. But claims of reform policies were rather volatile than consistent. The motivations behind these changes always subjected to the party’s prioritization between political objective and its ideological preference according to the actual socio-political situations in different times.

After the foundation of P.R.C, following land reforms had fundamentally restructured the agricultural sector and the rural society. Since the rural society became rapidly collectivized in 1956, private ownership on rural land was which generally replaced by the socialist public ownership – the *Collective Ownership*. Thus, the socialist rural land tenure system was formed.

This system was initially considered to be the precondition for *socialist production pattern* i.e. *Collective Farming*, which the party believed as an advantageous form that could greatly boost rural productions. But the movement of rural collectivization was fueled by the nations' frenzy that provoked by the central leadership despite actual conditions of the country's economic capacity and productivity. And then, after the rural society transformed into "people's communes" in 1958, the ensuing two decades of political turmoil further jeopardized the country's economy and the livelihood of people. The devastated consequences of collective farming and socio-political unrests threatened the stability of regime and the party's rule. Hence, the land reform in the late 1970s focused on revitalizing and developing rural productions. The collective farming was gradually abolished and replaced by individual farming, i.e. the Household Responsibility Contracting system. But the reform only bestowed use rights to farmers and the collective ownership remained and last to the present.

According to the changes of land reform policy, the thesis divides the process of the CCP-led land reforms into seven phases. Though, the claims of reform policies varied greatly in different phases, there is a consistent pattern that could be observed from the evolutionary process of these policies, which affected all stages of the process: policy-making, implementation and revision. Through a comparative study of reform policies in different periods, this evolutionary pattern can be identified. More practically, the pattern could then be applied as an analytical framework to comparatively analyze past reform policies and generate suggestions for policy-makers in designing new reform policies for the future.

Additionally, being a large country, the regional differences have always been problematic for effectively designing and implementing policies. In a strict sense, the status of land tenure and tenure security are never the same in the context of whole country. Moreover, the policies promulgated by a centralized government appear inadequate in adapting with the complex local situations. By comparing the regional differences in the current land tenure system, as well as people's different perceptions on tenure security, the study would also discuss the possible improvements for the central and local policies for land reform.

## 1.5 Research Objectives and Research Questions

The objective of the study is to explore the potential improvement of rural tenure security through new land reforms. Further to accomplish this objective, the study would focus on two specific tasks:



1. To identify the evolutionary pattern of land reform policy that promulgated and implemented by CCP through the comparative analyses of reform policies.
2. To discuss the relationship between land reform policy and tenure security in relation to the evolutionary pattern to orient the future reform policy in improving tenure security.

Then, according to the research objectives, the following questions shall be answered in the study:

1. What land reform policies were promulgated and implemented by CCP? And what are the factors affecting the making, implementation and revision of reform policies?
2. How do these factors interact and what are their indications to the reform policy in different period of time? And, how these factors are integrated into an evolutionary pattern?
3. What is the core issue of tenure insecurity in modern China and how will it affect the behavior of different interests groups? How does the government, as major policy-maker, the land user and the acting owner, interacts with farmers as policy recipients and landholders? How these interactions would affect land reform policy and what are the possible outcomes of different policies?
4. Considering the evolutionary pattern of land reform policy with current land tenure security issues in China, what suggestions could be made for future land reforms policies?

## **1.6 Hypotheses**

The following presumptions would be proposed to avail the study:

- a) CCP's land reform policies follow a rather consistent and evolutionary pattern. And the pattern would still affect and be adaptable to the reform policies in a foreseeable future.
- b) Currently, the relationship between the CCP government and farmers, as two major interest groups in land tenure system, appears to be both competitive and cooperative with regards to interests on land. Their struggles to influence the land policy in action for interest on land eventually result a mutually agreed policy that is based on compromises of both groups.
- c) Through making reform policies in favor of farmers' interest, there is a possibility that both the government and farmers can reach a win-win scenario where both parties could maximize its interests simultaneously.

## 1.7 Structure of the Thesis

The proposed research objectives and questions define the structure of this thesis. In the **current chapter**, the study relates the country's rural problems with land tenure security issues, and proposes the solution by improving tenure security through new land reforms. Then, the focuses of the thesis are set upon exploring characteristics of CCP's reform policies and relations between tenure security and reform policies. In accordance, the research objectives, questions and hypotheses are proposed.

**Chapter Two** and **Chapter Three** lay down the theoretical and methodological basis for the research. In Chapter Two, the literature review summarizes the findings, achievements, arguments and opinions of previous studies on related issues. Then, on the basis of research questions, theories are introduced and structured as the theoretical framework for the research. In Chapter Three, the research methodology applied in the study is depicted, which focuses on structuring the logic of research and rationalizing the utilization of different research methods.

**Chapter Four** is dedicated to extensively review CCP's land reforms and policies. The review starts with introductions of background in China before 1949, which includes political and socio-economic dimensions as well as the description of traditional tenure system. It places CCP's land reforms into the historical context and lays the foundation for further analysis on reform policies. The second half of the chapter more specifically reviews key reform policies in a chronological order as well as events and problems emerged during the reform. The review of land reforms provides essential content for the ensuing comparative analysis.

Then, based on the findings from policy reviews, in **Chapter Five** the study further analyzes the characteristics, features and influencing factors emerged of reform policies, upon which the evolutionary pattern of land reform policies is structured. The pattern then is utilized as an analytical framework to guide the comparative analysis of reform policies, from which the uniqueness and functions of all the elements in the pattern are summarized.

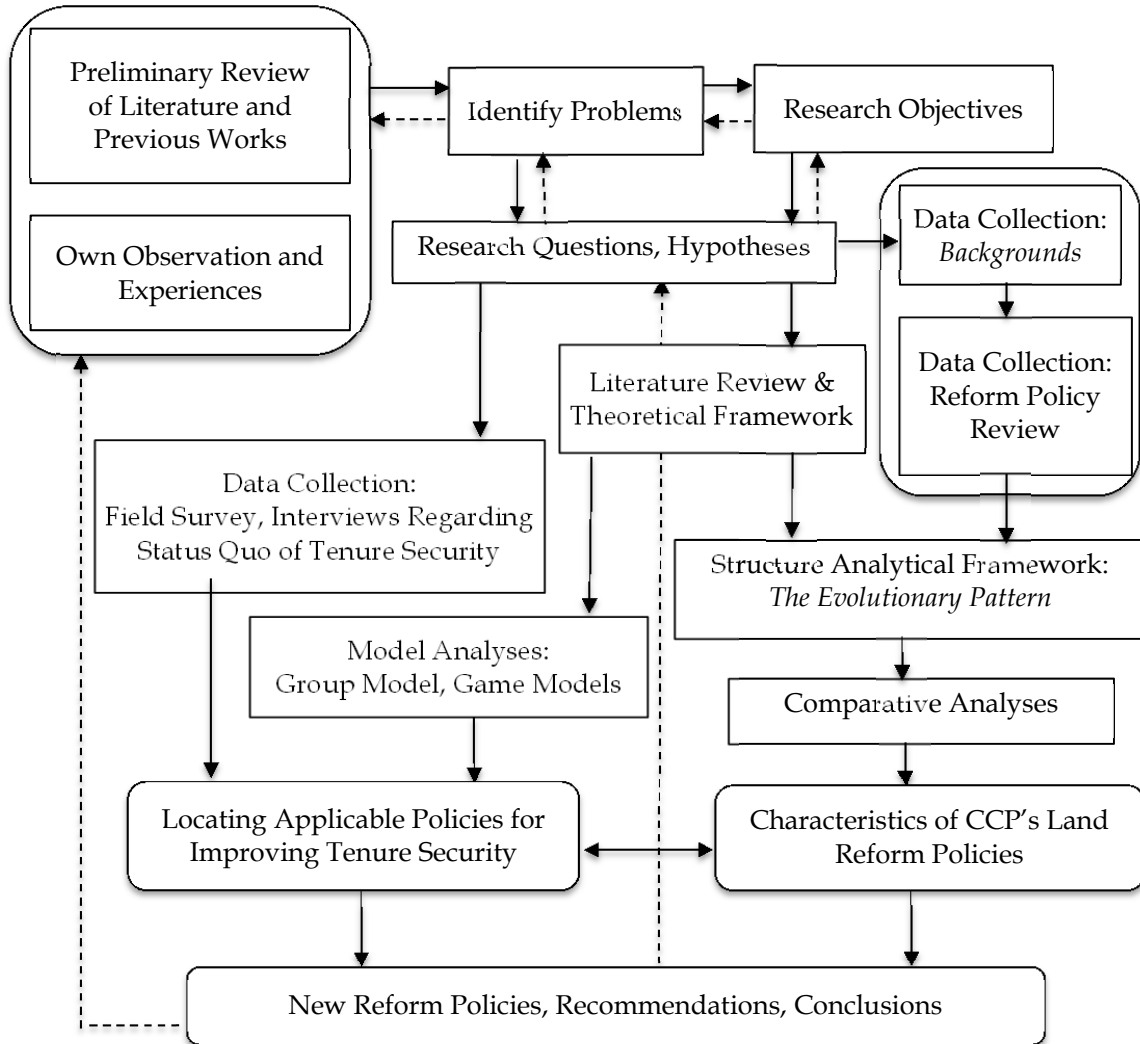
In **Chapter Six**, the changes of tenure security during land reforms are summarized; and then, according to the analyses of survey data, the status quo of tenure security in China is discussed from three aspects: access to land, land market development and, most importantly, farmer's perceptions on tenure security. Furthermore, the core issue of tenure insecurity is identified.

**Chapter Seven** further utilize the findings in previous chapters to develop a group model to explore a both competitive and cooperative relationship between the government and farmers in

current tenure system; then, through a basic game model, to explain the mechanisms and interactions between two players and their influences to policy changes; and then, based on the basic model, an advanced game model is established which explains the complicate effects of reform policies and their impacts to both players interests. As the result, the model analysis identifies a “win-win” scenario for both the government and farmers in land reforms, which should also be the guiding direction of new land reforms.

Finally in **Chapter Eight**, reform policies are located in accordance with the orientation decided by the results of model analyses. And then, the evolutionary pattern is applied as a reference system to improve the practicality and feasibility for new policies. Accordingly, practical recommendations are proposed to the government or policy-makers. Then, the study concludes with the confirmation of hypotheses; meanwhile, the methodological limitation and directions for further researches are also suggested. In the final statement, the study re-stresses that the next reform should be the *reform of governmental identity and functions*, and it's very important for the government or CCP to correctly recognize the gravity of the reform and acclimatizes with the trend of history. The overview of research process is presented by a flowchart:

Figure 1.1 Overview of Research Process



Source: Author

## Chapter Two: State of the Art and Theoretical Framework

Land reform in China has always been a debatable topic in academic research for both domestic and international scholars. The review of these works could give this study a deepened perspective on the issue. More importantly, the findings, results, opinions and arguments from previous researches can assist the study to identify distinctive features of land reforms in China, and further support the exploration of the evolutionary pattern of CCP's land reform policy.

Land reform policy affects different interest groups in a society; and its implementation is also influenced by the actual economic, political and social situations. To contribute to the research objective, this chapter would also introduce theories, models and concepts employed in the research.

### 2.1 Studies on Land Reforms in China

#### 2.1.1 Studies from Historic Perspective

The most informative and extensive literatures regarding land reforms in China are presented by some Chinese historians, such as the works of He (1993), Zhang and Zhao (1985), Deng (1996), and Zhang (2009). These publications all chronologically documented the CCP's land reforms in detail. Most of them recorded all land reform events and policies from 1920s to 1950s. Gao (1999) documented the history from 1950s to early 1980s regarding the rural cooperation movement and collectivization.

Some works by foreign scholars are also regarded to be relevant, such as the publication series edited by Fairbank and Feuerwerker, *The Cambridge History of China*, Volume 12 (1983), 13(1986), 14(1987) and 15(1991); and Fairbank's *China: A New History* (1992), which could provide an more politically neutral perspective over the facts of land reforms in China.

In these works, scholars not only documented facts of land reforms, but also argues on the historical or political necessities and functions of reform policies. Chinese scholars are commonly held applauding attitudes toward the legitimacy of reforms, whereas international scholars are more critical in opinions regarding the measures and consequences of reforms.

From the historic perspective, these works have well established the intrinsic logic and causations of historical events, which in certain extend support the study's principle presumption – regarding land reform policies as an evolutionary process, which avails a further exploration of the pattern behind.

### 2.1.2 Studies on Functions of Land Reforms in China

Other than historians' documentations on facts of land reforms, some explored further and tried to discuss the function of land reforms and its meanings for CCP's revolution and the impacts to the structure of rural society.

Some scholar argued that land reforms in the Revolutionary Period (1921-1952) have much more meaningful effects for the CCP's development than mere reforms on the tenure system. Two functions were proposed: Mass Mobilization and Restructuring Rural Society.

Qin's (2001) work on Guan'zhong region challenges the CCP's presumption that the concentrated land ownership was the trigger of CCP land reform. He argues that there was no landlord class in the region according to CCP's definitions, which made the presumption unjustifiable. His idea stirred heated discussions in the academic field. Wang (2006) and Zhang (2006) studied the land reform and changes of rural society from the late 1940s to early 1950s at the same area of Shan'dong Province from different angles; and they also questioned the reasonableness and legitimacy of CCP's land reform which based upon the presumption of escalating land concentration. Also, Zhang (2003) focused on the CCP's works on the mobilization of rural masses in land reform and argued that the land reform was regarded as the instrument for CCP to mobilize the mass supports in the Civil War (1946-1949). Studies from the perspective of peasant's psychology showed that CCP's land reforms indeed introduced and provoked the political awareness of peasants (Li, 2006, Li, 2002). Based on the *Power Discourse Theory*, scholars started to get interested in the relationship between the *expressions* and the *practices* in land reforms. Huang (2003) studied land reforms from the perspective of "class struggle" and analyzed the relation between "expressive reality" and "concrete reality" in land reforms. In which, he concludes that the "class struggle"-driven land reform (1946-1952) in rural China had the problem of that the party's expressions were deviating from the practicality and reality. And the class struggle in land reform was not in accordance with the actual structure of rural society but the result of party's arbitrary categorization of classes. As the party controlled the "power of discourse" or the "right to speak", it attempted to mobilize public supports for its reform, through which restructured rural society according to its vision. Li (2005) reveals

inconsistencies between so called “peasant’s liberation” and “production (improvements)” based on his work on land reforms in northern China. Also, Ji (2006) believes that, through land reform, CCP had successfully incepted the notion of “social classes” into the rural society, with which it accomplished in political motivation and mobilization of the rural mass. The political logic beyond the discourse is that CCP successfully acquired access to the rural society as well as its resources, such as land and labor. It also legitimized the integration of peasants.

As Belden (1980) describes that, instead of as the scheme for reforming rural tenure, land reform was actually a essential strategy for CCP’s revolution and military decisions. And, Hu (1997) also confirmed the argument and states: the nature of land reform was always part of the policy that served for CCP’s direct interests of seizing power. Land reform had politically and economically destroyed the traditional hierarchy in rural China, which was a necessary step for restructuring the rural society and creating a new power regime upon it.

Wang (2006) came to the conclusion, that land reform was one of CCP’s strategies to mobilize the rural mass to support its military campaigns. Then, CCP’s real concern on land reform was not, as it claimed, to resolve the issues of tenure insecurity for the “exploited peasants”; but to maximally mobilize supports from the rural masses.

Apparently, the mass mobilization and the restructuring of rural society are interconnected and inseparable functions for CCP’s land reforms. A key precondition of CCP’s “class struggle”-oriented reforms is the *differentiation (or classification) of rural classes* which arbitrarily categorized the people of traditional rural society into five social classes. The differences between people’s economic status and the ways to make living were employed as the standard for the differentiation; then the traditional elite and the wealthy classes, i.e. landlords and rich-peasants according to such standard, were considered as the “feudal exploiters to poor peasants” and the enemy to the majority of peasants; hence the enemy of the revolution. Therefore, CCP’s land reforms reinterpreted the inequality of wealth with the political meaning; and then, the struggles against traditional elites became a necessity for the reforms. As a massive adjustment for social restructuring and readjustment of interests, land reforms not only changed the order of rural economy, but also established a new social order (Huang, 2007).

From these works, the study concludes that the motivations behind CCP’s enthusiasm on land reforms, especially in the revolutionary period, was mostly decided by the party’s political objective at that time, which in essence was to survive and develop as well as eventually seize the power. Also, oriented by this objective, the party needed supports from society. Since the

country was predominantly agricultural-based, the optimum choice to trigger revolution was the rural society. As the key precondition of mobilizing mass support from this rural society, the traditional power structure of the old system had to be removed along with the old elite classes. To conclude, land reform was not, as CCP claimed, the liberation of peasants from feudal exploitations, but the instrument for mass mobilization, social restructuring and the takeover of CCP.

### **2.1.3 Focal Points in Analyzing Land Reform Policies**

Jin (1982, 1994) Qing and Huang (1983, 1984), and Zhang (1994) discussed the egalitarian approach in reform policies, and they share the applauding attitude on the egalitarian approach that applied during the redistribution of land, when land was evenly allocated to peasants in reforms. But some scholars believed that the egalitarian approach was the mistake in both theoretical and practical terms (Du, 1982; Wang, 1983; Han, 1986). And Zhou, (1994) reinforces their opinion on a property rights perspective.

As CCP claimed that land reform abolished the feudal exploitative system and promote agriculture productions, but Guo (1987) pointed out that some radical measures during the implementation of reform policies, such as excessively violent treatments towards landlords and rich- or middle-peasants as well as the extremely egalitarian redistribution of land, which actually caused negative impacts.

Further, some scholar studied the peasants' mentality on egalitarian redistribution of land, and pointed out that land reforms actually reinforced the peasants' inclination towards the egalitarianism in reforms (Zhou, 1998). Lu (2003) discussed that as a hidden side of peasants, when the normal social order was broken, the pervading egalitarianism held by peasants can be unleashed in the form violence in peasants' movements.

Regarding the peasants' influence on reform policy, Yang (2007), taking the change of reform policy in 1946, pointed out that the change was not caused by the CCP's preparation for civil war, but was in fact the party's rather passive response to the unexpected advancements in peasants' movements as well as lessons learnt from previous land reforms. Meanwhile, to win supports from middle-classes, the party even proposed the policy of land redeems, and experimented in several base-areas.

But there was always the problem that a comparative less-radical policy, which was conducted from the central of CCP to regional level, could be intentionally ignored or refused by the



regional leaders in policy implementations. And it did not contradict to effects of mass mobilization. Since solving the land issue was considered as the main reason of accomplishing the revolution, the implementation of land reform policy consequently prone to radicalness.

As to the peasant's interpretation of land reform policies, Guo and Sun (2002) made an interesting metaphorical comparison between CCP and traditional imperial regimes in the history and argued that the class struggle oriented peasants' movements led in CCP's land reforms formulated the peasants' recognition of the State based on gratitude and awe. To them, land, houses and estates were blessedly bestowed by Mao, CCP and Socialism, i.e. by the State, which they were grateful for. In the meantime, the gratitude did accompany with the awe towards the power that could overthrow the traditional governing elite class that peasants used to awe for centuries. The feeling echoed the peasants' attitude toward the imperial power in Chinese history.

Regarding peasants' behaviors in response to CCP's reform policies, Li (2007, 2008) applied the game theory by considering the players affected by land reform policies would response differently, especially the peasants. And it was peasant's rational response along with the State policy together formulated the new rural power structure and political framework.

#### **2.1.4 Summary of Results**

In general, previous researches on CCP's land reforms focused more on the documentations or discussion on land reforms and policies within a specific timeframe, particular policies, or regions, which mostly concentrated on events in the revolutionary period. In this thesis, the author adopts a more extensive spectrum that covers the whole history of CCP's land reforms. Oriented by its objective the extended study scope can avail the identification of the evolutionary pattern of CCP's land reform policies.

Some of the arguments from previous studies can be employed in the study as factors influencing the evolutionary process of reforms, which will enrich and extend the representativeness of the pattern. Accompanying with the retrospective review of reform policies, the study will introduce some new factors into the analyses, which were not fully recognized by the previous researches.

Also, in previous studies, the research angle of tenure security was not adequately considered, as well as the relationship between tenure security and land reform policies has not thoroughly discussed. This thesis attempts to stress the relationship and applies it with current issues in land

tenure system, by which to discuss the possible improvements on tenure security in the future reform policies.

## 2.2 Theoretical Framework

The review on previous studies not only provides this thesis with various research perspectives and arguments, also it helped the study to locate theories that could be adapted into the study.

### 2.2.1 Theories on Public Policy and Policy Analysis

The formulation of modern *Policy Science* started after the WWII. This study introduces some of the most representative scholars and their perspectives:

A generally recognized founder and advocate of Policy Science *Lasswell* (1950, p.63) defined that “Policy is a projected program of goal value and practices: the policy process is the formulation, promulgation, and application of identifications, demands, and expectations concerning the future interpersonal relations of the self”, this definition emphasized that, as a governmental activity, public policy has the functions of *planning* and *goal-achieving*.

*Easton* (1953, p.129) believes that policy is the “authoritative allocation” of value in the whole society, which focuses on the policy’s functionality of *value allocation*. In this case, *value* had been attributed with a rather extensive meaning, including all the existing and potential resources. Then, he implies a basic hypothesis in the Politics, that *interest* and its *redistribution* is the foundation of human social activities, thus the basic function of a government is to socially redistribute *interest* in the society, and *policy* is the main instrument.

*Dye* (1975, p.3) thinks “Public policy is whatever governments choose to do or not to do.” His understanding emphasizes the behavioral characteristic of public policy which indicates that policy science is the science for practice; it also regards policy as the activity of “government’s choice”. Here, “What is not to do” is considered as a form that represents the public policy, which extended the scope of policy study.

*Anderson* (1975, p.185) defines public policy as “a purposive course of action followed by an actor or a set of actors in dealing with a problem or matter of concern” His understanding of policy focused on its dynamic nature, which considered public policy as a whole process; also emphasized the empirical characteristic of policy and its rationality.

As a public policy, land policy represents people’s relationships in regards of land in a society. It differentiates people according to their rights on or accessibility to land both as a natural

resource and property. Then, land reform indicates institutional changes on such relationships. It represents the governments' interests and objectives in administration and managing land resource, the allocation of rights on land as a valuable resource and property, and the necessary implementation measures. Meanwhile, as a process, it also decides responsive behaviors of all the affected actors in the society.

"Public policy analysis is a relatively new academic field that developed after WWII in many industrialized countries, which focuses on the analysis of countries' public affairs, with clear and strong comprehensiveness, empirical and practical natures (Zhang, 2004, p.6)". In Suchman's (1967) "*Evaluative Research: principles and practice in public service of social action programs*", he advocates that the *public policy evaluation* should be an independent field of academic researches. As in 1970s, the unexpected and unsatisfactory results of former U.S president L.B. Johnson initiated "Great Society Program" attracted serious criticism, and social project evaluation got increasing attentions (Zhang, 2004, p.393). In early 1970s, many important works emerged in the field of evaluative research, such as Weiss's (1972) publication "*Evaluation Research: Methods of Assessing Program Effectiveness*", Wholey's (1970) "*Federal Evaluation Policy*" and most reputable at the time, Rivlin's (1971) "*Systematic Thinking for Social Action*".

In Lasswell's (1963, p.2) "*The Decision Process: Seven Categories of Functional Analysis*" he pointed out the "appraising function" as the assessment to a successful or failed policy. And he stresses that, "the core problem of appraisal is the assigning of responsibility for success or failure in realization of the goal value of public order (Lasswell, 1992, p.1245)." From this point, for any policy analysis it is not only necessary to study policy as a whole process, from the decision-making, the implementation process to the consequences; it also requires to identify and objectively describe the relationship of causation and consequences. Also, Dye said, "the focus of political science is shifting to public policy – to the description and explanation of the causes and consequences of government activity." He also concluded eight analytical models: institutional, process, rational, gradual, group, elite, public choice and game analytical models (1975, p.3). Anderson on the other hand developed five analytical models, political system, group, elites, functioning process and institutionalized analytical models (1975, p.3). Lester and Stewart Jr. (2004) concluded nine theoretical models: process, objective, logical empirical, economic, phenomenon, sharing, nominative, ideological and historical theoretical models. For the purpose of this study, the thesis would mainly focus on applying the *group* and *elite* models in analyzing land reform policies.

### **2.2.2 The Group Model**

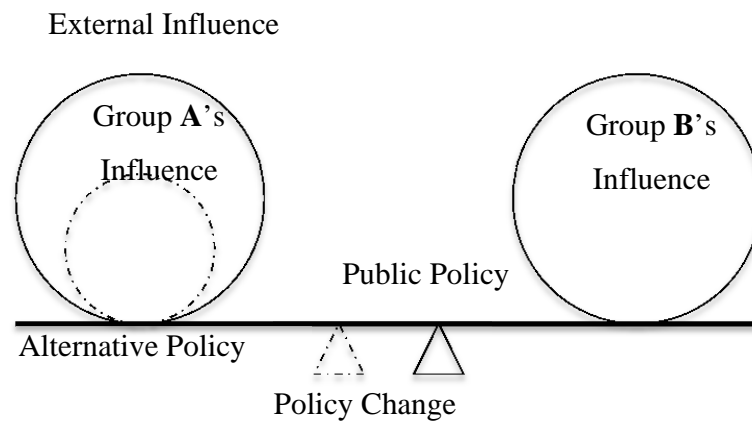
The basic hypothesis of the group model is that in a society different interests groups exist who constantly compete over various issues regarding their interests, power or values. To ensure a stable social development, it demands communications and coordination among these groups to achieve a balance in interests, power or value. Due to diverging interests, different groups would have different interpretations and expectations on a public policy. Therefore, the making of public policy could be considered as the government's attempt to adjust their competitions between interests groups, and finally achieve an equilibrium state of interests (Zhou, 2005, pp.46-47).

The group theory believes that all political phenomena can be interpreted as a group phenomenon. And public policy is actually the creation of compromise among different groups, as well as the balance of interests (ibid. p.47). Therefore, the making of land reform policy can be considered as the summarization of compromises made by affected interests groups by changing the current land tenure system to achieve a new balanced system regarding all group interests on land resource. In this research, land reform policies are usually initiated by CCP (or CCP government), and rural populations are recipients directly affected by the policy. Under current socialist public ownership, the government plays multiple roles, as policy maker, administrator, acting-owner and land user. Hence, the reform policy will represent not only the party's claims on its interests from land, but also reveals its political objectives. Therefore, the government and rural farmers are considered in the study as two interests groups in land reform.

In fact, the conflicting interests between government and farmers are nothing but common in the history. The so-called peasants' uprisings or peasants' wars in Chinese history are mainly caused by the escalated struggle of diverging interests between government and peasants, rarely caused by the conflicts between landlords and their tenants (Qin, 2003, p.45). Hence, using the group model in the study of land issues and taking government and farmers as two opposite interests groups is also supported by historical facts in China.

The group model regarded the policy as a result of interactions between interests groups. Every group expects the policy can fulfill the interests it pursuits. During the process, if one group's behavior affects the other group's pursuit, the sustainability and development of the affected group is threatened. Then the affected group responds to the other group by proposing demands, and tries to restore the balance. The balancing point depends on the power of influences from both parties as being is illustrated in Figure 2.1.

Figure 2.1: The Group Model



Source: Zhou, 2005, p.50

Under an enacting policy, the Group A's and Group B's power of influence are set and being balanced. The change of power or change of policy could change the balance status, until reached a new equilibrium point. The power change of a group can also emerge from the external factors. For this study, a group model between the government and rural farmers will be employed to illustrate the changes in reform policy as well as its effects on both groups. Also, the study would discuss the change of influential powers of both groups, and analyze the consequential impacts on reform policy.

### 2.2.3 Elite Theory

According to Dye and Zeigler, the central idea of elitism is that all societies are divided into two classes: the few who govern and the many who are governed (2009, p.2). The key claim of elite theory is (ibid. p.10):

- Society is divided into the few who have power, called elites, and the many who do not, called masses.
- Elites are not typical of the mass who are governed. Elites are drawn disproportionately from the upper socioeconomic strata of society.
- The movement of non-elites to elite positions is necessary but must be slow and continuous to maintain stability and avoid revolution. Only non-elites who have accepted the basic elite consensus enter governing circles.
- Elites share a consensus on the basic values of the social system and the preservation of

the system. They disagree only on a narrow range of issues.

- Public policy reflects not the demands of the masses but the prevailing values of the elite. Changes in public policy will be progressive rather than revolutionary.
- Elites may act out of narrow self-serving motives and risk undermining mass support, or they may initiate reforms, curb abuse, and undertake public-regarding programs to preserve the system and their place in it.
- Active elites are subject to relatively little direct influence from the apathetic masses. Elites influence the masses more than the masses influence elites.

The elite theory emphasizes the functions of political elites in decision making and the fact of the “few” governing the “mass” in any political system. Then, public policy is considered as the decision representing governing elites’ value and preferences. The principle argument of elite theory is that public policy is made by the governing elites and implemented by governmental officials and institutions, instead of through the non-elites’ (the mass) demands or actions (Zhou, 2005, p.52)

The theory states that the mass is excluded from policy making process, lacking of interests on policy, and limited with knowledge, thus incapable to propose any policy demands. Also, the power of the mass is dispersed and lacks of effective organization which makes them inclined to “free-ride”. Therefore, governing elites’ political stands are rarely influenced by the public opinion; on the contrary, it is the public opinion which is constantly affected by the governing elites’ political stands. And the public policy is only conducted in a top-down manner. Notwithstanding, the policy made by elites does not necessarily contradict to the interests of the masses. For policy needs the support from the masses, if not the political structure would be unstable and not sustainable (ibid.).

One crucial character of elites is that, as they are the beneficiaries of current institutions, they are more inclined to maintain the status quo with a comparatively conservative attitude towards reform. Only when the social stability is threatened and in order to preserve their governing position in the current regime, elites would make efforts on fundamental reform. Else, they would rather prefer gradualism changes than radical and fundamental reform (ibid. pp.52-53).

There are three characteristics of the relationship between elite theory and public policy (ibid. pp.53-54):

- First, the theory believes that a public policy doesn't represent the mass's interests and preferences, but the governing elites. Thus, any reform and innovation on policy is the result of the elites' redefining their value. And for the necessity of maintaining normal social order, elites have strong conservative tendency and any change on public policy would be gradual.
- Second, the theory considers the mass is passive, apathetic and uninformed; public emotions are usually manipulated by the elites, and the mass could barely influence the value of elites. Hence, the policy communication remains top-down approach.
- Thirdly, the theory believes that the governing elites have the consensus on the norms in a social system. They believe the consistency of basic rules and of the existence of social system. Since social stability and sustainability depends on the elites' consensus of value, only when the alternative policy, which fits in the range of such value consensus, would be considered seriously. It doesn't mean there is no divergence or power struggle among members of elites, but their conflicts would always be constrained with a rather limited scope.

Elite theory provides this study with several theoretical findings and supports.

- First, the study argues that CCP's relationship with farmers can be considered as the elites and the mass in elite theory. And land reform policies mostly represent the party's value and preferences.
- Secondly, though history proved that farmers' attitudes toward land reform had some impacts on certain reform policy in some specific period of time, they are more inclined to passive and apathetic recipients of the reform policies. Under the current land tenure system, despite the advancements in media and technology, they are still seriously uninformed.
- Finally, the study will discuss the difficulties for CCP to launch more fundamental land reform nowadays. Meanwhile, the study will also point out that tenure insecurity issues is threatening the social stability, which would motivate the party to perform more concrete improvements in future land reform.

Through the application of elite theory, many political and social phenomenon regarding land reform policies could be explained and analyzed.

## 2.2.4 Game Theory

As in the group model, the CCP (or Government) and Farmers (or Rural Landholders) are identified as two interests groups in land reforms. In responding to the reform policies under the same environment, their choices and behaviors could be considered as rational and strategic. In order to maximize their utilities (interests), their strategic behaviors in responding to certain reform policy can be either to pursue the maximization of interests or the minimization of costs caused by the reform by using their power of influences. Then, the dynamic of their behavior could be interpreted with game theory.

Game theory is systematically studying the strategic behaviors of rational participants under a strategic environment or the behaviors in a game situation which is applied in many areas of social science study (Jehle, Reny, 2002, p.251). To explain the behavior of participants in coping with land reform policy, the study assumes that every participants have an equal opportunity of accessing to and understanding the content of reform policy (as a common knowledge); and the standard of their strategic behavior depends on the judgments of utilities, i.e. the question of what would be the best way to apply the policy for their own interests. Hence the options of every participant can be concluded to be a *Strategy Set*. In this context, the process of land reform can be considered as a *Gaming Situation*,

In a simple gaming situation, every participant (player) chooses his/her own strategy and acts, and according to the participants' choices they respectively receive the result of the choice that is represented by certain profits and costs. And no participant would choose a strictly dominated strategy (Gibbons, 1999, pp.1).

Game theory will be applied in discussing interactions between CCP government and Farmers, as two players in a gaming situation. In this study, it will be employed in analyzing the changes of reform policy or the influencing power of both players. As preconditions, the following presumptions are given for the analysis:

First, CCP as a ruling party and policy-maker is driven by its political objective, i.e. to maintain and stabilize its power. Hence, its power of influencing land tenure systems is represented by its controllability on land resource. Meanwhile, as a government which is also subjected to the objective of economic development, the government also plays the role of land user that is restrained by the policy it made. To enhance the administrative controllability can give the government advantages in competing interests on land with other parties in society; however, it



can also lead to potential conflicts that threaten the stability of its rule. Therefore, in land reform the party must balance its gains and losses from both economic and political perspectives.

The farmers' share of interests on land reflects the status of land tenure security. Hence, more security means stronger interests. By claiming more security as well as stronger interests, farmers can exert their power of influence on reform policies. Then, their responses to certain policies will be rational and strategic, and their ability of claims for interests would be decisive.

In this analytical structure, reform policy can be regarded as the result of a compromise of both players through their competition. Also, as the external influence of reform, the factor of social stability shall be integrated in the model. As an important condition for both players, it represents their common interests, which can motivate both sides to make compromises and reach a mutually agreed policy arrangement.

A game model can be employed in analyzing the potential development of reform policies, hence the data for analysis would present the county's current situation, and CCP's and farmers' interests nowadays.

### **2.2.5 Concept of Transaction Costs**

To analyze the relationship between the government and farmers, particularly their powers of influence on reform policies through a game model, it is important to find the comparable elements, or pay-offs for both players. For a study of institutional changes, *Transaction Cost* is a key concept for the study.

Transaction cost theory is first proposed by *Coase* (1937, pp. 386-405) in his famous article "*The Nature of the Firm*", but the term of "transaction costs" was not clearly defined, only until his later work in 1960, he pointed out that "In order to carry out a market transaction it is necessary to discover who it is that one wishes to deal with, to inform people that one wishes to deal and on what terms, to conduct negotiations leading up to a bargain, to draw up the contract, to undertake the inspection needed to make sure that the terms of the contract are being observed, and so on (Coase, 1960, p.15)." More specifically, one can define them as search and information costs, bargaining and decision costs, policing and enforcement costs.

*Arrow* (1969, p.1) points out that "...transaction cost are costs of running the economic system."

The more recent development of the theory was stimulated by *Williamson* (1985) who consistently emphasizes the importance of transaction costs in economic relations, and points out

that, *inter alia*, limited rationality means that all economic exchange cannot be organized by market contracting. Within situation of bounded rationality (and non-zero transaction costs) it is impossible to deal with a complex reality in all contractually relevant respects. Hence he argues that two human and three environmental factors lead to transactions costs arising. The human factors are: bounded rationality and opportunism. The environmental factors are: uncertainty, small numbers trading and asset specificity.

*Eggertsson* (1990, p.xv) thinks transaction costs are the costs occurring between individuals in exchanging the ownerships of economic assets, and the costs occurring during the execution of these exclusive rights.

*Furubotn* and *Richter* (2000, p.40) suggest that, "transaction costs include the costs of resources unitized for the creation, maintenance, use, change and so on of institutions and organization", and "...when considered in relation to existing property and contract rights, transaction costs consist of the costs of defining and measuring resources or claims, plus the costs of utilizing and enforcing the rights specified"

In this thesis, the concept of transaction cost is the conclusion drawn from all aforementioned definitions and perspectives. Rural land transaction in China is considered as a contractual transaction of an economic asset that is running under current tenure system. Then, it means the costs for bargaining, reaching and enforcing the contract for both players as market participants or land users, especially for the transaction occurred between two players. Hence, transaction cost is an essential concern for both players for their rational and strategic choices. Then, the clauses in the contract define the share of interests for each player, which are representations of players' controllability and powers of influence on land as well as the status of tenure security.

Since the reform on the tenure system will affect the status of tenure security, consequently the existing structure of sharing interests on land. In order to maximize the interests, each player will pursue the choice that can lead to the minimization of the transaction cost. As tenure security is largely determined by farmers' perceived certainties of rights on land, their attitudes toward the acting land institution can be considered as a type of costs, for either positive or negative attitudes can sentimentally affect their utility levels. Such sentiments also affect the government's payoff, which determine the necessary inputs in land administration or the costs for enforcing the contract.

To the government as the administrator of land transactions, the input to maintain the existing land administration also represents the status of procedural and bureaucratic institutions for transaction, which decides the transaction costs for farmers in land transactions. More inputs in administration allow the government to have more control over land; therefore more transaction costs to farmers, and vice versa. Then, such costs would affect farmers' attitude as well as the perceived tenure security.

In the scope of a land reform policy study, the concept will be utilized as a key factor of tenure security in the discussion of pay-offs for both players in the game model.

### **2.3 Chapter Summary**

In this chapter, the study reviews previous researches on land reforms in China from perspectives of the history, the functions of land reforms, as well as focal points in studying reform policies. Then, findings and arguments from the review assist the study to develop own arguments and perspective for further analyses.

And then, oriented by research objectives, the study locates theories to support the arguments concluded from the review. By incorporating the theory of public policy and policy evaluation, the elite theory, the group theory as well as the game theory and the concept of transaction costs, the thesis structures the theoretical framework for the research.

## Chapter Three: Research Methodology

Research methodology is “a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. In it we study the various steps that are generally adopted by a researcher in studying his research problem along with the logic behind them” (Kothari, 2004, p.8). As the procedure of scientific investigation, it “reflects on scientific research practice, the methods and techniques used by scientists and particularly on the underlying logic of these activities, in order to improve them” (Mouton, 2002, p.10). Hence, in this chapter, the study discusses the process and methods applied for exploring reform policies for improving tenure security in China, through which the research logic could also be established.

### 3.1 Selection of Research Types, Approaches and Rationale

Research is the “systematized effort to gain new knowledge.” (Redman, Mory, 1933, p.10) and it “is not just a process of gathering information, as is sometimes suggests. Rather, it is about answering unanswered questions or creating that which does not currently exists.” (Goddard, Melville, 2001, p.1). Hence, the first step of the research is to set the research objective and ask the right questions, which determine the choice of types, instruments and methods used in the study.

#### 3.1.1 Application of Historical and Expository Research

As Goddard and Melville define “studies of the past to find cause-effect patterns are known as *historical research*. It is always geared towards using past events to examine a current situation and to predict future situations” (ibid, p.10). Whereas, *expository research* is the research, “by reading widely on a field, and then comparing, contrasting, analyzing and synthesizing all points of view on a particular subject, a researcher can often develop important new insight” (ibid).

One of the major objectives of the study is to identify the evolutionary pattern of land reform policies based on the history of land reform, which requires extensive reviewing of historical

documentations and previous studies. Similar for the discussion on the developments of tenure security, the historical and expository researches are the groundwork of the study.

### **3.1.2 The Combination of Descriptive and Analytical Approaches**

*“Descriptive research* includes surveys and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present”. (Kothari, 2004, p.3) And *“the methods of research utilized in descriptive research are survey methods of all kinds, including comparative and correlational methods”* (ibid.). For the application *“descriptive research may be used when the object of the research is very complex* (Goddard, Melville, 2001, p.9). In *analytical research*, on the other hand, the researcher has to use facts or information already available, and analyze these to make a critical evaluation of the material (Kothari, 2004, p.3). Due to the complexity and extensiveness of the whole evolutionary process of reform policies, as well as crucial events and the developments of tenure security, the descriptive approach is applied for the review of reform policies and changes in tenure security. And based on the findings from the review, the analytical approach could be employed for abstracting the evolutionary pattern from the historical data. Therefore, the combination of descriptive and analytical researches could ensure the correct representation of findings based on historical and expository researches.

### **3.1.3 Complementary Application of Qualitative and Quantitative Analyses**

Quantitative and qualitative researches methods are very popular in social science studies, according to Babbie (2010, p.527):

*“Qualitative analysis is the non-numerical examination and interpretation of observations, for the purpose of discovering underlying meanings and patterns of relationships. This approach is most typical of field research and historical research.*

*Quantitative analysis is the numerical representation and manipulation of observations for the purpose of describing and explaining the phenomena that those observations reflect.”*

For the characteristics of two methods, he points out that *“quantification often makes our observations more explicit. It can also make aggregating and summarizing data easier. Further, it opens up the possibility of statistical analyses, ranging from simple averages to complex formulas and mathematical models ... whereas qualitative data are richer in meaning and detail than are quantified data.”* (Babbie, 2010, p.24)

Especially on the practical level, “qualitative research is a situated activity that locates the observer in the world. It consists of a set of interpretive, material practices that makes the world visible. These practices ... turn the world into a series of representations including field-notes, interviews, conversations, photographs, recordings and memos to the self. At this level, qualitative research involves an interpretive, naturalistic approach to the world. This means that qualitative researchers study things in their natural settings, attempting to make sense of, or to interpret, phenomena in terms of the meanings people bring to them” (Denzin & Lincoln, 2011, p. 3).

In discussing the current status and identifying the core issue of tenure security in China, the focal point of analyses is how to represent “the perceived certainty of land rights” for farmers. Through qualitative approaches, the study can have a better grasp on the issue by concluding findings from extensive perspectives that relevant to farmers’ perceptions on tenure security.

On the other hand, “*quantitative research* involves studies that make use of statistical analyses to obtain their findings. Key features include formal and systematic measurements and the use of statistics.” (Marczyk, DeMatteo & Festinger 2005, p.17). As Anthony, Onwuegbuzie and Leech suggest (2005) both approaches have more similarities than differences. They further argue that using both approaches strengthens social research. (Babbie, 2010, p. 25)

Hence, to integrate quantitative data and analyses in the discussion of tenure security issues would improve the credibility and representativeness of arguments proposed through qualitative analyses. Meanwhile, by quantifying the qualitative standards, like the perceptions from different surveyed groups, the qualitative data could be compared numerically.

### **3.2 Subjects and the Scope of Research**

The study actually has two objectives as well as two sets of research subjects and questions, which will be integrated and produce final results together. To be specific:

- 1) Firstly, the study tries to identify consistent characteristics of CCP’s land reform policies and conclude the evolutionary pattern from historical data;
- 2) Then, the core problem of tenure insecurity in China nowadays will be identified and analyzed. And the core problem will help the thesis to locate applicable policies for the new land reform;

- 3) And then, by applying the *evolutionary pattern* on the *located reform policies*, in order to improve the practicality and feasibility of these policies by taking references from past experiences and lessons.

For achieving first sub-objective, the studying subjects would be:

- The background of political and economic situations as well as tenure system, before CCP-led land reforms,
- Key land reform policies and implementations;
- Crucial events, characters, and of reforms;
- Unique features, problems and influencing factors that affecting the making, implementation and revision of reform policy;
- The causal relationships that connecting reform policies in different periods or circumstances.

Then, to achieve the second sub-objective, the studying subjects are:

- Changes of tenure security during land reforms in different periods;
- Overall status of tenure security as well as emerging problems in the current rural tenure system; especially farmers' perceptions on tenure security;

Since the study concentrates analyses on the reform policies issued by CCP's Central Committee (before the foundation of socialist regime in 1949) and the State government (since 1949), the scope of the study should be at the national level, which also defines the studied areas.

### 3.3 Data Collection

"The objective of data collection is to produce reliable data" (Mouton, 2002, p.146). Generally there are two types of data: "the *primary data* are those which are collected afresh and for the first time, and thus happen to be original in character. The *secondary data*, on the other hand, are those, which have already been collected by someone else and which have already been passed through the statistical process." (Kothari, 1996, p.95) Kothari also specifies some of the key methods to collect primary data: *Observation, Interview, Questionnaires, Schedules, and other methods*. Secondary data, however, can be collected through various published or unpublished sources (ibid. p.111). In addition, according to Browne: the sources of secondary data can also be from official statistics, other research, mass media, or other sources (2011, p.49)

### 3.3.1 Literature Study for Data Collection

“Science by its very nature is a structure, which grows by the addition of new material on top of a great edifice formed by earlier works.” (Wilson, 1990, p.10) Literature study “is often used to describe the process of finding out about previous work from a range of sources. Any good research includes two distinctive types of literature study: (Goddard, Melville, 2001, p.19)

- *A preliminary literature study* allows the researcher to get a feeling for the topic and the issues involved, and an understanding how the proposed research would fit into them.
- *A full literature study* is a far more comprehensive study, which is part of the research process itself rather than the preparation for research.”

Through the preliminary literature review of previous studies, research can establish a general idea regarding the issues of tenure security and land reform policies, as well as generate findings, arguments and claims of other researchers, which can assist the study to develop rudimentary but original arguments, as well as locate practicable theories and methods for the study.

“In part, the data-collection method(s) you intend to use in your study will shape your review of the literature” (Babbie, 2010, p.123). Since a field survey is the main method of collecting primary data, the preliminary literature review also assists the study in defining and designing questions for the survey and interviews.

As groundwork, the comprehensive review of literatures regarding land reforms and policies will not only give us an overview on the history, but also assist us to identify unique features and characteristics of CCP’s reform policies.

Thus, literature review can function both as the mean of secondary data collection and the method of analysis for the study.

### 3.3.2 Documentations, Publications and Statistics

“Secondary sources have the main advantage that the material is readily available and so is cheap and easy to use... In some cases, secondary sources may be the only sources of information available in an area, and sociologists may therefore have no alternative but to use them.”(Browne, 2011, p.50)

Hence, the identification of the evolutionary pattern depends solely on the collected historical data, which mainly includes the following sources:



- Documentation: officially publicized documentations and records on reform policies, laws, directives, reports, letters and other documents related to the land reform issues;
- Publications: articles, academic papers, journals and books from both domestic and international researchers on the histories of land reforms, contemporary China, developments in tenure system as well as the thematic studies on tenure security; and
- The official statistics from yearbooks, annual reports and online database NBSC (the National Bureau of Statistics of China) and Land and Resources Yearbooks of China published by the Ministry of Land and Resources.

Meanwhile, public speeches, incidences and newspaper reports are also used as sources of secondary data.

### **3.3.3 Survey Study**

“Survey research is probably the best method available to the social researcher who is interested in collecting original data for describing a population too large to observe directly.... also excellent vehicles for measuring attitudes and orientations in a large population. (Babbie, 2010, p.270)”

Since the thesis is dedicated to identify and resolve the core problem of tenure insecurity in rural China, to collect first hand data that representing the actual status of current tenure system is essential, especially the data that reflecting farmers’ perceptions on tenure security. And, to directly observe and collect data from every farmer is impractical. As the thesis is focusing on the central or state policies, the general status of the country can be approximated through field survey in selected areas. Hence, a survey study is not only necessary but crucial for this research.

### **3.3.4 Selection of Survey Areas and Rationale**

According to the research objective, the status quo of tenure security of rural China is the crucial data requirement. Hence, “farmers’ perception of tenure security” under current tenure system is the focal point of research, especially the farmers’ opinions regarding land policies and institutions at work. Therefore, a questionnaire survey is applied as the main method to acquire such information.

For the purpose of representativeness, the survey areas should reflect regional diversities as they may affect farmers’ perceptions. Then, during selections, the study considers the differences in demographical and economical features as well as geographical and topographical differences.

Furthermore, due to limitations in capacity and availability for the study and in compliance of convenient sampling approaches, 11 provinces will be selected (Table 3.1).

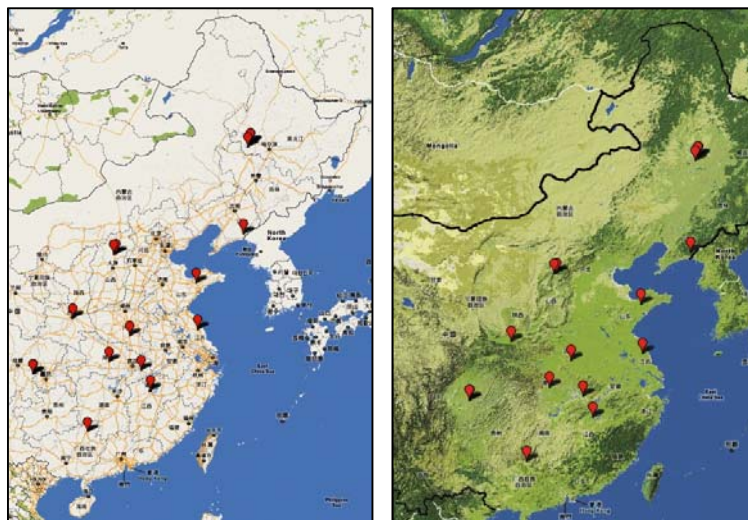
Table 3.1: Regional Differences of Surveyed Provinces

Survey Areas (Provinces)	Land (Unit: 100 KM <sup>2</sup> )		Rural Population (Mill.)	Rural Household Net Income per Capita (RMB)	Regional GDP (Mill. RMB)	Agri. Output (Mill. RMB)
	Total Area	Agri. Land				
Shan'Xi	1567.11	1014.19	18.51	3665.66	7358.31	908.74
Liao'Ning	1480.64	1122.96	17.12	4773.43	15212.49	2704.58
Hei'Long'Jiang	4526.45	3792.64	17.03	4132.29	8587.00	2251.10
Jiang'Su	1067.42	672.79	34.3	6561.01	34457.30	3816.02
Jiang'Xi	1668.94	1417.09	25.18	4044.70	7655.18	1733.82
Shan'Dong	1571.26	1157.21	48.94	4985.34	33896.65	6003.08
He'Nan	1655.36	1228.29	59.10	3851.60	19480.46	4871.51
Hu'Bei	1858.88	1465.61	30.89	3997.48	12961.10	2985.19
Guang'Xi	2375.58	1786.89	29.52	3224.05	7759.16	2377.19
Si'Chuan	4840.56	4241.88	50.17	3546.69	14151.28	3689.81
Shann' Xi	2057.95	1847.63	21.31	2644.69	8169.80	1337.22

Source: NBSC, 2009

Within selected provinces 15 villages were selected as actual survey subjects (Map. 1).

Map 3.1: Map of Geographical Locations and Terrains of Surveyed Villages



Source: Google Maps

From northeast to southwest, the selected areas include some of major agricultural production areas in the country. Topographically, from the vast prairies in the northeast to the mountainous regions in the southwest, from barren plateaus in the northwest to the fertile basin of the west, they also include most types of terrains in China.

#### 3.3.4.1 Questionnaire Survey

A questionnaire is “a document containing questions and other types of items designed to solicit information appropriate for analysis. Questionnaires are used primarily in survey research but also in experiments, field research, and other modes of observation (Babbie, 2010, p.271)” There are two options for researchers to ask questions: open-ended and closed-end questions. (ibid, p.272). By comparing the pros and cons of both options, the study mixed uses both types of questions.

In open-end questions, “the respondent is asked to provide his or her own answer to the question”, whereas in closed-end questions “the respondent is asked to select an answer from among a list provided by the researcher” (ibid).

The study designed two sets of questionnaires for two groups of respondents: the questionnaire for farmers’ (Annex 1) and for village leaders (Annex 2). In both questionnaires, some of the questions were designed to be identical or corresponding, which gives the study two sets of data on a single issue for further comparison. The selection and design of questions are principally objective-oriented and for two types of questions:

- *Open-ended questions* focus on collecting basic information of the respondents and their family, as well as individual information regarding land and agricultural productions;
- *Close-ended questions* focus more on inquiring respondents’ judgments and attitudes reflecting tenure security as well as designed questions for respondents to decide or choose. Considering the extensiveness of potential answers, a few closed-end questions leave an option for open-ended answers, thus they are *semi-open and semi-closed* questions.

In total 380 farmer households were surveyed, and after preliminary data processing 361 questionnaires were proved valid, the percentage of validity is 95%. As to respondents 84.2 percent were male and 15.8 percent female (Table 3.2).

Table 3.2: Selective Criteria and Basic Information of Surveyed Farmers

Data Type	Selective Criteria	Mean Values
Age	20 - 70	51.58
Family Member(s)	$\geq 1$	4.29
Labor Force	$\geq 1$	2.75
Agricultural/Migrant Labor(s)	Sum $\geq 1$	1.77 / 0.96
Amount of Contracted Plot(s)	$\geq 1$	4.34
Size of Contracted Plot(s)	$> 0 \text{ mu}^3$	5.38 <i>mu</i>
Residential Plot: Amount/ Size	Amount: $>0$ ; Size: $>0 \text{ mu}$	1.17 / 0.54 <i>mu</i>

Source: Survey Data

In a next step, for 15 villages 23 village leaders were surveyed, including village or production unit chiefs, chairmen and accountants of village administrations.

### 3.3.4.2 Interview of Key informants

The interview of key informants, as another source of data collection, can provide some professional and academic insights on the subject of thesis. According to the scope of research and the survey areas, three categories of key informants were interviewed (Table 3.3).

Table 3.3: Key Informants Interviewed

Interviewee	Number	Professional Organizations
Land Administration Officials	6	Liao'Ning Admin. of Land and Resources
	2	Ministry of Land and Resources
Scholars Working on Land Issues	3	Department of Land and Real-Estate Management, Renmin University of China
	1	Shen'Yang Agricultural University
Experts and Practitioners on Rural Development	3	Association for the Promotion of Village Development, China (NGO)

Source: Author

All interviews were conducted in the form of an open discussion, and the following topics are included in the interview:

- General status of tenure security; judgments on farmers' tenure security,
- Problems in current tenure system: institutional and non-institutional,
- Government's role in current tenure system; farmers' interests on land; and conflicts of interests on land,
- Issues in rural and urban land markets; the development of rural land market,

<sup>3</sup> *mu* is a Chinese metric unit for square measuring. 1 *mu* = 667 m<sup>2</sup>. or, 1 hectare = 15 *mu*

- Characteristics and problems in making and implementing land policies,
- Future development in land reform and tenure system.

### 3.3.5 Data Reliability and Validity

“Reliability is generally understood to concern the reliability of research findings and whether or not they would be repeated if another study, using the same or similar methods, were undertaken.” (Lewis & Ritchie, 2003, p.270) Then, “the validity of findings or data is traditionally understood to refer to the 'correctness' or 'precision' of a research reading” (ibid. p.273).

Mouton argues, “The reliability of data is affected by the following:

- The researchers, ‘experimenters’, ‘interviewers’ or ‘observers’;
- The individuals or ‘subjects’ who participate in the research project;
- The measuring instruments such as questionnaires, scales, tests, interviewing schedules and observation schedules; and
- The research context or the circumstances under which the research is conducted. (2002, p.144-145)”

The extensiveness and complexity of relevant data, the limitations in data-collection methods and the subjectivity of study subjects, all put the reliability of data in question. Therefore, the *Triangulation* technique is used in the study.

“*Triangulation* assumes that the use of different sources of information will help both to confirm and to improve the clarity or precision, of a research finding.” (Lewis & Ritchie 2003, p.275)

There are four basic types of triangulations (ibid.):

- *Methods triangulation*: comparing data generated by different methods (e.g. qualitative and quantitative)
- *Triangulation of sources*: comparing data from different qualitative methods (e.g. observations, interviews, documented accounts)
- *Triangulation through multiple analysis*: using different observers, interviewers, analysts to compare and check data collection and interpretation
- *Theory triangulation*: looking at data from different theoretical perspectives

In this thesis, both quantitative and qualitative methods will be applied; and both primary and secondary data will be collected from multiple sources, especially the survey data from respondents of different perspectives. And, for the theoretical modeling, the study integrates

both Group Theory and Game Theory to illustrate the relationship and interactions between interest groups, as well as effects on or caused by reform policies.

### 3.3.6 Data Analyses and Conclusions

“Analysis is a challenging and exciting stage of the qualitative research process. It requires a mix of creativity and systematic searching, a blend of inspiration and diligent detection.” (Spencer, Ritchie & O’Connor, 2003, p.199) And “the aim of data analysis is the discovery of patterns among the data, patterns that point to a theoretical understanding of social life.” (Babbie, 2010, p.426)

According to Mouton, data processing involves at least two kinds of operations:

- *Data reduction*, during which the quantitative and qualitative data are summarized (2002, p.67) and reduced to manageable proportions (ibid.p.161);
- *Data analysis* includes both analyses of qualitative data which includes processes such as thematic and content analysis and quantitative data or statistical analysis (ibid, p. 67). New patterns and themes in the data will be identified. (ibid, p.161)

According to the research objectives, both qualitative and quantitative data are processed in the following order:

- First, historical data, especially on reform policies, are reviewed and reduced in terms of relevance with regards to changes on tenure security status, upon which key policies in different periods of land reforms will be identified and organized chronologically.
- Then, through qualitative analysis, the characteristics, features and influencing factors of land reform policies will be identified, which structures the evolutionary pattern.
- Finally, using the identified pattern as an analytical framework, the thesis will revisit findings from policy reviews. Then, principle relationships and functions of all factors in the pattern will be concluded, which can work as a referencing system for the next land reform.

On the issue of exploring relationships between tenure security and reform policies,

- The changes of tenure security during land reforms is summarized,
- Further, through both qualitative and quantitative approaches, the current status of tenure security in China, as well as emerging problems and core issue of insecurity are identified.

- And last, qualitative analysis is linked with theories. The study can structure models to dissect the core issue of tenure insecurity, which helps to identify applicable policies for improving tenure security.

Finally, the study will adapt the identified reform policies with the evolutionary pattern and take references from past experiences and lessons of land reforms; and the thesis will draw conclusions as policy suggestions for the government and verify research hypotheses. Thus, two sub-objectives of the study have been respectively achieved and unified as final conclusion.

## Chapter Four: Reviewing Land Reforms: Backgrounds and Policies

*“The lord of a state or a family concerns himself not with scarcity but rather with uneven distribution; concerns himself not with poverty but with discontent.” – Confucius (551-479 BCE)*

From the political viewpoint of CCP, the whole process of land reforms is regarded as two periods: *the Revolutionary Period* and the *Socialist Period*. The moment that is dividing two periods is the foundation of People’s Republic of China (PRC) on 1<sup>st</sup> Oct. 1949. Considering major changes on reform policies, the whole process is defined as seven periods (Table 4.1).

Table 4.1: The Chronology of CCP’s Land Reforms

Political Division		Chronology of Land Reforms	
1921 to 1949	Revolutionary Period	1921-1927	<i>Peasants’ Movements</i>
		1927-1937	<i>Land Revolution during CCP-KMT Confrontation</i>
		1937-1945	<i>Land Reforms during the War of Resistance Against Japanese Invasion</i>
1949 to present	Socialist Period	1945-1952	<i>Land Reform during the Civil War and the Beginning of P. R. C</i>
		1953-1958	<i>Building of Socialist Land Tenure System</i>
		1958-1978	<i>Micro-adjustments on Land Policies during Political Turmoil</i>
		Since 1978	<i>Establishing and Developing the Household Responsible Contracting (HRC) System</i>

Source: Author

In the revolutionary period, the political situation in China was very unstable and complicate, which created a unique political atmosphere for CCP’s land reforms. The political climate constantly affected the party’s objectives and decisions. Similarly, the unique socio-economic environment and issues of traditional land tenure system were also essential factors which affected the course of land reforms and policies. In order to fully understand the significance of



land reform to CCP's revolution as well as its far-reaching impacts on tenure system and tenure security, the review of land reforms starts with the introduction of some background information.

## 4.1 Political Background in the Revolutionary Period

Politically, the Chinese history of 20<sup>th</sup> century started with the continuation of an autocratic monarchical empire – the Ch'ing Dynasty which lasted until the democratic revolution in 1911. The abdication of the monarch and the establishment of the *Republican China* in Peking 1912 symbolized the end of more than two millenniums of monarchical governance. And the leading revolutionaries were members of "Tung-meng hui" - led by Dr. Sun Yet-Sen. After the victory of the republic revolution, it became the main-body of Kou-ming'tang (KMT, or the Nationalist Party) in 1912. Hence, the period from 1912 to 1949 is officially recognized as the *Republican Era*. CCP-led land reforms started at the early 1920s, soon after the party's foundation. The chaotic political changes in the Republican Era in fact gave the communist party many political leverages and opportunities to grow and strengthen itself, and finally seize power in only 28 years after its foundation.

### 4.1.1 The Country in Separation: The Era of Warlords (1912-1928)

From 1912 to 1916, the Republican China was actually dictated by Yuan Shih-K'ai, who was formerly the most highly ranked bureaucrat and military leader in the late Ch'ing dynasty. His unscrupulous governance provoked a nation-wide opposition that latter escalated into years of domestic warfare, which caused regional uprisings and separation after the Yuan's death (Young, 1983, pp. 209-255).

"The death of Yuan Shih-K'ai in June 1916 ushered in the *Era of the Warlords* and yet throughout the ensuing decade or more of militarism, the Peking government remained the symbol of China's national sovereignty and hoped-for unity" (Nathan, 1983, p. 256) The so-called Warlord "...was one who commanded a personal army, controlled or sought to control territory, and acted more or less independently". (Chen, 1983, p.284) Hence, from 1916-1928, China was nominally unified under the Peking Government, but actually separated in respect of the political and military power, and battles among warlords over the central power made the leadership and governmental changes unprecedentedly chaotic (ibid. pp. 307-308).

Dr. Sun established another revolutionary government in 1917 at Guangzhou, Kwangtung and organized troops (most of the troops were also the warlords armies who were pro-revolutionary

or had their own political agenda.) to fight against other warlords with the hope to re-unify the country. During this period, Dr. Sun sought assistance from Soviet Russia, which directly facilitated the bipartisan cooperation between KMT and newly founded CCP, and the political cooperation was called the *First United Front* (Wilbur, 1983, pp. 594-623).

Assisted by the Comintern (or Communist International, established in 1919 by Lenin in Moscow.), CCP was founded in 1921. And then, guided by Lenin's vision on the revolutionary strategy of world and the "united front strategy", CCP and KMT established a bipartisan cooperation in 1923 as one jointed revolutionary force. With the Russians promises of supporting the Chinese revolution, Dr. Sun agreed communists to join the KMT and work in the departments of the Guangzhou Government. Even from the very beginning, the ideological differences between the Nationalists and Communists caused heated debates between both parties, and even caused the ideological separation *Rightwing* (the conservatives) and the *Leftwing* (the radicals) within KMT.

And as the revolutionary force increased, Guang'tong government started the war against regional warlords and attempted to re-unite the country in 1926 - also known as the "Northern Expedition". In July 1928 the KMT troops seized hold of Peking and finally re-unified the country after Ch'ing's demise and terminated the era of warlords<sup>4</sup>. The new capital and the political center was in Nanking, hence the republican stepped into the period of *Nanking Government*.

The bipartisan cooperation or the First United Front was actually ended in 1927. Many factors contributed to the breakup between KMT and CCP. In general, it was the conflicts over revolutionary ideologies. One of the most observable disagreements was the opinion towards the peasants' movement led by CCP members. The breakup was brutal, when KMT purged the communists from the party and government with a bloodbath. As a result, some members of CCP organized military munities and uprisings against KMT's purge, and these troops latter became the *Red Army* (Wilbur, 1983, pp. 553-721).

#### **4.1.2 The Period of KMT-CCP Confrontation (1927-1937)**

"Since the collapse of the first united front in July 1927, the major preoccupation of the CCP had been to create sanctuaries in rural China wherein lay a possibility to continue the revolution and

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<sup>4</sup> In fact, the regional military forces were never "unified" in the time of Republican Era, for most of the revolutionary force also originated from the pro-revolutionary warlords' troops. And these warlords might appear as KMT members but the *de facto* regional forces

a hope to bring it to final victory (Chen, 1986, p.183)". The heavy loss made CCP to reconsider the Comintern's decision and strategy, furthermore, the party was eager to reconstruct itself and explore the right route for the party's survival. After a number of failed uprisings, CCP realized the necessity of establishing a base for revolution – "to create a state within a state so that the CCP could survive to carry on the revolution. (ibid, p.186)" Building the *Base Areas* or the so-called "*rural soviets*" in remote or mountainous areas by implementing the *Mass Line* strategy – provoking supports from the rural society was the principle approach. And the readily available and most feasible way to accomplish it was to organize land reform. By using the Red Army's strength to confiscate the property of the rural rich and redistribute it to the poor, the rural soviets were established. By 1930, there were about 13 base areas, covering probably 300 counties under various degrees of Communist control or influences. Then, KMT launched five rounds of military campaign, known as the "encirclements", in order to exterminate the rural soviets from 1931 to 1934. And after the fifth encirclement when CCP lost the central Soviet base area, the red army started the "*Long March*" crossed more than 6000 miles for about one year, and finally, the heavily depleted troops settled down at the north of Sh'an-xi and joined the rural soviet base there (ibid, pp.183-229). During this time, revolutionary changes on rural land tenure, especially the redistribution of land ownership in Rural Soviets proved to be the most determinant factor for CCP's survival. Through such redistributive land reforms, the rural population was educated and mobilized who later transformed into the main source of CCP's revolutionary forces.

#### **4.1.3 The Sino-Japanese War (1937-1945)**

The Japanese invaded and occupied the northeastern China in Sept. 1931 and expanded the invasion to the full-scale in July 1937. As the country was threatened by subjugation, KMT's Nanking government organized direct resistances across the country. (Iriye, 1986, pp. 492-529). The escalation of national crisis made the confrontation between KMT and CCP growingly unacceptable by the public and comparatively less urgent, which made a temporary truce and cooperation between two parties possible. Thus, the *Second United Front* was established. As the gesture of good faith, CCP applied a less radical strategy on land reform (Van Slyke, 1986, pp. 631- 657). And, the war indeed had another benefit for CCP, "... as a result of the war, the Communists were stronger and more widely spread, with armies, territories and followers scattered across Northeast and Central China. Leadership was more unified than before, yet no longer was there a single dominant center, such as Shanghai or the Kiangsi soviet, where the Communists might possibly be dealt a mortal blow". (ibid, p.657) Under new rural strategies, the

CCP had found the formula for transforming the military-political movement that had been mobilized to resist the Japanese, into one that could build a new indigenous power structure, sustained by popular participation and support, once the Japanese were defeated (Pepper, 1978, pp.229-277). The growth of CCP and the increases in controlled territories not only settled a solid base for revolution and fostered considerable reputation in the nation, but also gained great supports from the rural society through the achievements of land reform.

#### **4.1.4 The Civil War between KMT and CCP (1946-1949)**

Though CCP significantly grew during the Sino-Japanese war, after the victory of the war, it was KMT which could “claim authority over all the country's major cities, its entire industrial base, and more than three quarters of a total population estimated at about 450 million.” (Peppers, 1986, p.737) As the military power of KMT was overwhelmingly advantageous to CCP, KMT was determinant to resolve the communists issue in the country once for all (ibid). The irreconcilable and fundamental divergence of two parties led the country into the Civil War. In the meantime, the Chinese society and economy which just survived through the years of devastated wars barely had a chance of recovery. It was generally agreed that problems of KMT's poor governance in this period caused the nations' disappointments and distrusts, which later burst into large-scale strikes, protests and other social unrests. “The political mandate extended to the CCP from urban China was thus ambivalent, coming not directly but as a vote of non-confidence for the KMT. The informed urban public was generally aware, however, that the true source of the CCP's growing power lay in its rural social and economic policies. And it was specifically land reform that was most often cited as the basis of the CCP's strength in the countryside ” (ibid., p.751) In 1948, Mao claimed that CCP' had mobilized and recruited about 1.6 million soldiers from land-poor or landless peasants who acquired land through land reforms (Mao, 1966, p.1347). CCP's success in the rural and KMT's failure in the urban areas dramatically changed situation in battlefield, which eventually led to the triumph of CCP in 1949 and the establishment of P. R. China.

Before 1949, China went through dramatic political changes. Conflicts within domestic forces and against foreign invasion made the country always at war. CCP, as a political party, seized the power and established a socialist regime in just 28 years of its foundation. Its success should owe largely to the party's rural strategies and pragmatism in land reform policies. On the other hand, because of the drastic political fluctuations, CCP's land reforms in its separatist and regional bases could be implemented and thrive.

Dramatic changes in political situations during the revolutionary period are important political factors that affecting CCP's land reform policies then. Other than the political factor, socio-economic environments of rural China at that time are also vital conditions to CCP's concerns in making and implementing reform policies.

## 4.2 Socio-Economic Background of Rural China before 1949

Chinese economy and social structure had been agriculture-dominated for millenniums. However, at the late of Ch'ing and in the Republican Era, there were governmental and private initiatives to accelerate modern industrialization and capitalization in urban China which had little impact on rural society.

### 4.2.1 Rural Economy and People

"The Chinese economy prior to 1949 may be described as consisting of a large agricultural sector encompassing approximately 75% of the population and a much smaller non-agricultural sector with its principal base in the semi-modern treaty-port cities... Rural China grew the agricultural products which constituted 65% of national output, and also made use of the handicrafts, petty trade and old-fashioned transport." (Feuerwerker, 1983, p.29) Not only the economic structure was largely agricultural, demographically the rural population was also the overwhelming majority in the country. In 1933, agricultural population was about 365 million or 73% of the country's total population of 500 million; and so to the agricultural labor, 204.91 million or 79% of total labor population actually engaged in farming and 54.3 million or 21% followed non-agricultural pursuits (Liu, Yeh, 1965, pp.185-188). There was an estimated 1.471 billion *mu* cultivated land in 1933 (Perkins, 1969, pp.233-240, quoted in Feuerwerker, 1983, p.64). The average of the land *per rural labor* was only 7.18 *mu*. The dominant portion of economy and rural population were attached to the traditional land tenure system.

In fact, rural families did not exclusively depend on the income from agriculture alone, or from the cultivation of land. A large number of rural families acquire 50% or more of their income through handiworks or labor-works, such as repairmen, decorators, weavers, craftsmen and so on. The status of non-agricultural occupations and incomes of rural families varied in different regions. In a strict sense, around 60% to 70% of rural families were actual farms in the northern China, and the number was even less in the south (Myers, 1986, p.233)

According to the introductions, the general situation of rural economy and rural population was agriculture-dominated. However, the occupational status and income sources of rural families

were rather diversified where agricultural income was important but not exclusive. And, the term of “farm” may vary greatly in the context of different regions, likewise the rural land tenure system presented distinctive local features.

#### **4.2.2 Rural Livelihood**

Concerning the livelihood of rural families, land inadequacy, low productivity and indebtedness were major problems in rural China.

“Chinese agriculture supported a huge farming population, which worked hard and diligently but had to use ingenious methods to make a living from the inadequate amount of land available (Myers, 1986, p.230).”

Furthermore, in the first decade of the 20<sup>th</sup> century there was a decreasing tendency on the *area of cultivated land per capita* from 3.15 mu to 2.94 mu. The survey on the average size of operating farm also showed such declining tendency that the number had been declined from 2.62 acres (crop area) per farm family in 1910 to 2.27 acres in 1933; or from another survey, by assuming an average household of five persons, the farm size had been dropped from 2.6 acres in 1913 to 2.4 acres in 1930s (Feuerwerker, 1983, pp. 76-77) Insufficient land for farming limited the agricultural output as well as the family farming income.

Though “[...] the Chinese farmer had skillfully exploited the traditional agricultural technology to the very limits of possibility (Feuerwerker, 1983, p.76)”, agricultural productivity was very low. For instance, “[...] the average output of grain-equivalent per man-equivalent (one farmer working a full year) in China in the 1920s, however, was only 1,400 kilograms; the comparable figure for the United States was 20,000 kilograms - 14 times as large (ibid. p.73).” For the subject of agricultural investments, people were more interested on investing and acquiring more land rather than new technology. As four-fifths of the labor force was employed in agriculture, the input-output efficiency or the value added per worker was very low (ibid.). Meanwhile, for individual farms their agricultural operations and incomes were greatly affected not only by factors like weather and natural disasters, but also disturbed by fluctuating political situations, destructive warfare and unfavorable price trends. (ibid, p.67) Hence during the republican era, land inadequacy, low productivity and uncertainties in political or economic environments were essential elements of rural poverty issues.

Another aspect of rural poverty issue then was the pervading indebtedness of rural families, especially for families that had to borrow from the rich to survive through the period between

sowing and harvesting. (Feuerwerker, 1983. p.87). 39% of the farms surveyed in 1929-33 were in debt (Buck, 1937, p.462, quoted in *ibid.*) whereas *The National Agricultural Research Bureau* estimated that, in 1933, 56% of farms had borrowed cash and 48% had borrowed grain for food. A third national estimate noted that 43.87% of farm families were in debt in 1935 (Feuerwerker, 1983. p.87.). Further on the issue of rural debt, two features are worth mentioning: first, most of debts were incurred to meet the survival or consumption needs of rural families rather than for investment, which indicates that such financing activities could contribute very little in improving productivity or people's economic status. The other feature of rural debt was the high interest-rates, where the annual interest rate for small loans could reach as high as 100% to 200%. In most cases, the average rates of two-third of loans fell in the spectrum 20% to 40%, only one-tenth paid less than 20%. (*ibid.*) Under such rates, the loan was actually usury. Since land was the popular encumbrance for the loan, rural family was also threatened by land-loss for defaulted loans. Plenty of cases were documented regarding the high portion of rural indebtedness and various loaning methods (mostly the usurious loan) in different regions, as well as cases of peasants lost land for defaulted usury during the republican ear. (Zhang et al. 1957-1, pp.333-339).

China was thus characterized by an extensively indebted rural population who generally had not enough land, no modern technology and tools, generate little marginal surplus for investment and was suffering from poor productivity. Furthermore, they were suffering from high burdens through land rents, unreasonable interest rate (usurious loan), heavy taxation (levied by the regional governments or warlords), and an unstable political and economic environment. All these factors demonstrated the living conditions of rural families in the revolutionary period. A large amount of rural population in poverty explains the mass support that CCP got from land reform, which actually was the revolution of redistributing wealth and power in the rural society.

### **4.3 Traditional Rural Land Tenure System**

In 1887 roughly 87% of China's land was privately owned (Myers, 1986, p.233). This ratio basically remained in the republican era. Upon the dominating private-ownership, the traditional rural land tenure system was consisted of sophisticated property arrangements and active transactions. It not only defines people's rights on land, also can generally represent the societal hierarchy and power structure.

### 4.3.1 Traditional Land Tenure System and Societal Hierarchy

The structure of traditional land ownership in rural China was a reflection of the social hierarchy. By a very rough categorization, all rural families could be defined with four major roles: those of *landlords*, *owners*, *tenants* and *labors*. In reality, an individual family could be of multiple roles simultaneously. Besides the rights on land, this categorization also took concerns of the status of people's actual participation in agricultural operations.

Generally, the *landlord* indicates the people who makes living mainly by leasing land to others for rent and seldom worked in his field; the *owner* (or self-cultivating landlord) owns certain amount of land and cultivated regularly in the field; the *tenants* owned a very small piece of land or no land at all, who need to rent land; and the *laborer* normally people who had no land and sold their labor for hire. However, the actual situation was much more complicated, one family might act as a mixture of several roles. For instance, the *landlord-owner-tenant* was the individual rural family who leased land to others and collected rents who in the meantime also cultivated on part of land he/she owns as well as the plot(s) he/she rented from others. Table 4.2 shows the structure of land tenure based on such categorization and the survey data of 1934 – 1935. The table also illustrated differences of rural families by their involvements in agricultural works, the regular quantity of land that was owned, leased-out or rented-in, and the tenancy dependency.

Table 4.2: Percentage of Farm Families in various Ownership Categories  
(1,745,344 families in 16 provinces, 1934-1935)

Category	Agricultural Operation or Cultivation	Own Land	Lease-out Land	Rent-in Land	Tenancy Dependency	Per Cent (Family)
Landlord	N	Y+++	Y+++	N	N	2.05%
Landlord-owner	Y+	Y++	Y++	N	N	3.15%
Landlord-owner-tenant	Y++	Y+	Y+	Y++	Y+	0.47%
Landlord-tenant	Y++	Y+(+)	Y+	Y+(+)	Y+(+)	0.11%
Owner	Y+++	Y++	N	N	N	47.61%
Owner-tenant	Y+++	Y+(+)	N	Y+(+)	Y+	20.81%
Tenant	Y+++	N	N	Y+++	Y+++	15.78%
Tenant-laborer	Y+++	N	N	Y++	Y+(+)	0.02%
Laborer	Y+++	N	N	N	N	1.57%
Other	NS	NS	NS	NS	NS	8.43%

Source: Author revised based on "The Outline of National Land Survey Report, 1934-1935", quoted in Feuerwerker, 1983, p. 84

1. Y and N in the table indicate Yes or No, which means the activities that participated or the rights on land;
2. "+" indicates the amount of labor inputted, quantity of land, or the level of dependency; "(+)" indicates the possible variation. The symbolization is merely an illustration of general circumstance, whereas the actual situation of particular individuals would be much more complicated. Readers' discretion is advised.
3. "NS" means Non-Specified.



The absolute majority was the *owner* (47.61%), families who principally made a living through tilling their own land. Then, from the perspective of rental transactions the lessees' group is a mixture of *owner-tenants* (20.81%), *tenants* (15.78%), *tenant-laborers* (1.57%) and *laborers* (0.02%) in total 38.18% of rural families rented land from different types of *landlords* or the lessors' group, which was only 5.78% of the total. The table is also an illustration of income sources of rural families in regarding land: the income from the possession of land (as rent) or the income from own inputs on land (owners, tenants, and labors).

As around 40% of people would rent land from less than 6% of landlords, it also reveals the status of uneven possession of land. According to the same survey as showed in Table 4.2, "the average holding of the 1,295,001 owners covered by the survey was 15.17 *mu*. But the 73% of the families surveyed who owned 15 *mu* or less held only 28% of the total land, while the 5% of families owning 50 *mu* or more held 34% of the total land (Feuerwerker, 1983, pp.78-79)." Moreover, according to many data entries by various studies in 1920s and 1930s in the book of "The Agricultural Historic Data of Contemporary China Vol.2 1912-1927" (Zhang et al. 1957-1), different scales of landlords around the country owned or controlled more than half of the agricultural land, though the percentage varied greatly among regions. For instance, in Hu'nán about 75% of land owned by landlords; in Jiang'su, it was about 66%; in Kwangtung landlords directly owned more than 25% and other 30~40% of cultivated land were controlled by the clan and managed by elites or leaders of the village (ibid., pp. 63-67).

According to the data from the Land Commission of the republican government in 1927, about 45% of rural population was landowners (ibid. p.67). According to their differences in the amount of land owned, the republican government further differentiated them into five categories. (Table 4.3).

Table 4.3: The Categorization of Landowners According to Scales (1927)

Category	Scale ( <i>mu</i> )	Percentage (Demography)	Percentage (Land)
Big-Landlord	Over 100	5%	43%
Intermediate- and Small Landlords	50 - 100	9%	19%
Rich-Farmer	30 - 50	18%	19%
Intermediate-Farmer	10 - 30	24%	13%
Poor-Farmer	1 - 10	44%	6%

Source: Report of Land Commission of the KMT Central Committee of Enforcement, 1927, quoted in Zhang, 1957-1, p.67.

According to the table, 32% of landowners owned 81% of land, and most of them were

smallholding owners. Due to very low productivity and traditional production measures in northern China, it was estimated that the minimum farm size for a family to survive had to be more than 20 *mu* at that time (ibid. p.63). Though this estimation was made for specific regions, combining the data from two tables, one comes to the conclusion that most of the smallholding farms in China were facing land inadequacy.

During the republican period, the forced land annexation or compulsory purchase by politically or economically powerful like, warlords, officials, urban merchants, rich landlords, churches or Japanese invaders, were also popular phenomena in certain regions. And these people or families acquired some hundreds of thousands *mu* of land. Zhang et al (1957-1, pp.7-68, 1957-2, pp.463-746) resourcefully documented hundreds of cases from 1912 to 1937. Though being a very small demographic group yet popular enough considering the demographic changes in a chaotic political environment, these cases demonstrated the extreme extend of disparity of power and wealth at that time.

#### **4.3.2 Rural Land Market and Land Transactions**

Land renting was prevailing at that time. It could be observed in Table 4.2 that about half of the rural families were involved in land leases: about 30% as *tenants* who rented all of their farming land from others, and around 20% as *owner-tenants* who rented part of their land. As to the quantity, "[...] it appears that a total of 35.5% agricultural land was rented to tenants." (Buck, 1937, pp.269-270, quoted in Feuerwerker, 1983, p.77). This estimate was confirmed by the data on the quantity of land that was redistributed in the course of land reform during the beginning years of P.R.C - from 42% to 44 % of the cultivated area in 1952. (Perkins, 1968, pp.87-89, quoted in ibid.) The difference between Buck's 35.5% and CCP's 42%~44% is very likely the land which owned by "rich-peasants" was treated and confiscated as landlords' during the reform (ibid)."

Another noteworthy characteristic about the rural land tenure was that "...in the 1930s, three-quarter of rented-out land was owned by *absentee landlords*, most of who attained their initial wealth from sources other than farming. Land, in other words, was an investment for rich merchants..." (Perkins, 1969, pp.92 - 98) Especially for the households of large-holdings who possessed hundreds *mu* of land, "most (of them) became wealthy originally through trade, money lending, or as officials. They then purchased land, developed new lands, or acquired land from families who had pledged or mortgaged it to acquire credit (Myers, 1986, p.241)". Absentee landlords normally would manage their land by hiring workers to cultivate for them, or entrusting it to the local peasants. Particularly for the absentee landlords who lived primarily in

urban areas and bought land as investments, they often preferred to entrust land to a local bursary or agency that would manage land for them, like collecting rents, hiring labors or organizing productions and so on. In return, the bursary or agency received commissions from their employers - absentee landlords (ibid. pp. 242-243). Such situation indicates that, in term of location, many actual landlords were not residing or living in the rural area. During CCP's land reforms, many people were falsely categorized as "landlords" who were actually working for the landlords.

Market transactions like land-selling, leasing, management entrusting and mortgaging were rather active in the traditional tenure system. But there was also evidence indicating the slow decrease of land value in the republican period, which was regarded as the result of fluctuating prices of crops, unstable social and political situation, as well as the "agitation against landlords reduced the demand for land and even encouraged owners to sell their land (Buck, 1937, quoted in Feuerwerker, 1983, p. 84)." As one important aspect of CCP's land reforms, redistributing the land or wealth of rural-rich (landlords or rich-farmers) to landless or rural-poor was the principle measure. And it explained that in the CCP-occupied areas where the land reform was implemented, the traditional market activity was greatly restricted or disappeared.

### **4.3.3 Land Fragmentation Issues**

Land fragmentation was another evident issue in rural China, and beside of the physical factors like complicated geographical or topographical conditions in hilly or mountainous regions, the combining effects of the active rental market with the household-based-farming and the traditional inheritance method were considered as the main causes of widespread land fragmentation

As previously mentioned, the unequal land possession demanded nearly half of the rural families renting land from others. As the productivity was then largely depending on the manpower or the family size, the rural families were limited in capacities to tilt land of greater sizes; also the usurious loan limited their financing capacity to afford higher rent or expenses for hiring necessary labors. Then, landlord would normally divide their land into different sized parcels and rented them to multiple lessees. Therefore, land was fragmented by the rental activities. Even in some documented cases of spontaneous cooperation among peasants' families, it was a rather short-term agreement of sharing land, labor force or tools among relatives or neighbors than the readjustment or consolidation of parcels (Zhang, 1957-1, pp.381-410). Individual farms normally had several strips of non-adjacent plots, which wasted a lot of land on

boundaries and access of ways, also it made the agricultural operation and irrigation troublesome. It was noted that, “averagely there would be 6 parcels per family, and others mentioned from 5 to 40 parcels (Buck, 1937, quoted in Feuerwerker, 1983 p.76).”

Traditionally, rural China accustomed to employ the *divided inheritance* method rather than the *primogeniture* method. Some scholar observed the reducing of land holdings in families with large-holding over generations. The death of a wealthy landlord always led to an equalitarian inheritance, i.e. equally distributed family estates, especially land, among the male descendants (Myers, 1986, pp.243-245). The traditional method was therefore rather a compromise in minimizing disputes within a family than respecting the actual need or competence in agricultural productions; also, the ineradicable equalitarian ideology in the rural society might well explained the peasants’ popular acceptance of CCP’s reform policy of equalitarian redistribution of land.

#### **4.3.4 Traditional Tenancy Customs**

The traditional tenancy customs applied in rural China had been evolved for centuries, and the actual practices had strong regional characteristics. From south to north or east to west, from well-developed agricultural regions to (comparatively) newly developed areas, even among regions of different principle-crops grown, the duration of rental contracts, contractual forms, rent types, rent rates, and the relative importance of tenancy could vary greatly.

Generally, the durations of rental contracts were greatly diversified across regions, from annual contract to permanent tenure. Though longer rental duration is considered to be encouraging to the agricultural investment and productivity, there is evidence indicated the decline of rental duration in the first half of 20<sup>th</sup> century, especially the gradual disappearance of *Permanent Tenancy*. “A rough comparison of 93 counties in eight provinces between 1924 and 1934 shows a small increase in the percentage of annual rentals, no change in three- to 10-year contracts, and slight decreases in 10- to 20-year and permanent rentals... As part of the process of modernization of property concepts in rural China the system of 'permanent tenancy', which had sharply differentiated the tenant's ownership of a 'surface right' from the landlord's 'bottom right', was gradually disappearing (Feuerwerker, 1983, p.85).” Zhang et al. (1956-1, pp.84-89; 1956-2, pp.250-256) also recorded the incidences as a gradual progress in different regions, especially regions where the permanent tenancy was formerly prevalent. The decrease of permanent tenancy echoed with an increasing liberty of landlords’ to unilaterally denounce tenancy contracts; and the increase of annual contracts, which leaves little bargaining leverage

for tenants in extending tenancy. Also, it allowed landlords to collect extra profits by applying various rental arrangements.

“Rent”, in the context of rural China then, can be examined from three aspects: 1) the *type of rent*; 2), the *level of rent* and 3) the *rental methods*.

There were mainly three types of rent in China then: rent in *cash*, *rent in kind (crop)* and *share rent*, out of which the rent in kind (crop) was the dominant form. “The National Agricultural Research Bureau's 1934 survey reported that 50.7% of tenants paid a fixed amount of their principal crops, 28.1% were share-croppers, and 21.2% paid a fixed rent in cash. Comparable data in the 1934-5 land survey were: crop rent, 60.01%; cash rent, 24.62%; share rent, 14.99%; labour rent, 0.24%; and others, 0.14%.” (Feuerwerker, 1983, p.86) Zhang et al. (1956-1, pp.89-94) also confirmed the result with regional statistics that are using the principle crop (normally a fixed amount, or in some cases converted crops into cash) as rent was the prevailing method, also it had been pointed out that the rate of rent would vary according to the landlords’ investment in tools, seeds, or cattle. Fixed rent (in crop or in cash equivalent) can cause conflicts between tenants and landlords when the natural disasters or climate changes led to bad harvests. Though in some cases, landlords and tenants would re-negotiate the rent, there are documented incidences of spontaneous peasant resistances against the landlords who refused to reduce the rent in case of natural disasters, or the police force and governmental officials who helped landlords to collect rent (see the cases in Bianco, 1986, pp.270-288).

As to the level of rent, it can be affected by factors like difference in regions, crop types, productivity, terms of tenancy and etc., which was representing the landlord’s economic dependency on rent. The data from different regions of the country in 1920s and 1930s, the range of rent could vary from 20% to 80% of the principle crop’s output in kind or in cash equivalent. As a rather conservative estimate, the national average was around 40~50% (see Zhang et al. 1956-1, pp.96-103; table 16-(5) in Feuerwerker, 1983, p.97). Recently, some scholars argues that the rent collected by the landlord was about 70~80% of the agreed amount, which made the actual rent level lower than the previous estimate to 30~40% (Gao, 2005, pp. 19-62).

According to the Land Law of Republican China issued on 30<sup>th</sup> June 1930, it proposed a 25% reduction on rent of agricultural land in the country, meanwhile also set the maximum rent level at 37.5% of the annual production of principle crop. Then it could be calculated that the basic and presumed rent level for this clause was 50%, also indicated that the Nanking government officially recognized the national average of rent level at 50%. But the implementation of the

rent-limitation was unsuccessful and had little impact on the actual rent level. (He, 2006, pp.176-179)

Beyond normal rental contracts, there were other “customs” applied while landlords and tenants came to agreements, which casted extra burdens on the tenant. The most popular arrangements were *rent deposit*, *pre-collected rent*, and other *additional charges*.

A *rent deposit* means that a tenant must pay a certain amount of cash (or crops) in advance to the landlord before the rental period started, in case the tenant could not pay the annual rent in time. The phenomenon existed in most of the country and the amount of the deposit varies, but the general rule was that the deposit had to be higher on more fertile plots or in more populated areas, and vice versa; and normally the deposit was calculated based on the size of rented land; and giving considerations of soil quality, the payments changed accordingly. When the rental contract was terminated, the deposit could be refunded to the tenant (Zhang et al. 1956-1, p.104-108).

A *pre-collected rent* means that the tenant was asked to prepay the full amount of the annual rent to the landlord prior to each year of the rental period. Different from a *rent deposit*, the payment of pre-collected rent was decided by the agreed rent instead of by the size or quality of land; also, it occurred annually, especially for short term contracts; and the payment might vary due to rent change of the new contracting year (ibid, pp.108-110 ).

There were also other forms of rents in addition to the normal rent, such as the *extra rent for special products*, like fruits, poultry, cattle and other supplementary agricultural operation on land; or charges of *making the rental contract*. In some cases, landlords even manipulated the metric unit for weighing the crops as rent, such as using a bigger container to measure the crops which means tenants must pay more products than what was agreed. These arrangements represented the advantageous position of landlord in the rental contract and extra burdens on tenants.

Since many absentee landlords lived in urban areas, the collection of rent normally was practiced by a local agency (“Ts’ui-chia” as rent collector or “Tsu-chan” as land management agency) (Bianco, 1986, p.273; Myers, 1986, p.240, p.277; Feuerwerker, 1983, p.79 ), in some cases, landlords might ask local law enforcement (governments, courts or polices) or local armed force organized by landlords themselves. There were documented violence or conflicts erupted while agents encountered tenants who were reluctant or unable to pay the rent in time, especially in the year of natural disasters devastated the outputs or the landlord unfairly charged certain terms beyond

the previous agreement. Peculiarly, the peasants' resistances were usually targeted on these agents but not personally toward landlords. For they would have to maintain a sound relationship with landlords, then they could continuously rent land from them after the conflicts. Conflicts also happened while landlords collected loan payments or a local government collected taxes (Bianco, 1986, pp.270-288; Zhang et al., 1956-1, pp.123-127, pp.333-339,). Again, it revealed tenants' economic dependency on landlords. Strong dependency and imbalanced capacity in rural society had indeed risen difficulties for CCP-led land reforms, especially at the beginning phase, also influenced the approach of implementing policies, where military intervention proved to be the most effective.

#### **4.4 Status of Tenure Security in the Traditional Tenure System**

Since the majority of population was smallholding owner-farmers and land-poor tenants, the discussion of tenure security will be based on their point of views; after all, they were the principle beneficiaries in the CCP-led land reforms.

As previously mentioned, the smallholding *owners* might face potential risks of losing their ownership for the default usury, or land annexation and compulsory purchase by the powerful. But, land concentration was not as serious as CCP addressed<sup>5</sup>. Since the majority of rural population was still owners of some amount of land; and inside the seemingly unequal ownership structure, there were constant changes and readjustments through market activities.

There were issues in access to land, such as land inadequacy and fragmentation; as well as extra burdens caused by some traditions in tenancy. But, giving the Chinese situation as a traditional agricultural society, some customs had been evolved and applied for centuries, so were the problems. Active land market was in certain extent ease off the tensions of land conflicts.

There is insufficient evidence to prove that problems of tenure insecurity more rapidly escalated during the republican era than any other dynasties in the past. Though, there were many cases of spontaneous peasants' movements or riots during that time, but put these events in the Chinese history, the frequency, claims and leaders of movements didn't distinguish from similar events in the history.

Only until the communist ideology was introduced, tenure insecurity issues in the old tenure system were emphasized and utilized as a political instrument. Then, the traditional relationship

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<sup>5</sup> Problem of land concentration was the essential reason which legitimated CCP-led land reforms, and it estimated that 70~80% of land were owned by landlords, but the actual percentage was much smaller than the estimation. More detail analysis on this issue refers to the later chapter.

between the rural rich (landlords) and the poor (small owners, tenants and labors) was reinterpreted as differences of *social classes*. (Bianco, 1986, p.270-272) According to the CCP's interpretation, the rental relationship in the traditional system was regarded as "landlords' exploitations" on the tenants, thus possession of property (land) was reflexively replaced by the idea of unfairly instituted *social structure*; and then, the traditional conflicts in the rural society transformed as the *struggle of classes*.

Furthermore, landlords' private ownership on land was criticized for creating differences of classes and the exploitative relationship, which should be substituted by a people's ownership and even a public ownership. Then, tenure insecurity issues could not only be used as the basis for land reform policies oriented by class struggle, but also as a pretext for rural collectivization in the socialist era.

Hence, it could be concluded that there were many dimensions of tenure insecurity issues existed before CCP's land reforms, however, there is not enough evidence to arbitrate that the situation of tenure security was worse than in any other eastern Asia countries or any other countries in the world at that time. Nor could a study presume that the great success of CCP's land reforms was the direct consequence caused by escalating tenure insecurities. But, it is evident that CCP was able to identify these problems, adapted and combined them with modern and revolutionary ideologies, thus, using them to revolutionize the rural society and gathered mass supports for its political and military campaign. So, land tenure security was not the cause of revolution, but indeed the most effective tool to accomplish it.

Through the introduction of political, socio-economic situations and the traditional tenure system of China in the first half of 20<sup>th</sup> century, the research establishes a stage which puts CCP's land reforms into the historic and real world context as well as lays the foundation for further reviews on reform policies. Therefore, in the second half of the chapter, the research focuses on reviewing CCP's reform policies in different periods, from which the features, characteristics and problems of these policies are introduced and analyzed.

#### **4.5 Land Reform Policies in the Revolutionary Period**

Before the review of reform policies in the revolutionary period, two features had to be clarified:

- CCP's land reforms in the revolutionary period could be organizationally concluded as *peasants' movements*, which were guided by the communist ideology, especially for the notion of "*classes struggle*". People's differences in wealth possession were politically



interpreted as the standard for differentiating “social classes”. And, the traditional tenure system was considered as a feudal exploitative institution, which could only be abolished through the elimination of the “exploitative classes” – i.e. rural elite class, like landlords and rich-peasants.

- The other feature is *the geological territories of land reforms*. In the revolutionary period, land reforms were only implemented in areas, regions or as separatist regimes occupied by CCP. Hence, the scope or territory of land reforms was a regional matter in this period. Only when CCP occupied the whole country after 1949, land reform could be implemented nationwide.

These two features indicate that CCP’s land reforms in revolutionary period were politically-driven peasants’ movements, which implemented only in regions controlled by the party and its forces.

#### **4.5.1 Comintern’s Influences and CCP’s Early Propaganda**

Technically, before 1927, CCP didn’t have a unified, concrete and practical reform policy. To utilize “rural land issues” to mobilize peasants’ participation in revolution was mainly an import from Comintern. It was Comintern’s intention “to draw the attentions of Asian revolutionaries to the agrarian problems in their home countries. (Chen, 1983, p.521)” As was the statement in Comintern’s fourth congress in 1922:

*“The revolutionary movement in the backward countries of the East cannot be successful unless it relies on the action of the broad peasant masses. Therefore the revolutionary parties of all oriental countries must formulate a clear agrarian programme, putting forward the demand for the complete abolition of the feudal system and survivals of it in the form of large landownership and tax farming (Degras, 1956-1965, quoted from ibid. p.522)”*

Even though, the Comintern’s recognition was a too general conclusion, based on its understandings and judgments of situations in Russian and eastern Asian countries not specified for China. As a consequence, the party was initially focusing more on propagandizing its revolutionary claims and ideology to the general public (Table 4.4), with the hope to gain supports from the rural mass.

To motivate peasants, the traditional land tenure system was interpreted as the institution that allowing the rural elites’ feudal exploitation; and then, only by eliminating the exploitative class through “class struggle”, a new and more equal land institution could be established.

Table 4.4: CCP's Early Propaganda on Rural and Land Issues

Time, Person, Document or Event	Claims on Rural and Land Issues
Feb. 1919, Li Da-Zhao; <i>"Youngsters and Rural"</i>	<ul style="list-style-type: none"> <li>The important role of peasants in accomplishing Chinese revolution;</li> <li>Youngsters should go to and propagandize socialism notions in the rural.</li> </ul>
Nov. 1920, Chen Du-Xiu et al. <i>"The Declaration of CCP"</i>	<ul style="list-style-type: none"> <li>All land should be publically owned.</li> </ul>
April 1921, Shanghai Communists Group; <i>"Announcement to Chinese Peasants"</i>	<ul style="list-style-type: none"> <li>The peasants' importance in revolution;</li> <li>Educating the landlords' exploitations on peasants;</li> <li>Suggesting public and co-ownership on land;</li> <li>Call on peasants to "take land back";</li> <li>Call on CCP members to work in the rural and educate peasants with the notion of classes.</li> </ul>
July 1921, The 1 <sup>st</sup> Congress of CCP <i>"The Guideline of CCP"</i>	<ul style="list-style-type: none"> <li>To eliminate private ownership (of the capitalists), confiscate land, and establish public ownership on land.</li> </ul>
June 1922, The Center Committee of CCP;	<ul style="list-style-type: none"> <li>To confiscate property of warlords and bureaucrats, then redistribute land to poor peasants and farmers;</li> <li>To legislate laws and set limitations on land rent and rural taxes.</li> </ul>
July 1922, The 2 <sup>nd</sup> Congress of CCP	<ul style="list-style-type: none"> <li>"Peasants are the key factor of revolution";</li> <li>"Land inadequacy is the major reason of rural poverty";</li> <li>"Peasants and workers shall cooperate in revolution".</li> </ul>
June 1923, The 3 <sup>rd</sup> Congress of CCP	<ul style="list-style-type: none"> <li>To organize tenants and labors to participate in the revolution against imperialism and feudalism.</li> </ul>
December 1923, Deng, Zhong-Xia <i>"Discussion on Peasant Movements"</i>	<ul style="list-style-type: none"> <li>Encouraging peasants to fight for their own interests;</li> <li>The urgency of organizing peasant movements.</li> </ul>

Source: adapted from He et al. 1993, pp.35-41; Zhang and Zhao 1985, pp.52-65.

For an agriculture- and rural population dominated, pre-modern and pre-industrialized country, with rather small portion of urban workers, the Communism belief of mobilizing urban workers to lead the revolution and establish a socialist regime was practically infeasible and impossible. Then, a peculiar phenomenon of CCP's revolution was that there were actually two leading forces of revolution, the ideological leader of "workers" and the actual leader of peasants. On one hand, the party insisted to claim the proletarian worker's political advancement and revolutionary purity; on the other hand, the party had to depend on the rural mass's support to achieve the revolutionary objective. Therefore, even at the beginning of CCP, there was a gap between ideology and practicality, which later evolved into the dramatic debate of the right revolutionary route between the doctrinaire and pragmatic leaders in 1930s.

#### 4.5.2 Early Reforms: Peasants Movements 1921-1927

After the establishment of the *First United Front* - the political cooperation between CCP and KMT, CCP sent members as agents to 16 provinces to preach revolutionary ideas and organize peasants' movements, which provoked the largest peasants' movement in the contemporary history and marked the start of CCP's land reforms (Zhang, Zhao, 1985, p.53).

To summarize the cases of peasants' movements (detailed activities in different cases refer to He et al. 1993; Zhang, Zhao, 1985; Bianco, 1986; Deng, 1996), the following steps can be concluded:

- 1<sup>st</sup> Step: *Approaching Peasants*. The CCP's agents would firstly assimilate themselves to the rural society (usually their hometowns); then they would try to make contacts, gain trusts and establish emotional bonds with local peasants;
- 2<sup>nd</sup> Step: *Education*. After a well-trusted relationship was established, the agents would organize activities like plays, shows or speeches, which were welcomed and acceptable by peasants' tastes. In the meantime, the revolutionary ideology was integrated within the context of these activities. And then, for the interested and zealous peasants, they would offer more informative contents and nurture potentially faithful followers;
- 3<sup>rd</sup> Step: *Establishing Peasants' Associations (PA)*. As more peasants were mobilized, the agent would establish a local PA, which became an organizational representative of peasants' interests. Initially, PA would mainly function as the facilitator of social conflicts or the instructor of agricultural skills, as well as provide protections or medical cares for its member peasants.
- 4<sup>th</sup> Step: *Organizing Movements*. As the PA develops, it would organize movements against traditional elites, especially landlords. Starting with the rent and interests-rate reductions, the movement normally commenced with economic claims. Then, in some cases, peasants' movement would further develop to claim for land ownership where PA confiscated landlords' land and redistributed to members. Excessive brutality towards rural elites in these movements frequently appeared, which escalated the conflicts between peasants and elites. PA normally would enforce itself with the organization of local armed forces to protect the achieved interests. Even, in some cases, locally separatist regimes were established.
- 5<sup>th</sup> Step: *Surviving and Sustaining*. The agitated conflicts between PA, peasants and landlords might provoke suppressive campaigns launched by local governments or warlords. Since PA's forces were generally untrained and poorly equipped, the

movement's survival was threatened. Hence, one vital lesson CCP learnt in peasants' movements before 1927 was that the absence of strong military forces and footholds made movements hard to survive and sustain.

Basically, land reforms in early 1920s all followed these steps. Through emphasizing the status of landlords' exploitation on peasants, CCP successfully divided the traditional rural society into two antagonistic classes: *peasants* and *landlords*.

The scale of the peasants' movement was massive and developing rapidly<sup>6</sup>. Across the country, millions of peasants were enrolled in PAs and mobilized in various forms of campaigns to fight for their rights and interests on land. The radical anti-landlords movement provoked resistances not only among rural elites, regional governments or the right-wing KMT members who held moderate opinions on land reform; there were also critical debates within the CCP leaderships. The enthusiastic believers of "violent struggle", like Mao, complemented peasants' actions of land snatching as "revolutionary" and "the peasants' revolution on land"; on the other hand, the right-wing leaders, like Chen Du-xiu, criticized them for being too radical and violent to effectively mobilize the utmost supports from the society. He also pointed out that the movement would be harmful for the bipartisan cooperation with KMT (He et al. 1993, pp.137-143). The absence of concrete and unified policy, practical action plans as well as the indulgence of violence by some PA leaders characterized the organizationally chaotic situation at that time.

Eventually, CCP's confiscation-redistributive measures fundamentally contradicted to KMT's anticipation for rural reforms; in addition to the difference in revolutionary ideologies, which became one of the key reasons of the brutal break-up of CCP-KMT cooperation in 1927.

The promoting effects of the *North Expedition* armies on the peasants' movements accompanied with the later bloodshed breakup with KMT, made CCP realized that: land reform is a powerful tool to mobilize mass supports from rural society; however, it cannot be achieved without a strong military support. And this thought catalyzed the party's theory for establishing "*Armed Separatist Regime of Workers and Peasants*" or the "*Rural Soviets*" as the revolutionary bases in the rest of revolutionary period.

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<sup>6</sup> For detail information regarding to the scale of peasants' movements, please refer to the documentations of Zhang, Zhao 1985, pp.53-54, Mao, 1965, pp.22-59.

#### **4.5.2.1 Land Reform Policies during 1921-1927**

Focusing on reform activities and policies in this period (Table 4.5), CCP went through its first major change regarding the claims on land ownership: from advocating “public ownership” to acknowledging “private ownership for peasants”, the party started to prioritize political objective over ideological preference.

As the table shows, from 1921 to early 1925, the reform policies were clearly representing its Communist ideology. As the party set its political goal on the establishment of a socialist regime, it naturally proposed the public ownership. Then, by targeting on the warlords as the domestic enemies of the revolution, to confiscate their land and redistribute to peasants also echoed with CCP’s political pursuit.

As the peasants’ movements progressed in many regions, CCP claimed that the reductive measures (reductions on rent and interests rate) could not satisfy peasants’ demands for land ownership. Then, in 1925 the “*CCP’s Letter to Peasants*”, in which the party pointed out: “the ultimate way to resolve peasants’ suffer is to accomplish the ‘arable land to the peasants’” It’s the first time in CCP’s history when the slogan of “land to the tilters” was proposed.

Responded to this policy change, peasants’ movements developed even rapidly. But during the process of confiscation, radical and violent approaches toward landlords emerged. Though CCP soon realized these problems and defined it as “left deviational” mistakes, but the extreme mistreatments or excessive brutality toward “enemy classes” (landlords or rich-peasants) during land reforms based on the notion of “class struggle” was always a constant and uncorrectable problem in CCP’s land reforms, which even lasted through the first three decades of socialist era.

Table 4.5: Land Reform Policies and Events during 1921-1927

<i>Documents, Events and Movements</i>			<i>Activities &amp; Implementation</i>	<i>Land Ownership Arrangement</i>
<i>Time</i>	<i>Title/Name/Event</i>	<i>Major Claim</i>		
1921.7	"Guiding Principles of CCP"	<ul style="list-style-type: none"> <li>Proposing land should be publically owned by the society – the State ownership on land;</li> <li>Allocate land use right to peasants.</li> </ul>	<ul style="list-style-type: none"> <li>Organize peasants' associations, mobilize peasants' movements;</li> <li>Reduction on rent and interest rate;</li> <li>Struggle against local tyrants and evil gentry;</li> <li>Reduce landlords' exploitation on peasants.</li> </ul>	<ul style="list-style-type: none"> <li>Proposing land should be publically owned by the society – the State ownership on land;</li> <li>Allocate land use right to peasants.</li> </ul>
1922.7	"CCP's Claims Regarding the Status Quo"	<ul style="list-style-type: none"> <li>Confiscating the warlords' land and allocate it to farmers;</li> <li>Set limits on rent and taxes.</li> </ul>		
1922.12	"Declaration of CCP on the Second Congress of Representatives"	<ul style="list-style-type: none"> <li>Stress the important role and function of peasants in the revolution.</li> </ul>		
1923.6	"The Directive on the Peasant Issues"	<ul style="list-style-type: none"> <li>Unite small farmers, tenants and labors during the revolution through protecting their benefits.</li> </ul>		
1925.1	"The Directive on the Peasants' Issues"	<ul style="list-style-type: none"> <li>Organize peasants' movements;</li> <li>Struggle against big-landlords;</li> <li>Unite middle-, poor- and labor-peasants;</li> <li>Distribute the State-owned land to peasants</li> </ul>		
1925.11	"CCP's Letter to Peasants"	<ul style="list-style-type: none"> <li>Proposing "land to peasants"</li> </ul>	<ul style="list-style-type: none"> <li>Confiscating landlords' land and redistributing land to peasants.</li> </ul>	<ul style="list-style-type: none"> <li>Eliminate landlords' ownership on land;</li> <li>Private ownership for peasants;</li> </ul>
1927.4	Peasants' movements in several regions.	<ul style="list-style-type: none"> <li>Peasants demanded to confiscating landlord's land and redistributing land to the peasants.</li> </ul>		
1927.5	"The Directive on the Land Issues"	<ul style="list-style-type: none"> <li>Unconditionally allocate arable land to peasants.</li> </ul>		

Source: Deng, 1996, pp.43-70; He et al. 1993, pp.43-155; Zhang, Zhao, 1985, pp.52-65; Author

#### 4.5.2.2 Experiences of Early Land Reforms

The experiences from peasants' movements during 1921-1927 became one of the most valuable experiences for CCP, which helped the party to pragmatically realize the immense potential of mobilized rural mass. The problems of tenure insecurity, like unequal distribution of wealth as well as the "exploitive relationship" between rural elites and the poor became the natural catalyst for motivating peasants' enthusiasm for revolution.

Also, two principle measures applied in land reforms were formed in this period:

- *Reductive Measure*: without (or with less) changes on the existing structure of land ownership, the measure dedicated to the reductions on rent level and interest-rate of loans, in other words, which primarily focused on easing the economic burdens for peasants;
- *Redistributive Measure*: first, it aimed to confiscate land from rural elites (landlord and rich-peasants); and to redistribute land to some or all of land-poor peasants. The measure would fundamentally change the existing ownership, which was believed to be more revolutionary than the reductive measure.

The other experience in early peasants' movements made the party realized the importance to equip with strong armed forces and occupy footholds for the party's survival and development.

#### 4.5.3 "Land Revolution" in 1927-1937

"Since the collapse of the first united front in July 1927, the major preoccupation of the CCP had been to create sanctuaries in rural China wherein lay a possibility to continue the revolution and a hope to bring it to final victory... These sanctuaries were in fact 'imperia in imperio'." (Chen, 1986, p.183) They were also called as the "Rural Soviets", which were actually the separatist political regimes. *Rural Soviets* sporadically located at remote regions where the inaccessibility and political sensitivity of these regions allowed CCP to survive from KMT's military purges.

It was also the period with the most fluctuating interventions in reform policies, and there were two key factors causing these fluctuations:

- The struggle within the party over central leadership;
- And the influences from Comintern.

Meanwhile, in this period, the standards for differentiating rural classes were primarily

established which were then applied in the ensuing reforms and affected the lives of millions.

#### 4.5.3.1 *The Standard of Differentiating Rural Classes*

Firstly, it is crucial to understand the standard in differentiating rural classes, for it was the basis to understand all CCP's reform policies henceforth. In 1933, Mao wrote the article of "How to Differentiate the Classes in the Rural Areas" (Mao, 1965, p.137-139), in which he categorized rural people into 5 social classes.

- **Landlords** *"is a person who owns land, does not engage in labor himself, or does so only to a very small extent, and lives by exploiting the peasants (ibid, p.137)."*
- **Rich-peasants**, *"as a rule owns land. But some rich peasants own only part of their land and rent the remainder. Others have no land of their own at all and rent all their land. The rich peasant generally has rather more and better instruments of production and more liquid capital than the average and engages in labor himself, but always relies on exploitation for part or even the major part of his income (ibid, p.138)."*
- **Middle-peasants:** *"many middle peasants own land. Some own only part of their land and rent the rest. Others own no land of their own at all and rent all their land. All of them have a fair number of farm implements. A middle peasant derives his income wholly or mainly from his own labor. As a rule he does not exploit others and in many cases he is exploited by others, having to pay a small amount in land rent and in interest on loans (ibid.)."*
- **Poor-peasants:** *"among the poor peasants some own part of their land and have a few odd farm implements, others own no land at all but only a few odd farm implements. As a rule poor peasants have to rent the land they work on and are subjected to exploitation, having to pay land rent and interest on loans and to hire themselves out to some extent (ibid. p.139)."*
- **Worker** (including the farm laborer): *"as a rule owns no land or farm implements, though some do own a very small amount of land and very few farm implements. Workers make their living wholly or mainly by selling their labor power (ibid.)"*

The categorization was mainly based on difference of land ownership, the physical participation in work and the economically defined "feudal and exploitative" relationship, which CCP was dedicated to overthrow. But the standard was flawed, due to the absence of workable criteria. The distinctions among different classes were blurry, which prone to false classification. Nevertheless, the standard was important to land reforms in the revolutionary period, for it branded people with three groups: "the enemy", "the



bystander” and “the supporter” of the revolution. Changes on reform policies in this period therefore were fluctuating on the issue of “which class is the enemy or friend?”

#### 4.5.3.2 Land Reform Policies during 1927-1937

During about one decade, the leadership of CCP had gone through a dramatic shift, and it appeared as the fight between “two routes”:

- *The pragmatic route* insisted by Mao Tse-tung who believed that CCP’s revolution should be rooted upon the rural base areas and gradually develop the party’s strength with a defensive military strategy;
- The other route was held by the Comintern’s doctrinaires, who followed the Comintern’s instructions and advocated an aggressive military strategy.

Accordingly, land reform policies were intensively debated, especially over two questions: a) whether to impose the “state ownership” or “private ownership”? b) How to treat the *landlords and rich-peasant classes* during reforms? Table 4.6 has listed key policies and movements in this period.

According to the table, the changes and characteristics of reform policies in this period could be concluded:

- The policies in middle 1927 revealed that the party reexamined its lessons from failures, and concluded the party’s principal tasks as “armed struggle (against KMT)”, “land revolution” and “establishing and constructing base areas”. (Deng, 1996, p.73). Hence, land reform policy was made to incorporate needs of establishing a foothold and sustaining armies. Thus, a State ownership could give the party maximum control over land as well as entitlements to taxations and access to economic and natural resources.
- From November 1928 to January 1935, Comintern’s influences were directly reflected on policies, especially on the issue of “rich-peasants”. The struggle over the party’s leadership between Comintern’s doctrinaires and pragmatists caused great variations in policies, especially on the issue of ownership and treatments towards rich-peasants. The extremely strict land law that was promulgated in November 1931 proposed an *absolute* State ownership on land, which represented the opinions of radical doctrinaires seizing the central leadership. Series of aggressive reform policies and risky military strategies eventually caused the party heavily, which also ended the doctrinaires’ leaderships.
- Mao’s ascendance to the top leadership after the devastating failure of the doctrinaire leaders represented the success of pragmatic leaders and their choice

of revolutionary route. It also revealed that the party prioritized the need for the party's survival over the nominal righteousness in ideology. It also symbolized the party's growth towards political maturity.

- During its implementation, the crucial precondition was the party's military occupation of base-areas. The compulsory implementation in nationalizing land accompanied with drastic approaches. Brutal policies toward landlords and rich-peasants exposed the party's impatience and inexperience in fulfilling political objectives.

From 1927 to 1937, it was a crucial decade for CCP, during which the party experienced fatal defeats and huge setbacks. It also was the necessary and educational decade for the party's development. From implicitly following instructions from Comintern to independently and pragmatically choosing the route for revolution, the party was gradually maturing.

Fluctuations on reform policies not only verified this growing process, but also proved the close relation between reform policies and party's political objectives, as well as the party's struggle on political objective as well as ideological belief at the same time. Land reforms in Rural Soviets or base-areas physically, economically and socially provided the sanctuary for the party's survival and development, also confirmed the pragmatic leaders' (like Mao) judgments on the path of Chinese revolution.

The standard for differentiating rural classes was proposed and had been applied for the ensuing decades of land reforms. The standard was devised to facilitate land reforms of "class struggle", which actually transformed the core issue of land reform from economic readjustment to socio-political restructuring.

Table 4.6: Land Reform Policies during 1927-1937 (Part 1)

<i>Documents, Events and Movements</i>			<i>Activities &amp; Implementation</i>	<i>Land Ownership Arrangement</i>
<i>Time</i>	<i>Title / Events /Name</i>	<i>Major Claim</i>		
1927.7	"Strategy of Current Peasants' Movements"	<ul style="list-style-type: none"> <li>Starting of the land revolution era;</li> <li>Establish the political regime of peasants, and implementing land revolutions</li> <li>Confiscating <b>all land, stop paying rent and taxes.</b></li> </ul>	<ul style="list-style-type: none"> <li>Organizing peasants' uprisings and military forces to accomplish land revolution.</li> <li>Establishing rural revolutionary base-areas</li> </ul>	<ul style="list-style-type: none"> <li>State ownership on land;</li> <li>Land use right to the peasants;</li> <li>Any forms of land transactions were initially prohibited; (then according to the actual demands from peasants in bases, the restrictions on transaction were abandoned later.)</li> </ul>
1927.8	"August 7 <sup>th</sup> Conference of CCP"	<ul style="list-style-type: none"> <li>Revolution strategies</li> <li>Poor-peasants are the main power of revolution.</li> <li>Confiscating big-landlords' land; protecting small landlords.</li> </ul>		
1927.11	"Draft of CCP's Guideline on Land Issues"	<ul style="list-style-type: none"> <li><b>ALL private land</b> belongs to the Soviet State</li> <li>The rest of land to the peasants' congress.</li> </ul>	<ul style="list-style-type: none"> <li>Organize land revolution in the base-areas (Rural Soviets);</li> <li>Mobilize revolutionary armies;</li> <li>Constructing and developing revolutionary bases.</li> <li>Confiscation landlords' and rich-peasants' land and allocate it to peasants.</li> <li>Debates between CCP and Comintern over the issues of <b>rich-peasants</b>;</li> </ul>	
1928.7	<p>CCP's 6<sup>th</sup> Congress</p> <p>"The Directive on the Peasant Issues"</p> <p>"The Directive on the Land Issues"</p>	<ul style="list-style-type: none"> <li>Confiscating <b>all landlords' land</b> to the Soviets;</li> <li>Treating big-, middle- and small-landlords <b>differently</b> during confiscation;</li> <li><b>Neutralize rich-peasants</b>, do not or partially confiscate their land.</li> <li>Protect middle-peasants</li> </ul>		
1929.6	"The Letter on Peasants' Issues" - from Comintern	<ul style="list-style-type: none"> <li>Struggle <b>against rich-peasants</b> in land reform programmes.</li> </ul>		
1930.5 1930.6	<p>"Provisional Land Law"</p> <p>"The Issue of Rich-Peasants"</p>	<ul style="list-style-type: none"> <li>Only confiscating <b>part of rich-peasants' land that rented to others</b>;</li> <li>Considering both amount and soil quality during redistribution.</li> </ul>		

Table 4.6: Land Reform Policies during 1927-1937 (Part 2)

<i>Documents, Events and Movements</i>			<i>Activities &amp; Implementation</i>	<i>Land Ownership Arrangement</i>
<i>Time</i>	<i>Title / Events /Name</i>	<i>Major Claim</i>		
1930.9	“CCP’s Directive on the Acceptance of Comintern’s Direction on Peasants’ Issues”	<ul style="list-style-type: none"> <li>• Only propagandize the policy of State ownership, not execute.</li> <li>• Restriction on land sale was unnecessary.</li> </ul>		
1930.11	Comintern’s letter	<ul style="list-style-type: none"> <li>• Criticizing CCP’s policy on rich-peasants</li> </ul>		
1931.4	“Decisions from Land Committee ‘s Enlarged Conference”	<ul style="list-style-type: none"> <li>• Peasants should enjoy all property rights on land, once the land was allocated;</li> <li>• Land transactions like, sales, leasing, mortgaging, were allowed by the Soviet</li> </ul>	<ul style="list-style-type: none"> <li>• Attempts in correcting the “left deviational” mistakes in land reform</li> </ul>	<ul style="list-style-type: none"> <li>• Proposing private ownership for peasants.</li> </ul>
1931.11	“Land Law of the Soviet Republic of China”	<ul style="list-style-type: none"> <li>• Confiscating <b>all land</b> to the Soviet;</li> <li>• Evenly allocating all land to peasants;</li> <li>• Do not allocate land to landlords;</li> <li>• Allocating inferior land to rich-peasants;</li> <li>• Physically eliminate landlords, and economically eliminate rich-peasants;</li> </ul>	<ul style="list-style-type: none"> <li>• “Left deviational” mistakes in land reform:</li> <li>• “Land investigation movement”;</li> <li>• Mistakes in categorizing rural classes.</li> </ul>	<ul style="list-style-type: none"> <li>• State ownership</li> </ul>
1933.10	“How to Differentiate the Classes in the Rural Areas” “Directives on Some Problems in Land Struggles”	<ul style="list-style-type: none"> <li>• Standards for differentiating the rural classes;</li> <li>• Changing land allocation policy for landlords and rich-peasants to equally allocate land to all rural classes;</li> <li>• Confiscating traitors’ land.</li> </ul>	<ul style="list-style-type: none"> <li>• Military failure and losses of base areas;</li> <li>• “Long March”</li> <li>• “Zun’yi Conference” ended the “left deviational” mistakes and leadership change (1935. 1)</li> </ul>	<ul style="list-style-type: none"> <li>• State ownership with some portions of private ownership.</li> </ul>
1935.12	“Decision on the Changing of Policy towards Rich-peasants”			
1936.7	“Directions on Land Issues”			

Source: Deng, 1996, pp.71-113; He et al. 1993, pp.156-218; Zhang, Zhao, 1985, pp.65-169; Author

#### **4.5.4 Land Reform during Sino-Japanese War 1937-1945**

The Japanese invasion had provoked the country's patriotism, which made the domestic confrontation between KMT and CCP unacceptable to the nation. On the other hand, after the heavy military loss in 1934, CCP's strength was greatly weakened and urgently needed time and space to recover. Hence, CCP proposed the bipartisan cooperation with KMT in resisting Japanese. Since the strategy on land reform had been always a major dispute, CCP had to change its land policy in return of the peace treaty.

##### ***4.5.4.1 Land Reform Policies during 1937-1945***

Generally, CCP's land reform policies were comparatively stable during 1937-1945, which mainly served two purposes:

- Apparently, to mediate the direct conflicts and disputes with KMT;
- To win maximum supports in rural society for the party's economic and military developments, as well as the expansion in territory.

Then, the radical redistributive measures based on land confiscation shifted to the comparatively milder reductive measures (Table 4.7).

The table shows, since Feb. 1937, CCP's reform policies started to propose on easing the economic burdens for peasants through reductive measures instead of redistributive measures. And, in the following years, reform policies were repeatedly and consistently stressing the reductive approach. In the "*Ten Guiding Principles for The Resistance against Japan and Saving the Country*", CCP elevated the reductive policy as one of the principle strategies in saving the country from invasion. Under these policies, CCP also called on peasants to pay the legal rent and interests to landlords and loaner. By ensuring landlords' rights on land and economic entitlement to loans, CCP encouraged more extensive supports from previously antagonist classes.

Table 4.7: Land Reform Policies and Events during 1937-1945

<i>Documents, Events and Movements</i>			<i>Activities &amp; Implementation</i>	<i>Land Ownership Arrangement</i>
<i>Time</i>	<i>Title/Name</i>	<i>Major Claim</i>		
1937.2	"CCP's Telegraphy to the 3 <sup>rd</sup> Conference of the Central Committee of KMT"	<ul style="list-style-type: none"> <li>• Stop Confiscating Landlords' Land</li> <li>• Cooperation with KMT in the war against Japanese invasion.</li> </ul>	<ul style="list-style-type: none"> <li>• Halted confiscation and redistribution of landlords and rich-peasants land in newly developed CCP base areas.</li> <li>• Protecting peasants' ownership in the CCP occupied areas where the redistribution of land had already accomplished.</li> <li>• Reductions on rent and Interest rate.</li> <li>• Protecting landlords' legal income from rent.</li> <li>• Mediating conflicts in land reform, uniting more rural classes in the war against Japanese invasion.</li> </ul>	<ul style="list-style-type: none"> <li>• Private ownership for both peasants and landlords.</li> </ul>
1937.6	"Draft of the Guideline for Nation's Unification"	<ul style="list-style-type: none"> <li>• Revise the land law, reform the institutions of tenancy; reduce rent to the minimum level;</li> </ul>		
1937.7	"The Guideline of Rural Revolution in the Time of the United Front of Resisting Japanese"	<ul style="list-style-type: none"> <li>• "Land to the tillers";</li> <li>• Confiscating traitors land;</li> <li>• Forbidding usury activity, set limit on interest rate</li> </ul>		
1937.8	"Ten Guiding Principles for The Resistance Against Japan and Saving the Country"	<ul style="list-style-type: none"> <li>• Stressing "reductions on rent and interest rate" as one principle.</li> </ul>		
1939.4	"Regulation on Tenancy" <i>The Central Base-area</i>	<ul style="list-style-type: none"> <li>• Set rent level 10~25%;</li> <li>• Rent reduction by 25%</li> </ul>		
1940.7	"Decisions Regarding the Status Quo and the Party's Policies"	<ul style="list-style-type: none"> <li>• Correcting "left deviational" mistakes</li> </ul>		
1942.1	"The Central Committee's Decision on the Land Policies in the Base-areas of Resisting-Japanese"	<ul style="list-style-type: none"> <li>• Ensuring peasants benefits and rights on land; reduction of rent and interest rate;</li> <li>• Protecting landlords' and rich-peasants' human and property rights during reform;</li> </ul>		
1943.10	"Movements of the Inspections of Rent Reduction and Rent Return" in Occupied Regions	<ul style="list-style-type: none"> <li>• Focusing on enforcing the reductive policy in CCP occupied base areas.</li> </ul>		
1945.6	"Draft of the Guideline on Peacefully Constructing the Country"	<ul style="list-style-type: none"> <li>• Re-Stressing the policy on reductions of rent and interest rate;</li> <li>• And "Land to the tiller".</li> </ul>		

Source: Deng, 1996, pp.115-162; He et al. 1993, pp.219-302; Zhang, Zhao, 1985, pp.169-215; Author

#### 4.5.4.2 Left-Deviational Mistakes

Due to concerns on the party's own development, CCP did not give up on the already achieved results in previous reforms. Only for those newly occupied areas, the reductive policy was asked to be fully implemented. For some regions that some part of land had already been redistributed to the peasants during reforms in 1927-1937, the reductive policy was only applied to the rest part of land that had not yet been confiscated or redistributed. And for regions that all land had been redistributed in 1927-1937, the policy was actually inapplicable. In order to protect the achievement in past reforms and prevent landlords' or rich-peasants' from reclaiming or restituting their ownerships on already-redistributed land, CCP launched the "*campaign of protecting land*" in 1938, which was dedicated to ensure the ownership of peasants in base-areas who just acquired land in previously redistributive reforms.

Meanwhile, in some areas, due to the lack of unified regulation and experience, the specification on reductive levels differed considerably, from 10~25% to 50% or even 90% of reductions. In fact, most of base-areas just propagandized the policy instead of actually implemented it at the beginning. In fact, most of base-areas just propagandized the policy without actually implemented. The passive reactions to the reductive policy mainly originated from regional leaders' intentional ignorance. They were more concerned with the struggle against "traitorous landlords" as well as protecting the existing achievements of reforms. Instead of practicing reductive policies, they tried to confiscate land under many artificial or false pretenses.

Problems of arbitrarily setting reductive levels and intentionally ignoring or disobeying the reductive policy not only revealed regional leaders' reluctances on moderate measures in land reform, but also exposed their eagerness and impatience in achieving the revolutionary objective of eliminating "feudal" landlords' ownership. In fact, regional leaders were well aware of the purpose of land reform, their preferences for more radical measures in land reform were generally in line with the direction of CCP's ideology of revolution, the question was merely the inappropriate timing regarding the party's and the country's actual situations at that time.

CCP regarded such problems as the "left-deviational" mistakes for their radicalness in nature. Therefore, it issued several decisions to ensuring the effective implementation of the reductive policy. By reconfirming the policy as the guiding measure of land reform, and clarified necessary cautions in confiscating land of traitors and stressed on ensuring the peasants' legitimate rental

payments to landlords. Henceforth, the implementation of reductive policy could make real progress and the conflicts among classes were mediated

#### ***4.5.4.3 Improvements on Reductive Policy***

In 1942, through considering the progress of war against Japanese and concluding the experiences in implementing the reductive policy, CCP's central committee issued the "*Decision on the Land Policies in the Base-areas of Resisting-Japanese*" in which it readdressed that, on one hand, the peasants' interests in rent and interests-rate reductions must be ensured; on the other hand, the party also regarded that most of landlords and rich-peasants were pro-resistance, thus their human rights and property rights should be protected, especially for rich-peasants', their efforts in expanding agricultural production as well as increasing landholding (to a reasonable scale) would be encouraged. Additionally, the decision also regulated on some practical issues, like setting the rent reduction by 25% and the decision of reductive level should give considerations of factors like soil quality, plot size, and the actual climate condition of the harvesting year. There were also clauses specifying issues like deducting or exempting rent, debt and interests, the measures of protecting peasants' tenancy, the redemption of mortgaged and pawned land, as well as the specific reductive policy and the production encouraging policy for rich-peasants. Comparing to policies ever issued or implemented in previous land reforms, the policy was the most favorable one, with much more considerations on the interests of landlords and rich-peasants. As the result, it indeed attracted the maximum supports from the rural society with minimum conflicts and resistances. To ensure the implementation of the policy, CCP launched another "*Movement of the Inspections of Rent Reduction and Rent Return*" in October 1943.

In June 1945, as the war against Japanese progressed toward the final victory and the reconstructing the country upon the aftermath of war was on the table, CCP pronounced "*Draft of the Guideline on Peacefully Constructing the Country*" during the negotiation with KMT, in which again stressed the claim of continuing the reductive policy, protecting tenancy, enlarging agricultural loans, prohibiting usury, improving peasants livelihood, enforcing the land law and to accomplish the goal of "land to the tillers".

After the war, CCP had achieved great developments in economy, military power and occupied territories. Vast areas of northern China were under its control. And the land reform policy during this period had contributed greatly to the achievement.



#### **4.5.5 Reforms during Civil War and Beginning of P.R.C 1945-1952**

After the victory of war against the Japanese invasion, there was a short period when CCP and KMT were negotiating the peaceful solution for reestablishing the regime by bipartisan cooperation. Hence, in November 1945, CCP restated its determination on carrying on reductive policies. And in all base-areas the reductive policy had been implemented until the spring of 1946. During this period, CCP commenced several campaigns against the traitors, traitorous landlords and the Japanese puppet-military forces, especially in the CCP's newly occupied northeastern regions. Land of these people was confiscated and reallocated to former-tenants instead of being returned to the former-owners. Except of these cases, CCP still applied the reductive policy (Deng, 1996, p.164).

But as the peace negotiation failed and the conflict between two parties escalated, the full-scale civil war started. Accordingly, CCP's land policy changed with the political climate. Table 4.8 lists the major reform policies from 1946-1952.

##### ***4.5.5.1 The May 4<sup>th</sup> Directive***

As Mao and the party's leaders then believed that only through effectively mobilizing the rural mass to support and participating CCP's revolution by fulfilling their demands in land reforms, the party could be prepared for and eventually win a long-term warfare against KMT's troops who were apparently advantageous in number as well as in equipment. To stress the importance of people's support in the civil war, CCP claimed it as the "Emancipating War for the People"; accordingly CCP's base-areas were called as "liberated areas". Following this notion, in May 1946, the Central Committee drafted and passed the "*Directives on the Land Problems*", also known as the "*May 4<sup>th</sup> Directive*".

Table 4.8: Land Reform Policies during 1946-1952

Documents, Events and Movements			Activities & Implementation	Land Ownership Arrangement
Time	Title/Name	Major Claim		
1946.5	"May 4 <sup>th</sup> Directive"	<ul style="list-style-type: none"> <li>Confiscating traitors, Japanese, and landlords' land and allocate to peasants.</li> </ul>	Reexamination Campaign <ul style="list-style-type: none"> <li>Re-examine the achievements and rectify the problems during land reform</li> <li>Confiscating hidden estates of landlords.</li> </ul>	<ul style="list-style-type: none"> <li>Landlords and rich-peasants' ownership on land still acknowledged.</li> </ul>
1946.7	"Decision from the Central Committee of CCP on the Issues of Confiscating and Purchasing Landlords' Land"	<ul style="list-style-type: none"> <li>Requisition landlords' land with distinctions;</li> <li>Acquiring land through multiple methods: confiscation, purchase and donation.</li> <li>Equalitarian distributive principles;</li> </ul>		
1947.9	"The Guideline of Land Law of China"	<ul style="list-style-type: none"> <li>Evenly redistributing ALL land with considerations of soil quality and accessibility.</li> </ul>	<ul style="list-style-type: none"> <li>"Left deviational" mistake in reform</li> </ul>	<ul style="list-style-type: none"> <li>Private ownership on land for <b>ALL</b> peasants.</li> <li>Equalized land possession.</li> </ul>
1947.12	December Conference "Current Situations and Our Tasks" "Directives on Rectification of Left Deviational Mistakes in Differentiating Classes"	<ul style="list-style-type: none"> <li>Correcting "left deviational" mistakes in land reform;</li> <li>Differentiating rural classes with the economic relation.</li> <li>Correct attitudes toward different classes;</li> <li>Abandoning the absolutely equalitarian approach.</li> </ul>	<ul style="list-style-type: none"> <li>Stepwise reform strategy in <i>Newly</i> liberated areas: starting from "rent reduction" and gradually "requisition" land from landlords.</li> <li>Allowing rich- and middle-peasants as the <i>fait accompli</i>.</li> </ul>	
1948.5	"Directives on the Works of Land Reform and the Party's Rectification for 1948"	<ul style="list-style-type: none"> <li>Proposing the physical conditions for implementing land confiscation and redistribution;</li> <li>Suggesting the steps for land reform;</li> <li>Suggesting the policy implementation regarding the differences among regions.</li> </ul>		
1949.10	"Decisions on the Land Reform in Newly Liberated Areas"			
1950.5	"Report on the Issues in Land Reform"	<ul style="list-style-type: none"> <li>Explaining the differences between "the policy towards rich-peasants" and the "Guideline"</li> </ul>		
1950.6	"Land Reform Law"	<ul style="list-style-type: none"> <li>Focusing on the issues in newly liberated areas;</li> <li>Policy of protecting the economic form of rich-peasants;</li> </ul>		
1950.8	"Decisions about the Differentiation of Rural Classes"	<ul style="list-style-type: none"> <li>Confiscating estates of landlords;</li> <li>Keep the small land-lessor and middle-peasants intact.</li> </ul>		

Source: Deng, 1996, pp.163-577; He et al. 1993, pp.303-398; Zhang, Zhao, 1985, pp.215-318; Author.

Comparatively, the directive and ensuing policies showed significant improvements in policy-making. The directive changed the principle measure of land reform again from the *reductive* to the *redistributive* measure. Different to the measures implemented during 1927-1937, the party diversified the practical method, which resulted in differentiated treatments to people of various situations. The redistributive measure appeared to be less intrusive and drastic, which gave more considerations to the people’s acceptance of reform policy as well as reflected the party’s precautions on feasibility of policy. Particularly on the policy of acquiring land from landlords, CCP arranged four types of methods (Table 4.9).

Table 4.9: Policies and Implementation Methods in Acquiring Land from Landlords

Types of Landlords	Policies	Implementation Methods
Traitors, Local Tyrants and The People Harboring Bandits; Churches.	Confiscation	<ul style="list-style-type: none"> <li>• Confiscate the land of traitors, local tyrants, and the people harboring bandits; redistribute to peasants;</li> <li>• Confiscate churches’ land and redistribute to peasants.</li> <li>• Typically in the northeastern China.</li> </ul>
Regular Landlords	Liquidation and Reckoning	<ul style="list-style-type: none"> <li>• Liquidate the interests and rents, the extra exploitations (other than rent), the transferred burdens (taxes and fees), the unpaid labor duties, and the arrogated and encroached (land and estates)</li> <li>• Reckon and the violations on human rights.</li> <li>• Main method in most of the regions</li> </ul>
Enlightened Landlords	Requisition by Purchase	<ul style="list-style-type: none"> <li>• Issue the governmental bonds and raise funds to purchase land from landlords;</li> <li>• Deduct the peasants’ debts to landlords during the Sino-Japanese war into land price;</li> <li>• Depreciate the price of big-landlords’ extra-land (the part that exceeded certain standard) by half or more.</li> <li>• Prohibit all personal transactions and mortgages during the <i>Purchase</i>.</li> <li>• Supplementary method. Only in Sh’an Gan Ning area.</li> </ul>
	Donation	<ul style="list-style-type: none"> <li>• Landlords donate land to peasants for free. (Mainly for landlords who were the families of CCP members; or enlightened landlords who support CCP.)</li> <li>• Supplementary method.</li> </ul>

Source: Deng et al. 1996, 178-187; Author.

In most of the CCP occupied areas, the main method was to acquire land by “liquidation and reckoning”. Though, the method appeared to be a fair exchange, but in fact it was economic struggles through political campaigns.

*Requisition by purchase* was a supplementary provision in the reform policy, which was intended to make the reform more acceptable for the democratic and enlightened personages, in order to maximize supports. During the process of purchase, all forms of land transactions between private individuals were prohibited.

The other supplementary method was *land donation*, which usually applied to the CCP members’ families who were landlords but regarded as enlightened and revolutionary. But the policy was abandoned in October 1946 and the actual amount of donated land was very small.

Strategically, during land redistributions, CCP basically employed the egalitarian principle. After land was redistributed, from the winter of 1946 to the spring of 1947, most of the base-areas destroyed old ownership certificates and issued new certificates to new owners. With this, all peasants became farmers.

To ensure the effective implementation of the policies, in early 1947 the party launched the campaign of “*land reform reexamination*”, which focused on solidifying achievements and rectifying problems.

The May 4<sup>th</sup> Directive and the ensuing policies presented a major improvement comparing to previously promulgated policies. More specific and diversified treatments for different classes indicated CCP’s recognition on land reform further matured. Since 1946 to 1947, two-third of the liberated-areas accomplished the land reform. Due to the adjacency to frontlines, the rest one-third didn’t implement the policy.

#### **4.5.5.2 “The Guideline of Land Law” and “Left-Deviation” Mistakes**

As the situation in the battlefield started to favor CCP in later 1947, the party believed that the revolution stepped into a new chapter and it was timely appropriate to thoroughly enforce redistributive reform in all liberated-areas. Hence, in September 1947, CCP issued “*The Guideline of Land Law of China*”.

The *guideline* considered that land reform policies after the “May 4<sup>th</sup> Directive” were not sufficient to achieve the goal of “completely eliminating the feudal land tenure system”, and the moderate policies favoring the middle- and small- landlords as well as rich-peasants resulted the

“feudal residuals”. Thus, the guideline proposed to “completely and evenly redistributed all rural land”, which indiscriminately included all private and public land. And, all types of landlords’ ownership, big or small, would be abolished. Though CCP claimed the policy represented the demand of most peasants, but actually it showed the party’s eagerness to accomplish the abolition of old tenure system.

Unlike *May 4<sup>th</sup> Directive*, the absolute equality proposed by the *guideline* directly violated the interests of middle-peasants, even the poor-peasants’, especially those whose benefits were kept intact or who just acquired a better landholding. A new round of redistribution provoked another turn of frenzy in “classes struggle” across the liberated-areas. Again, the reform was affected by radical ideas accompanied with excessive violence and brutality.

Soon, CCP realized the mistakes. In December 1947, the party confronted the “left-deviational” problems and restated the position of middle-peasants class in the revolution as the alliance. Then, the party re-publicized Mao’s works in 1933 on the issues of differentiating rural classes. In addition, the *economic relation* was settled as the only standard for class differentiation.

In addition, the party discussed and passed “*Current Situations and Our Tasks*” and “*Directives on Rectification of Left Deviation Mistakes in Differentiating Classes*”, in which debated and abandoned the absolutely equalitarian measures in redistribution. Meanwhile, CCP also defined the “correct attitudes toward different classes”, which criticized the violence and brutality in implementing reform policies. Accordingly, CCP revised respective clauses in “*The Guideline of Land Law of China*” in 1948.

#### **4.5.5.3 Land Reform Policies for “New Areas”**

As the civil war progressed, CCP expanded its territory considerably; hence the newly occupied regions were called as the “*Newly Liberated-Areas*” or “*New Areas*”. These new areas were long under the governance of KMT’s Nan’king government and rarely influenced by CCP-led land reforms. Thus, the conditional basis for implementing redistributive reform was weak. In fact, from the winter of 1947, in order to fulfill urgent needs of material and human resources for battles, CCP was eager to push forward land reforms in the “new-areas” by simply adapting the same reform policies as in the “old-areas”. But in most of the “new-areas”, the results of reform were unsatisfactory. Therefore, facing these problems, CCP issued a series of specific policies for the “new-areas”.

In May 1948, drafted by Mao, CCP publicized the *“Directives on the Works of Land Reform and the Party’s Rectification for 1948”* and proposed *“three subjective preconditions”* for the areas to implement redistributive policies, which were designed to mediate potential conflicts in new areas during reforms.

After the establishment of P.R.C in Oct. 1949, most territories of China were under CCP control, and land reform could finally be implemented nationwide. Since vast areas of newly occupied regions were never influenced by CCP-led land reforms before. Based on the *“Guideline”*, CCP issued *“Land Reform Law”* in June 1950, which specifically focused on reform issues in new areas.

The law made major changes on the policies for different classes. It stipulated to *“temporarily”* keep the rich-peasants land from confiscation, which was a much favorable policy comparing to the regulations in the *“Guideline”*. Also, the middle-peasants’ land was also exempted from confiscation. For landlords, the law changed from confiscating *“all land and estates of landlords”* to confiscating *“only specified estates”*. As the political situation of the country was generally under control, these improvements also revealed the party's role-change of political standpoint - from a revolutionary party to a governing party.

Favorable policies for vast and newly occupied regions indeed smoothed the progress of land reforms. And the maintaining of private ownership on land was the rational and necessary decision for the purpose of stabilizing the political and socio-economic situation at the beginning of socialist regime. Until September 1952, about 300 millions of landless or land-poor rural population was affected by land reforms; and they obtained 700 million *mu* of land, which also means 90% percent of the nation had accomplished the land reform. At that point, the so-called *“feudal land tenure system”* was replaced by a private-ownership-based rural land tenure system with more equalized land possessions in both quantity and quality.

#### **4.5.6 Summary of Land Reforms in the Revolutionary Period**

The knowledge and experiences from Communist movements in Europe and the Russian’s revolution, which mainly focused and depended on organizing and mobilizing revolutions by urban proletarians, should hardly be applicable in a country that so far behind modern industrialization, like China. Then, the source for revolutionary forces naturally targeted on the rural society and people. Then, CCP defined the traditional rural society into a *“feudal society”*, where the differences of wealth and tenancy conflicts between rural elites (landlords) and regular peasants were politically interpreted as the *“irreconcilable disputes”* of interests between

different classes as well as the premise for “class struggle”. Hence, the major task for CCP’s land reforms during the revolutionary period was to mobilize revolutionary forces from rural society by reinterpreting existing issues in the rural society and land tenure system with provocative ideologies, which purposely served the party’s political objective.

As a political party, the revolutionary period for CCP was also learning and maturing process. Especially through the process of land reforms, it was not only a process of readjusting land tenure system, but more profoundly, it restructured the rural society by eliminating the traditional elite classes both economically and politically. The far-reaching impact of the land reform is that it allowed the newly founded regime to actualize transformation toward a Socialist regime. Meanwhile, CCP’s role changed from a revolutionary party to the party in power. Consequently, the political objective changed from seizing power to sustain in governance.

#### **4.6 Land Reform Policies in the Socialist Period**

Despite the drastic and violent instances against millions of landlords and rich-peasants, the more equalized access to land for most of rural population indeed consolidated CCP’s governance in the rural society. Meanwhile, the party’s idealistic blueprint for the socialist rural as well as agricultural production was still highly influenced by USSR. “The exemplar pattern of rural socialism (for CCP) is collective farms in USSR (Gao, 1999, p.18).” Hence, land reforms in the earlier stage of socialist period began with the *movement of establishing rural cooperatives* or the *movement of rural collectivization*.

##### **4.6.1 Rural Collectivization 1952 -1958**

The rural collectivization started with the *Rural Cooperation Movement* (RCM hereafter) and finished with the *Movement of People’s Commune*, which completely replaced private ownership on rural land with collective ownership and fundamentally changed the rural land tenure system.

RCM was initially designed to encourage farmers’ to voluntary and spontaneous form *Agricultural Production Cooperatives* (or APC), which, in theory, would gradually lead to the socialist agricultural production based on the public (collective) ownership of land, as well as other means of production. Before further discussion, three-tiers (or levels) of cooperatives should be introduced (Table 4.10):

- *“Aiding Groups”* or *“Hu’zhu’zu”* was an *agricultural cooperative* that farmers voluntarily and spontaneously be organized based on the sharing of labor forces or means of production, like tools and machinery. The private ownerships of land and tools were intact.
- **PAPC:** *“Primary Agricultural Production Cooperative”* or *“Chu’ji Nong’ye Sheng’can He’zuo’she”* is the cooperative integrated upon several aiding groups. Other than pooling labor and tools, farmers would additionally pool their land into the operative; and then, manage and utilize it collectively. The private ownerships still remained.
- **AAPC:** *“Advanced Agricultural Production Cooperative”* or *“Gao’ji Nong’ye Sheng’can He’zuo’she”* would evolve upon PAPCs. Not only expanded in the scale, but more importantly all means of production would be publically (collectively) owned, including land. AAPC announced the establishment of socialist collective farming.

Table 4.10: Three-tiers of Rural Cooperatives

Cooperatives	Cooperation Durations	Labor / Tools	Land Use	Land Ownership
<i>“Aiding Groups”</i>	Temporary, Annual or Seasonal	Share Use	Individual	Private
<i>PAPC</i>	Perennial	Share Use	Land Pooling; Land-Share.	Private
<i>AAPC</i>	Permanent	Share Use, (public ownership)	Collective Use	Public (Collective) Ownership

Source: Author

On Sept. 1951, the Central Committee of CCP held *The 1<sup>st</sup> National Conference regarding the Mutual-Aid and Cooperation in Agriculture*, and the conference passed the *“Directives regarding the Mutual-Aiding and Cooperation in Agricultural Production (Draft)”* which delimited the three-tier cooperatives. Clearly, the government’s intention was to gradually transform agricultural production from the small-scale (household) individual farming towards a large-scale collective farming through cooperation between households. In the process, sporadic private land holdings could be concentrated into a primitive- or quasi-socialist collective holding, which could be further developed into a total collective land tenure system.



#### **4.6.1.1 The Development of RCM at the Beginning Phase**

After the “*Directive (Draft)*” was issued till the spring of 1952, the government invested a lot in propagandizing and implementing the policy across the country. As a result, aiding groups and APCs had grown rapidly.

But, in many regions, problems of impatience appeared in both propaganda and implementation. Especially in local practices, officials were motivated to rush forward and eager to achieve more advanced cooperative forms, the earlier the better. During implementation, local governments and officials preferred PAPCs over aiding groups, for the aiding groups were considered ideologically less advanced. Hence despite one of the key principles of establishing a cooperative as “voluntary and spontaneous”, many local governments forced farmers to join PAPCs.

The local overzealousness had in fact damaged the peasants’ willingness and confidence for socialist lifestyle. Hence, the central government swiftly responded to the problems with another *Campaign of Rectifications*. To some extent, the rectifying campaign slowed down the rush of PAPCs and reassured some essential principles, such as: reconfirming the existence of peasants’ private ownerships on land and other estates. It criticized extreme measures such as collective accommodations; and stressed the necessity of developing aiding groups before PAPCs. (Gao, 1999, pp. 60-78)

But, as Mao proposed “*The General Guideline of Transitional Period*” (or “*The General Guideline*” hereafter) in 1953 where the central government planned a timely specified transitional period to a socialist country. The transition would be achieved through so-called “*Socialist Transformations of Agriculture, Handicraft Industry and Capitalistic Enterprises*”. According to “*The General Guideline*”, started from 1953, the transformations should take about 15 years and accomplished in 1967. (Mao, 1977, p.102) For the agricultural transformation, it meant the public ownership on land and all means of production, which in form was the duplicate of the *collective farms* in USSR.

#### **4.6.1.2 The Debate of Developmental Priority**

During the early years of P.R.C, the developmental prioritization was always a highly debated issue. Some leaders, such as Liu Shao’qi, believed that the collectivization of the agricultural sector should be supported by a well-developed industrial sector where more mechanical tools and instruments for large-scale cultivation were available, which supposedly should take a

rather long period of economic recovery and development. (Gao, 1999, p.15) Hence, the rural cooperation should be gradually implemented through fostering and encouraging rural households' voluntary cooperation, as aiding groups.

But as country's limited resources was greatly demanded by the war in Korea and the consequently established so-called the "Unified Purchase and Sale" on agricultural products, which banned farmers from trading their products in open market. Instead, the government would specify certain portion of farmers' agricultural output and purchase them under assigned prices, and then the rest was left solely for their survival needs. By this measure, the government could solve the problems of inflation and food shortage in the cities during the wartime; moreover, it could provide industrial sectors with sufficient and low-cost raw materials. Evidently the policy prioritized country's resources for the industry (especially the heavy industry) over agriculture, as well as urban before rural. In fact, this could be considered as the starting point of urban-biased development strategy for the ensuing decades, which still affecting China today.

#### **4.6.1.3 Development of PAPC**

After the issuance of "The General Line" and the "Unified Purchase and Sale", the central government accelerated the pace in developing rural cooperatives. In Oct. 1953, at *The 3<sup>rd</sup> National Conference regarding the Mutual-Aid and Cooperation in Agriculture*, Mao highly advocated the importance of developing PAPC. In the meantime, he criticized aforementioned "campaign of rectification" as hampering the development of RCM. In fact, as the actual progress kept exceeding the plan, expectations on PAPC development had been elevated in a rather short period of time (Table 4.11).

In 1953, regional governments reported situations of PAPC development and planned to increase from currently 14,171 to about 700,000 in 1957. But, Mao believed that there could be as many as 1 million. Consequently, on 16<sup>th</sup> Dec. 1953, the Central Committee of CCP issued the "Directives on Developing Agricultural Production Cooperatives", which set the objective to 800,000 APCs and 20% of total farmer households should join PAPCs in 1957 (Gao, 1999, p.137). Then the passion of establishing PAPC was ignited all over the country, the situation was advancing so fast that the plan had to be adjusted three times in February, April, and October of 1954.

Table 4.11: Expectations and Changes on P APC Development

Time	Actually Existing P APC	Expected P APC until 1957	
1953. 10	14,171	700,000 or 16%*	Regional Governments
		1 million	Mao Tse-Tung
1954. 1		800,000 or 20%*	
1954. 2	70,000 **		
1954. 4		1.3 to 1.5 million or 35%* (300,000 to 350,000 by 1955)	CCP's
1954. 6	114,000		Central Committee
1954. 10		50%* (600,000 by 1955)	
1955. 10	1,280,000 (32%*)	--	--
1955. 11	1,580,000 (41.4%*)	--	--
1955. 12	1,900,000 (63.3%*)	--	--

Source: Gao, 1999, pp. 136-148, pp. 239-240, author.

\* the percentage of farmer households enrolled in APC to total households.

\*\* the number was expected to be 32,500 in 1953 and later adjusted to 45,000 in Feb. 1954.

At the time, CCP believed that collective farming was institutionally more advanced than individual farming, which could annually increase total output by about 10 - 15%. Clearly, the hypothesis was highly overestimated, which caused the crisis in rural areas during the winter of 1954 and spring of 1955. The overheated development of APCs and the "unified purchase and sale" policy encountered farmer's discontents. Under this circumstance, on 10<sup>th</sup> Jan. 1955, the Central Committee of CCP issued the "Notice regarding the Adjustment and Consolidation of Agricultural Production Cooperatives", the policy that specifically stipulated to slow down and adjust the progress of APC development. Evidently, the notice was a timely and methodologically appropriate measure at that time, which allowed the government to review the situation and amend mistakes, more importantly to relief the tensions between the government and farmers.

But, Mao had a contrary estimation on the issue. By given inaccurate impressions of the actual situation in agricultural productions, he politically elevated the issue of cooling-down RCM as the retaliation of landlords and rich-peasants. In July 1955, Mao criticized the efforts of adjustments and consolidations of APCs as the "right-deviational" and "conservative" mistakes in his speech of "The Problems Regarding Movement of Agricultural Cooperation", in which he also stressed that the development of APC should not be halt but accelerated. According to his opinion, about 50% of farmers should join P APCs by the spring of 1958; and starting from 1960,

the quasi-socialist PAPC would start to advance to AAPC. Following the speech, the criticism towards conservatives in RCM accompanying with the so-called “anti-right-deviational movement” were spreading across the country, and the once halted movement picked up the speed again. Later, in the *Sixth Plenary Session of the Seventh Central Committee*, the “*Directives over the Problems of Agricultural Cooperation*” proposed the plan for APC development, which scheduled even one year earlier than Mao indicated in the speech. The strong political implications boosted the already overheated movement and the actual progress was even faster than the plan. At October 1955, there were already 1.28 million APCs nationwide, and the number climbed to 1.58 million in November, and then 1.9 million in December; respectively, the ratio of farmer-families-enrolled were 32%, 41.4% and 63.3% of total rural households, where the percentage was only 14.4% six months ago. Until December 1956, 96.2% of rural population joined various scales of PAPCs or AAPCs.

#### **4.6.1.4 Development of AAPC**

Though in Nov. 1955, the State Council passed the “*Exemplary Regulations of Agricultural Production Cooperative (Draft)*” as the attempt to regulate the frenzy of PAPC development. But at the moment it issued, the actually situation had already surpassed its capability. Evidently, Mao again played as a propellant role in the movement. As he led the edition and publication of the book “*The Socialist Climax in Rural China*” in Jan. 1956, in which he highly complemented the good practices and valuable experiences in RCM; and on the other hand implicated criticism towards the right-deviational “opportunisms” and “conservatisms”. As he stressed that the AAPC’s advancements and superiorities over PAPC, he greatly pushed forward the advancement of the movement.

From the late 1955 to the beginning of 1956, the movement already evolved into a nationwide fanatic of upgrading PAPCs to AAPCs; or as the slogan addressed, “to achieve the Rural Socialism”.

Generally, from 1951 to 1955, the government was rather cautious with the policy regarding AAPC development. But, as Mao ignited the whole country’s enthusiasm, AAPCs’ development became the new orientation of the movement. Though the “*Exemplary Regulations of Advanced Agricultural Production Cooperative (Draft)*” was issued in June 1956, but actually there were already 312,000 AAPCs with the enrolled 63.2% of total rural households, in the meantime the percentage for PAPCs was decreased to 28.7% (Gao, 1999, p.276). It means that just in several

months, most of PAPCs had been merged or upgraded into bigger and “more-advanced” AAPCs. In other words, most of farmers’ private land had been collectivized. At that point, though astonished by the drastic development, the governmental leaders still felt confident with AAPC’s enhancing effects in agricultural productivities. But in reality, the rush into AAPC was based on the constantly lowering of standards or the integration of PAPCs in a simple and *pro forma* manner without the necessary improvements in agricultural productivity. At June 1957, the enrolled farmer families of AAPC was 93% of total rural households and the PAPC was only 3%, the individual farming was generally distinct and the private ownership on land was replaced by the *Collective Ownership*.

Though State government issued a series of policies from the second half of 1957 and beginning of 1958, which dedicated to rectify the overheated AAPC development, but the following movements, known as the “*Great Leap Forward*” and the “*People’s Commune Movement*” finally left these efforts in vain.

#### **4.6.1.5 “*Great Leap Forward*” and “*People’s Commune Movement*”**

“*The Great Leap Forward*” was a movement in order to boost productivities in both industrial and agricultural sectors, which was then believed as the way to rapidly match the productivity of western and developed countries as well as accomplishment of *Socialism*. Despite all common senses, the nation was politically motivated to fulfill symbolic and unrealistic standards and records in productivity, such as outputs of steel and crops, and launching huge infrastructure construction projects. Consequently, all available human and material resources were gathered into few specific products and local officials were urged to claim false statistics in production for career promotions. Physically, the movement had destroyed the order of both industrial and agricultural production, meanwhile caused massive wastes of labor and resources.

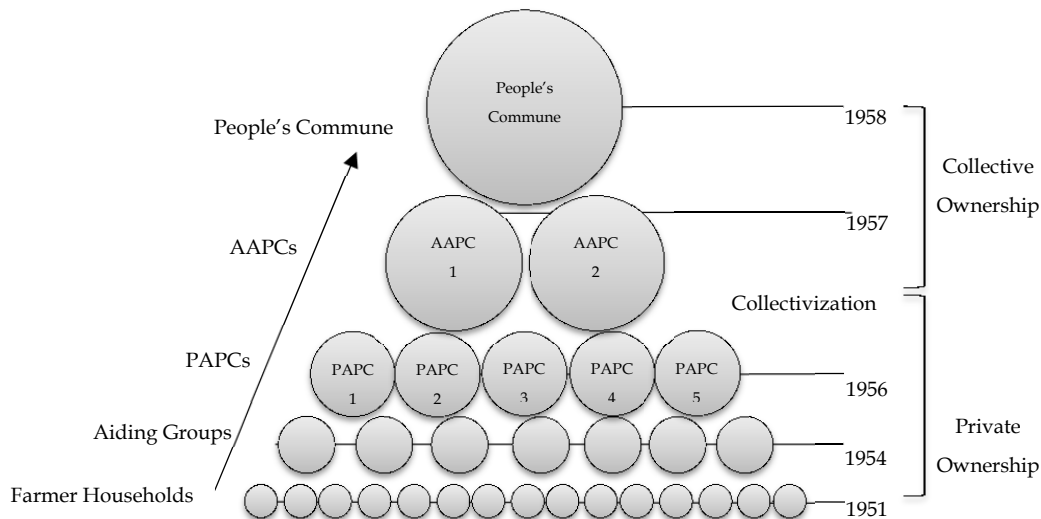
The very idea of *People’s Commune* or *Big Cooperative* could be traced back to 1955 during the rush hour of PAPCs merging into AAPCs, which was also strongly endorsed by Mao. In fact, a *People’s Commune* was an extensively enlarged AAPC. In addition to land and productive materials, the commune would include all functionalities of a local government (normally, a county government). All economic, political and social activities as well as public administrations even farmers’ daily accommodations were unified into the commune. In August 1958, “*The Directives on Establishing People’s Communes in Rural Areas*” was promulgated, and then the “*People’s Commune Movement*” was launched. In just two months, the movement pushed 99.1% of the country’s rural population into the *People’s Communes* (Zhang, 2009, pp. 45-46).

The utopian-like experiment made 600 million rural populations into totally collectivized commune members. Actually, it was the continuation and expansion of the RCM, which not only limited in agricultural production but also involved many functions of a local government. Structurally, a people's commune was generally constructed with three echelons of production units: *team*, *brigade* and *people's commune*. After the people's commune was dismantled in late 1970s, these three levels were respectively transformed into the basic rural administrative units: *natural village*, *administrative village* and *township or county*. In Sept. 1962, in the "Working Regulations for the Rural People's Communes (Draft)", also known as the "Sixty Articles" was revised, in which the (production) team was identified as the primary accounting unit and the owner of land" (Ho, 2005, p.27).

**4.6.1.6 Summarizing Rural Collectivization Movement**

To sum up the rural collectivization, it could be interpreted as a gradually centralized process, from farmers' voluntary and temporary cooperation in aiding-groups; to the establishments of the quasi-socialist and share-using of productive materials in PAPC; then to the complete public ownerships of all productive materials in AAPC; and finally reached the unification of all aspects of rural lives, productions and administrations as People's Communes (Figure 4.1).

Figure 4.1: Illustration of Rural Collectivization Process



Source: Author

#### **4.6.2 Adjustments during Political Turmoil 1958 - 1978**

The rural collectivization established the collective ownership on rural land, which remains until present. Since then, the focal point of land reforms were laid on the use right of land, especially the use of arable land.

Throughout the collectivization process, the political factor had been already played a crucial role in affecting reform policies. During the following two decades, a series of drastic and devastating political movements shifted the country's developmental focus from economic construction back to political struggles. With unchallengeable position in the party, Mao's misjudgment of international and domestic situations made "class struggle" the guiding principle for all economic, political and social activities. Hence, all public policies were subjected to the political climate. The evolutionary process of land reforms was halted and only a few minor adjustments were made in those years, which hardly affected the collective tenure system.

After the economically destructive and politically frenzy movements of rural collectivization, the established collective farming failed to proof the theoretical superiority over individual farming and significant advancements in productivity, but damaged the process of production. Intrinsically, the collective farming deprived economic incentives of farmers' productions, and the actual agricultural output dropped significantly. At the same time, local officials had to fulfill the quota of levying crops based on the falsely claimed numbers. Then in many areas, the local government had to force farmers handing over the grains for their survival. Consequently, a nationwide food crisis broke out, which finally led to about three years of massive scale famine. The biblical destructions in the economy urged some leaders to review the mistakes and misjudgments in the past several years. The debating focus was targeted on the feasible pattern of production. Then the *Production Responsibility System* (or "Sheng'chan Ze'ren'zhi") once again caught in the sight of policy makers.

##### **4.6.2.1 The Production Responsibility System**

The *production responsibility system* (or PRS) was a concept defining various forms of individual farming, which is actually a system of labour organization and management. Differs from the collective farming in APCs or communes, the productive and accounting unit of PRS is individualized, which means a household (or in some case, a small groups of households) takes the responsibility of organizing agricultural production on its own. The household has the right to use land and other means of production for agricultural operation; meanwhile it is obligated

to hand over certain amount of outputs in kind or in cash equivalent to the collective as a quota; and then, the remaining part can be kept for self-consumption or be traded in a market.

PRS farming means that land, tools, cattle and other means of production would have to be reassigned to the responsible people or groups - at least as a use right. In fact at the beginning of the RCM, there were already some cases of PRS in practices in many regions. Though the PRS was only a pattern of agricultural production, but as the government's dedication in accomplishing rural collectivization, the PRS, especially the individual farming, was perceived by some leaders as a retrograding act that ruining the very basis of collective tenure or rural Socialism. (Wang, 1992, p. 350)

#### ***4.6.2.2 Development of PRS***

Initially, the government was rather supportive towards the practices of aiding-groups taking responsibility for production; only the PRS exercised by individual households was frowned upon. But as the RCM rapidly developed into compulsory enrollment for farmers as well as the later rushing into AAPC, there was the withdrawing tendency of farmers in many areas - as the APC members quitted or intended to quit from cooperatives. And in some, violent conflicts between farmers and local officials were broken out when the officials attempted to prevent farmers' exits. The reasons behind the situation were accumulated discontents of farmers (Gao, 1999, pp.349-357):

- Firstly, disregarding the actual situation and people's willingness provoked farmers' antagonistic sentiments towards the movement and local governments.
- Secondly, some of the APC members, especially those who were high and middle income, actually suffered from economic loss after joining the APC. Also, in many areas, the farmers didn't get the entitled reimbursements for sharing their means of production.
- Thirdly, in some areas, the inadequate administrative capacity and misconducts in implementing the "unified purchase and sale" policy caused problems like over-collecting crops from farmers, which heavily damaged farmers' living conditions.
- Last but not least, in some areas, the arbitrary, corruptive and power-abusive local bureaucrats further worsen the tensions between local cadres and farmers.

Though the situation of quitting the APCs was a direct reaction on problems within the movement and its policy, the central government merely had the time to review the policy, Mao



turned this problem into a “*great political debate*”, during which he ruthlessly criticized any opinion that was questioning the superiority of APC. Meanwhile, the debate defined the PRS as a “*Principal and Itinerary Mistakes*”. Then PRS was considered as a taboo for the party.(*ibid.* pp.367-390)

The tragic famine in 1959, 1960 and 1961 urged the government to reconsider its economic strategies. In 1961 and 1962, many regions once again practiced PRS, including the *Household Production Responsibility System* (the prototype of HRC system), in hope of restoring agricultural productivity. But as soon as the concept was reintroduced, greater debates inside the government arose. Finally, the PRS was announced as “illegal” and the “restoration of feudal tenure system” and officially banned (*ibid.*)

Since 1962, after the “Sixty Articles” defined a three-echelons-structure for the collective ownership on land, the rural land tenure system remained rather static. The production team acted both as the user and owner of land. In scale, it was similar to a PAPC with 20-30 member households. A “labor-credit” system was also widely applied to calculate the individual labor’s input to the collective farm. Then, income of a farmer household was the sum of all the labor-credits earned by all the available labors in the family. The monetary value of a single credit could vary greatly in different teams, brigades or communes. Then, farmers actually became the “proletarian agricultural workers” who worked for the collective organizations and paid with credits of salaries. (Jiang, 2003, pp.25-31)

As the political movement aggravated since 1965 and the following decade of so-called “*The Great Cultural Revolution*”, the reform on rural tenure system was halted until the end of 1970s. During this period, significant policy changes occurred on urban land tenure system. Since 1956, the State government proposed to nationalize urban land in the country. In November 1967, the *State Bureau of Housing Administration* and the *Bureau of Taxation of the Ministry of Finance* issued the “*Reply regarding the Record of Outlined Request on Nationalizing Land in the City and Town Areas*”, in which it claimed that all land in the urban areas was nationalized.(*ibid.*) After the rural collectivization, CCP established the State ownership on urban land, therefore all land in the country was under the socialist public ownership, in other words, the collective ownership in the rural areas and the State ownership in the urban. There was no fundamental change on rural land policies, the “Sixty Articles” as well as the people’s commune remained.

Two decades of political turmoil pushed the country’s economic and social order to the edge, the nation eagerly demanded for fundamental changes both ideologically and practically. The

guiding strategy based on “class struggle” was proved wrong and harmful for the country, people and CCP’s governance. Hence, the party’s focal point shifted to economic development.

### **4.6.3 Land Reforms Since 1979**

After a series of dramatic shifts in central leadership followed by Mao’s death, the newly organized State government urgently needed to correct the mistakes that made during the last two decades. Then the so-called “*Reform and Open-up*” strategy for the structural reform of macro-economy was applied and replaced the strategy of “class struggle”. Again, the reform first started from rural tenure system.

#### **4.6.3.1 Establishment of HRC System**

In Dec. 1978, the 3<sup>rd</sup> Plenary Session of the 11<sup>th</sup> Central Committee of the CCP was held and the “*Directives regarding the Acceleration of Agricultural Productions and Related Questions (Draft)*” was passed, which was finalized in the 4<sup>th</sup> Plenary Session of the 11<sup>th</sup> Central Committee in Sept. 1979. Apparently, the directive was the policy for promoting agricultural production, but in fact it loosened the restrictions on agricultural land use by encouraging and ensuring local autonomous rights on land, especially on the issue of individual farming. As limitations were removed, since 1980, various forms of PRS had been resurfaced, which later formed into the *Household Responsibility Contracting System*, or HRC system. (Li, Wang, 1990, pp.14-26)

The HRC system refers to the PRS which replaced the collective farming with individual farming. More importantly, it involved the reallocation of plots (the use right on land). A household, as an independent farming unit, was encouraged to work on its HRC plot(s) and obligated to deliver certain crop quota to the State based on a regulated price; the rest of harvests could be kept for home consumption and/or traded in the open market. (Li, Wang, 1990, p.17) Institutionally, the system re-linked farmers’ labor input with the profits they make; or in other words, it restituted the economic incentive for farmers’ production. But only the use right was reallocated and the collective ownership remains within the collective. In practice, after the State government examined some of successful PRS cases, the *Household Responsibility Contracting* (HRC) system was officially sanctioned and publically promoted by the government. (ibid.)It became the main feature of rural land tenure system.

#### 4.6.3.2 Developments of HRC System

In January 1982, the State government issued the *No. 1 document* to reconfirm the socialist nature of HRC system, which officially cleared people's doubts. And in December, the amendment was made in the Constitution, which redefined the collective ownership and restored the tri-echelon administrative structure: *natural village, administrative village and township or county*, which organizationally dismantled and replaced people's communes.

From 1982 to 1984 the State government had issued three times of *No.1 document* of the year to ensure the effective implementation of HRC system. (Li, 2000, pp.244-247) In 1984 the State stressed the importance of prolonging contracting terms for HRC plots, which should be at least over 15 years. In 1988, another amendment was made in the Constitution and allowed the transaction of land use right. This provided the legal basis for the exchange of HRC plots among farmers. In 1993, the HRC system was added in the Constitution as one of the basic institution in macro-economy. And in 1998, the issuance of "*Land Administration Law*" had legally extended the contracting duration to 30 years. In order to further ensure farmers' rights on HRC, in 1999 the State suggested issuing land certificate for farmers' HRC plot (the use right certificates for farmers and the collective ownership certificate for the rural collectives). Then, in August 2002, the "*Law of the People's Republic of China on Land Contract in Rural Areas*" was issued, as a specific law to regulate all issues regarding HRC plots. Again, it emphasized the determination of protecting the long-term and stable land contracting right for farmers. (Liu, Cheng, 2007, pp. 70-80) And then, The "*Real Right Law of the People's Republic of China*" issued in 2007 specifically pointed out that the farmers have the right to possess, use and benefit from their contracted land, which specified the property rights of HRC plots. (Liu, 2008, pp.4-5)

The implementation of HRC system had greatly stimulated agricultural productivity and significantly increased the farmers' income, especially at early years. But limitations on transactions of land remained, where HRC plots could only be exchanged among members of the same village or collective organization. The transactions with outsiders or urban individuals or entities are still prohibited. Also, the change in land uses, such as from agricultural to construction land, is strictly administrated by the government. Only through the governmental procedure of land requisition, the ownership of land could change from collective to State land, during which farmers have little decisive power of disposal or capacity to claim market profits

(Liu, 2008, pp.5-10, for detail information also refers to the introductions regarding *land requisition* and *urban land market* in Chapter One).

Evidently, land reform policies since 1978 reflected the change on CCP's guiding strategies. And in another three decades, CCP's focus on reform policies laid on improving tenure security through extending contracting duration or specifying property rights on HRC plots. But as the marketization reform of the macro-economy proceeds, the commodification of land, especially the rapid growth in real estate market in urban areas along with long existing developmental imbalances between urban and rural societies, makes limitations and restrictions in current rural tenure system too problematic to handle within the scope of acting land policies. In other words, aforementioned policies for improving tenure security are insufficient to secure farmers rights on land, especially their economic interests.

#### **4.6.3.3 Summary on Land Reforms in Socialist Period**

The land reforms during the socialist period have to be clearly distinguished from the reforms in the revolutionary period. First, the role of CCP had already changed from a revolutionary party to the party in power. The change also decided the change in the party's principle objectives, which is to maintain social stability and sustain the party's governance. Within a socialist regime, a socialist economy must be established hence based on a socialist agriculture. The socialist transformation in the agricultural sector was initially designed as a series of stepwise reforms in the farming methods: from individual farming to collective farming. Then, the leitmotif of reforms from 1952 to 1958 was "rural collectivization".

In practice, collectivization could be further divided as the *Rural Cooperation Movement* (RCM) or *Agricultural Production Cooperative (APC) Movement* and the *People's Commune Movement*. The APC movement was the process of enrolling individual rural households into different scales of productive units, or *cooperatives*, which based on the party's confidence on socialist-scaled production. But beyond a simple accumulation of labor, land and other means of production were consequently concentrated. From private ownership to public ownership, the APC movement not only transformed the traditional farming system but also collectivized all productive resources in the rural especially land. The plan for transformation was constantly guided by the ideologically enthusiastic leaderships both at the State and local levels, which unavoidably derailed the movement from its original developing pace. The rush forward of the

APC movement also indicated the CCP's immaturity and impatience as a newly incumbent party. Then, the following acceleration in the people's commune movement was nothing but inevitable. The extreme form of public property regime in people's communes had greatly traumatized the already weakened economic incentives for farmers in agricultural production, which directly reflected in the production. The deliberate unawareness and neglects of the problems by the State leadership could be caused by continuous and escalating political movements, which led the country into two decades of political turmoil. The collectivization might start as the reform of land tenure, but soon become the political movement once again capable of restructuring the rural society.

The attempt for adjustment during the time of political turmoil were doomed to fail and buried by the overwhelming political campaigns. The farmers' initiatives of PRS farming or individual farming in some areas could hardly be considered as a State or regional policy.

Only until the political environment improved, the practical experiences of individual farming could finally be officially recognized and gradually developed into a State policy. Land reforms starting from late 1970s had organizationally dismantled the people's communes and restored the traditional administrative institutions. The decision of sustaining the collective ownership represented CCP's reluctance of fundamental changes. Though, there are policies stressing or ensuring the farmers' rights on land, but no indication appeared that the party would give up existing public ownership.

## **4.7 Chapter Summary**

Through an extensive review on CCP's land reforms, this chapter first introduces the political, socio-economic situation as well as traditional tenure system in China at the first half of 20<sup>th</sup> century. As the results, the research finds that:

- Politically, the unstable political situation created a dramatic and complicated environment for CCP's survival and development, which greatly affected the party's objectives and strategies of revolution, which further affects its land reform policies in different political situations.
- The socio-economic situation in China then decided that the most powerful and effective force of CCP's revolution in China laid in the rural society which was dominated by the rural elite class under a traditional tenure system. Then, the essential precondition for

CCP to mobilize the rural mass was to restructure the power structure in the rural society. Therefore, the difference in wealth possession, especially land, was a readily available instrument for the party to fulfill this political pursuit through class struggle.

- Considering the traditional tenure system and tenure security, it is further proved that land tenure insecurity issues were not the cause of land reform, but were politicalized and instrumentalized by the party as a key claim for its revolution agenda.

The background information lays the foundation for further analysis on reform policies and puts them into the historic and real world context, which also explains the environmental and motivating factors of CCP's land reforms in different periods.

Then, the research proceeds on reviewing land reform policies that promulgated and implemented by CCP in both the revolutionary and the socialist periods, from which the following findings are revealed:

- The revolutionary period was the period of CCP's foundation and growth. During the party struggle for its survival and development, its claims on land reforms went through very dramatic changes, which can also be considered as the learning or politically maturing process for the party. From various claims on land ownership, different measures applied in practices, as well as different outcomes and consequences of reforms, there are two consistent features can be observed: 1) the class-struggle-oriented reform policies were more dedicated to restructure the traditional rural society than the reallocation of wealth or land rights; 2) the true motivation for CCP to reallocate land to the rural poor was not based on their demands for land, but due to the party's necessity to mobilize revolutionary forces. Hence, the first feature decided the fate of traditional rural elites and the land tenure system that they must be eliminated and replaced. And the second feature dominated the practical strategies of land reforms that all policies or implementation measures should in line with the purpose of mass mobilization. In other terms, they also indicate the party's ultimate objective in this period – to seize power and to establish a socialist regime.
- In the first three decades of the socialist period, as CCP's role shifted from a revolutionary party to the party in power, the theme of land reforms was to realize the party's design on agricultural sector and to establish a socialist rural economy. The ensuing reform policies on rural collectivization were the action plans for this scheme. Benefited from a rather equalized private ownership on land, rural collectivization could

be executed rapidly without much of hindrances. The reform appeared as a reform towards a more advanced production pattern, but also concealed the actual expropriation and abolishment of private property regime in rural China. The negative even devastative consequences of these policies were mainly due to two reasons: 1) the fanatic and overzealous political movements that were propelling the pace of implementation; 2) the misjudgments on the country's real conditions on productivity as well as the infeasible objectives of policies. Then, the reapplication of class struggle as the country's developmental guideline further escalated and amplified the mistakes in reform policies. Nevertheless, these reform policies formed the rural tenure based on a collective ownership of land, which ideologically achieved the party's goal and is still remained to the present.

- Since the country's economic reform in 1978 which also commenced with the reform in rural land tenure, the abandonment of collective farming and the restitution of individual farming (or the establishment of HRC system) were actually policies to improve farmers' access to land. And the ensuing policies are mostly following the similar logic by prolonging and extending the duration of landholding. More recent reform policies reveal the growing pressures on rural land tenure system caused by the rapid urbanization and industrialization, which makes property rights and tenure security on collective land more urgent issues. In addition, the consequences of long-existing urban-bias development strategy as well as the government's excessive administrative interferences in land market and its active pursuit for economic profit in land transactions are all challenging farmer's interest and rights on land. It is especially true when farmers are relatively incapable to protect their legitimate interest and rights in current tenure system while facing other powerful parties in society. Recent legislations and constitutional amendments also indicate the direction of new reform policies, which shall focus on concretely ensuring farmers' rights on land.

The review provides a very extensive overview on CCP's land reforms; also defines a large scope for the research. According to the research objective, in order to analyze the issue in a systematic and efficient way, an evolutionary pattern of reform policies is established as well as the features and influencing factors are identified in the following chapter.

## Chapter Five:

# Comparative Analyses of Land Reform Policies from the Perspective of an Evolutionary Pattern

*“The patterns are important because to the degree that we face novel situations, to the degree that we face new problems that we have not faced before; then the question is, how do we make sense out of them?” -- Douglass C. North, 2003*

Based on findings in the review of land reforms, the thesis argues that CCP's reform policies have been evolving and followed a rather consistent pattern. This evolutionary pattern provides an instrument for effectively and efficiently analyzing extensive and complicate policy changes and events in land reforms. Therefore, the evolutionary pattern can also be utilized as an analytical framework for comparative analysis.

### 5.1 The Basic Evolutionary Pattern of Land Reform Policies

First, to establish a basic pattern, it is necessary to generalize the evolution mechanism of land reform policies, by which the essential stages and the guiding principles of the pattern can be deducted.

#### 5.1.1 Three Stages in the Evolutionary Process of Reform Policy

According to theories on public policy analysis, two essential stages of a public policy could be generalized into *policy-making* and *policy implementation*. In addition, *policy revision* is considered as another crucial stage in the evolution of land reform policies.

The reason of emphasizing the importance of policy revision is that it is a transitional stage where normally the acting policy encounters problems and necessary enforcements, adjustments or amendments are then needed to ensure the acting policy's performance. Also it is the stage that the acting policy is evolving towards a new round of policy making as well as new land reform. Therefore, the stage is also a preparatory phase for new reforms.

Hence, the basic evolutionary process of land reform policy consists of three stages: *policy-making*, *policy implementation* and *policy revision*. And they are evolving from one to another in a circular and sequential manner.



## 5.1.2 Guiding Principles for Land Reform Policy

The three-stage pattern does not evolve uncontrolled; it always follows the guiding principles, which represent fundamental values, interests and motivations of CCP's reform policies. From the review of reform policies, the study identifies two principles that constantly guiding the course of evolution.

### 5.1.2.1 Political Objective

Either as a revolutionary party or as a party in power, all land reform policies were made to serve the party's political objectives. The specific objectives could vary in different time, or under different socio-political environments. Different objectives decided upon the specific tasks for the party. Then, CCP would response to these tasks by making reform policies. The dominating political objective for the party in the revolutionary period was *to seize power*; whereas in the socialist period, as the governing party, *to maintain social stability and sustain its governance*.

- In the revolutionary period, the major task for CCP through land reforms was to gather support and forces for its revolution. Meanwhile, it also had a less apparent task that to restructure the rural society in order to facilitate the establishment of socialist regime.
- As in the socialist period, in order to establish a socialist country and maintain governance, the party's major tasks were to establish and develop a socialist socio-economic regime. And in the meantime, to maintain the social stability as well as the politically governing position.

CCP, as a political party, is driven by its political objectives and all public policies made by the party should serve the purpose of achieving them. Thus, the political objective is also one of the guiding principles for reform policies.

### 5.1.2.2 Ideological Preference

As a Communist party, CCP's belief on public ownership for all means of production is deeply rooted in its ideology. It's also a key symbol for the party to identify itself and the basis for a socialist economy. But, the ideological preference has been constantly affected and challenged by the party's political objectives, which reveals the imminent demands in different situations.

Examining the party's claims on rural land ownership, there were three claims proposed: publically owned by the society or the State (a complete State ownership), privately owned by individuals (private ownership) and collectively owned by farmers'

organizations (collective ownership). In fact, the frequent changes of claims on ownership revealed two important messages: one is the struggles of prioritization between the political objective and ideological preference; the other is the persistence of the party's preference on public ownership.

The policy changes on ownership issue were especially dramatic in the revolutionary period, and claims on ownership swung between public and private several times. From the review, it is observable that the claim changes on ownership actually coincided with the party's changes of specific political objectives. The unstable socio-political environment, constant warfare and potential risks of discouraging peasants' supports made the party to prioritize urgent political objectives over ideological preference.

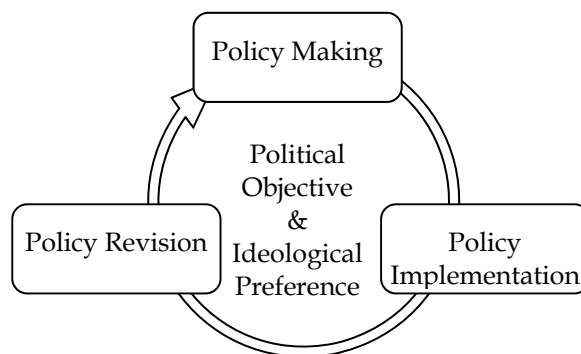
Soon after the socialist regime was established and consolidated, the party immediately executed its plan for rural collectivization. The rapid collectivization that transformed private ownership to collective ownership and the preservation of collective ownership even after the collective farming was dismantled shows that the party has always been persistent in the issue.

As a pragmatic party, the necessity to achieve certain political objective could temporarily overpower its ideological beliefs, but as long as the party identifies itself as a Communist party and the country as a Socialist regime, public ownership would always be CCP's preferable arrangement.

### 5.1.3 The Basic Evolutionary Pattern

Then, the basic evolutionary pattern is structured as such (Figure 5.1):

Figure 5.1 The Analytical Framework for Comparative Study



Source: Author

The basic pattern means that land reform policies evolve circularly through three stages: *policy-making, implementation and revision*. And, the whole process is circled around the

guiding principles: *political objective* and *ideological preference*. The basic pattern is a highly abstract and generalized model. For the purpose of comparative analyses, more factors need to be added upon the basic pattern to represent uniqueness of CCP's reform policies.

## 5.2 The Analytical Framework for a Comparative Study

According to the review and research objectives, the thesis identifies unique factors affecting the evolution of CCP's land reform policies. In additional steps, the analysis of every evolutionary stage can be further specified into analyses of factors.

### 5.2.1 Influencing Factors in Policy Making

According to the elite theory, CCP's land reform policies were mainly presenting the central leadership judgments on the actual situation at particular times. Then, the *actual situation* and *leadership's influences* are identified as key factors in CCP's policy-making process.

#### 5.2.1.1 Actual Situation as a Influencing Factor

The economic, social and political situations in a given time composed the environment for CCP in making a reform policy. The actual situation is an external factor, which usually cannot be fully controlled or changed by any political party or government. In addition, it is the platform where the policy is implemented. Therefore, the policy's feasibility and adaptability to the actual situation is essential to the success or failure of certain policy.

As previously discussed, the process of land reforms is also a maturing process for CCP, during which the party presented itself as a pragmatic political power. And the pragmatism particularly reflected by the party's response to changes in different situations.

#### 5.2.1.2 Leadership Influences

Meanwhile, for a political party or governmental regime, the leadership always affects the policy orientation. According to the elite theory, CCP's land reform policies were always made by a small group of people in the central leadership circle; and in fact, their decisions for the mass rural population were mostly based on their judgments and recognitions *for* the rural mass. Meanwhile, as an elite group, all members of the inner party circle also share the same ideology and value, which would also be reflected in the reform policies.

But, the leaders' capability in correctly recognizing and judging ever-changing situations could vary significantly from one to another, which brought uncertainties to policy changes. From the policy review, the leadership indeed changed the course of land reform policies, even the path of CCP's development. Such characteristic makes the leadership's influences another key factor in policy making.

## **5.2.2 Influencing Factors in Policy Implementation**

During the implementation stage, beside the difference of selected practical measures, there were some problems that frequently happened. Among them, two were persistent and frequent. They are problems of: a) *regional disobedience* and b) *deviational mistakes*.

### **5.2.2.1 Regional Disobedience**

Both in the revolutionary and socialist period, in almost every round of land reform, the policy made by the party central would encounter problems while being implemented at the regional level.

During the revolutionary period, the CCP's regime in fact consisted of several sporadic regional base-areas. The spatial remoteness and separation made these regional base-areas the autonomously operating regimes that had both administrative and military powers of their own. Therefore, regional leaders, as the actual executors of policies, had to constantly adapt the central policy to the situation in their occupied areas. The adaptation frequently encountered the problem in feasibility, especially as different base-areas that were established at different times and under various circumstances, along with the people's awareness of revolution and land reform largely differentiated.

For the regional leader who considered the survival and development of the base-area as top priority, had to response to a specific policy by the means that served best for this priority. Consequently, the central policy might not be or only partially be implemented at the regional level.

The regional disobedience problem still remains in the socialist period, less obvious but principally based on the similar concerns by the regional leaders. As an authoritarian regime with versatile territorial differences, a uniformed central policy for all regions inevitably would transgress some regional interests or simply infeasible for local situation.

Therefore, regional disobedience is a long existing problem in implementing reform policies, which could physically influence the performances, effects and orientations of policy evolution.

### 5.2.2.2 Deviational Problems

From the review of land reforms, so-called “left” or “right deviational mistakes” happened in the policy implementation stage. First, the “deviation” indicated that the implementation of policy deviated from its original objective; and the “left” or “right” were comparative standards where “left” usually indicates too radical and “right” indicates too conservative or reactionary, but the standard is actually subjective by the beholders.

In the revolutionary period, most of deviational mistakes related to the implementation measures. Since land reforms in this period was ideologically guided by “class struggle” in the form of peasants’ movements against traditional rural elites. As categorizing rural people into antagonistic classes was the precondition for the movement, the basic questions of land reform became “who are our enemies?” and “how to treat them?” For several times, the reform policy expanded the scope of “enemy classes” or radically mistreated the “enemies”, and such deviational mistakes in implementation could greatly affect the results of a policy.

During the three decades of the socialist period, the deviational problems in land reforms were hidden under a series of political campaigns and movements. Especially during the rural collectivization, the nation’s overzealous and enthusiasm propelled the pace of movements despite the actual conditions and practical feasibility.

Those instances support the argument that the implementation of CCP’s land reform policy is prone to deviate from the initial objective. And, the reason could be the inconsistent interests between the policy-maker and enforcer with the rural mass, regional disobedience, leadership incompetence, or in some cases, land reform being instrumentalized as the tool for political achievements. More profound reasons of these mistakes are rather ideological and political than implementation itself.

### 5.2.3 Approaches for Policy Revision

Unexpected and unfavorable results or problems in implementation put the success of a reform policy and even the party’s vital interests at stake. Therefore, policy revision is the essential stage that decides on the sustainability of the acting policy. The study identifies three approaches from the review of land reforms: the *campaign and movement*, *policy adjustment*, and then major *amendments*.

### **5.2.3.1 Policy Revision through Campaign and Movement**

When the problems emerged at the implementation stage, CCP often launched a specific campaign or movement, in order to enforce, examine or rectify them.

This approach usually functioned as an *enhancing or emphasizing* factor to the acting policy. By sending delegations or investigators to areas in question or calling on the rural masses to actively participate in the reform, the approach was dedicated to promote the advancement of policy implementation without adjusting the policy content.

Even in cases when there was no problem occurred during implementation, the Central can launch campaigns or movements to push forward the progress of implementation. These actions sent messages with political implications from the leadership. .

However, the side effect of this approach is that the delegations or the rural mass might be too zealous to strictly follow the original assignment or tasks which could further escalate into radical and deviational problems in implementation. Hence, *campaigns or movements* in the revision stage could interact with the problems in the implementation stage.

### **5.2.3.2 Policy Revision through Policy Adjustment**

The campaign and movements usually lead to the *adjustment* on implementation measures. With the feedbacks from the delegations or rural farmers, the central leadership might be demanded to make necessary adjustments on the policy in order to improve the feasibility of policy in coping with regional situations.

Here, the adjustment on policy means a contextual change of the reform policy which was specifically regulating the practical measures in implementation. The main difference between “movement and campaign” and “adjustment” is that: the first approach usually functioned as an emphasizing element of the reform policy in action, which wouldn’t demand more far reaching contextual changes of policy. Whereas the adjustment also acknowledged the righteousness of the acting policy, and the changes would focus on adjusting official regulations or action plans. Then, the adjustment functioned mostly as the *sustaining factor* for the acting policy.

### **5.2.3.3 Policy Revision through Policy Amendments**

The actual situation of the country’s political, social or economic environment is constantly changing and developing, new issues and problems emerge which can challenge the fundamental legitimacy and feasibility of the existing policy. Consequently, the party’s priority and objective in land reform need to change accordingly. Therefore,

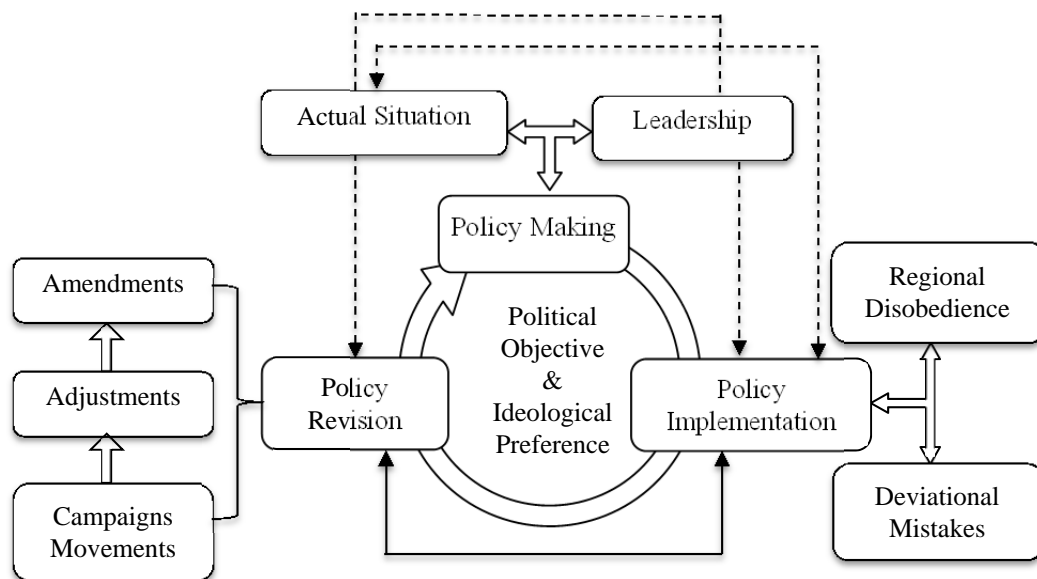
more effective *amendments* would be made, which indicated the changes on some key claims or reconsideration of the whole policy.

Though also appeared as the contextual change of policy, the amendment differs from the adjustment, for it would question the righteousness of the policy in action. In fact, such amendments always indicate that the acting policy is reaching to the end of its lifecycle and the existing policy is evolving toward a new reform policy. Sometimes the new reform policy could be so drastic that totally upset the previous claims. Then, the amendment usually functioned as a transitional stage where the old policy started to evolve towards a new policy cycle.

### 5.2.4 The Evolutionary Pattern of Land Reform Policies

Then the evolutionary pattern of land reform policy is enriched with those factors, which can also be utilized as the analytical framework for the comparative analyses (Figure 5.2).

Figure 5.2: The Analytical Framework for Comparative Study



Source: Author

The analytical framework is developed upon the basic evolutionary pattern with additions of influencing factors that identified in previous discussions. The framework also illustrates the connections among every evolutionary stage as well as the connections among influencing factors. Besides the direct connections (marked with solid arrowed lines), there are also some indirect connections (marked with dotted arrows). Particularly, the actual situation and leadership factors would also influence the performance of policy implementation as well as the policy revision. These connections would be included in the comparative analyses.

Notably, there is an interactive relation between *policy implementation* and *revisions*. The effectiveness of policy revision must be tested in the actual implementation; and then, through implementing the revised policy, the actual effects become feedbacks which will guide further revisions on the existing policy. As a result, policy revision can either enhance and sustain the existing policy or push it forward toward a new reform.

### **5.3 Comparative Analysis of Land Reform Policies**

Based on the review of land reforms and the evolutionary pattern (as an analytical framework), the research further compares different policies in different periods, from which the characteristics of and relationship among factors as well as their functions and effects to the policy evolution can be analyzed.

#### **5.3.1 Comparative Analysis on the Guiding Principles**

As previously discussed, the evolutionary process of CCP's land reform policies circled around the party's guiding principles, which are political objectives and ideological preference.

##### **5.3.1.1 Comparison of Political Objectives**

To compare the political objectives in different periods and discuss the relationships between political objectives and land reform policies, the study first forms a comparison table (Table 5.1), which compares the political objectives with the tasks for land reform policy.

##### **(1) Political Objectives in 1921-1927**

As shown in the table, in the founding years of CCP from 1921 to 1927 CCP, it was urgently needed to strengthen the party structure and to accumulate support for a revolutionary process in China. The weakness in political strength made the cooperation with another revolutionary party – KMT possible and even necessary. Due to Comintern's influences, land reform became the major instrument to gather revolutionary forces from the rural masses; hence, the task of reform policy was more propagandizing and educational in functions through which "class differences" and "class struggle" were introduced. Due to a lack of military support, land reform depended on mobilizing rural mass to participate in peasants' movement. In addition, the measures applied in the movement were basically the reductive measures that focusing on reducing the economic burdens of peasants, i.e. reductions of rent and interest rate. Considering the situation of Chinese society at that time, the policy was believed to be more feasible and acceptable to the rural population.



Table 5.1: The Relationship between Political Objectives and Land Reform Policies

Time	Political Objectives for CCP	Tasks for Land Reform Policy
1921 to 1927	<ul style="list-style-type: none"> <li>Strengthen the newly founded party;</li> <li>Mobilize forces for revolution,</li> </ul>	<ul style="list-style-type: none"> <li>Propaganda &amp; education of revolutionary ideology;</li> <li>Organize peasants' movement;</li> <li>Cooperates with KMT;</li> <li>Reductive Measures.</li> </ul>
1927 to 1937	<ul style="list-style-type: none"> <li>Party's Survival;</li> <li>Establish own base-areas;</li> </ul>	<ul style="list-style-type: none"> <li>Establish and secure the occupied areas -<i>Rural Soviets</i>;</li> <li>Gain supports from the majority of rural population;</li> <li>Confiscation and Redistribution;</li> </ul>
1937 to 1945	<ul style="list-style-type: none"> <li>Party's development</li> <li>Acquire maximum supports</li> <li>Resist Japanese invasion with KMT</li> </ul>	<ul style="list-style-type: none"> <li>Maintain the achievements in previous land reforms</li> <li>Mediate domestic conflicts</li> <li>Reductive Measures</li> </ul>
1945 to 1952	<ul style="list-style-type: none"> <li>Mobilize the forces from rural area;</li> <li>Maintain newly occupied areas;</li> <li>Establish Socialist regime</li> </ul>	<ul style="list-style-type: none"> <li>Maximize supports and minimize conflicts or resistances;</li> <li>Secure occupied areas with diversified measures in land reform;</li> <li>Establish a equalized private ownership in rural society;</li> </ul>
1953 to 1958	<ul style="list-style-type: none"> <li>Establish and develop Socialist economy,</li> <li>Consolidate governance</li> </ul>	<ul style="list-style-type: none"> <li>Stepwise rural collectivization;</li> <li>Establish socialist land tenure system;</li> </ul>
1958 to 1978	<ul style="list-style-type: none"> <li>Politically oriented governance (misled by the leadership)</li> </ul>	<ul style="list-style-type: none"> <li>Enhance the rural collective tenure system (People's Communes);</li> </ul>
1978 to present	<ul style="list-style-type: none"> <li>Economically oriented development ("reform and open up")</li> </ul>	<ul style="list-style-type: none"> <li>Rural de-collectivization;</li> <li>Establish and develop HRC system;</li> </ul>
	<ul style="list-style-type: none"> <li>Develop Socialist Market Economy (urban- and industry-biased development)</li> </ul>	<ul style="list-style-type: none"> <li>Reassure farmers' right on land,</li> <li>Balance the gap between urban and rural livelihood;</li> <li>Rural development</li> </ul>

Source: Own compilation

## (2) Political Objectives in 1927-1937

During the period from 1927 to 1937, the top priority for CCP's political objective was to survive from military purges launched by KMT. Hence, it was crucial to establish several base-areas and military forces for revolution. Therefore, to reestablish an economic system that favoring this objective as well as to restructure the rural society for the convenience of the party's governance were essential tasks for the land reform policies. As the separatist regime, the party was eager to distinguish itself from KMT, thus *Rural Soviets* were established, and consequently the public ownership on land was proposed. The drastic reform that targeted the rural elite classes (landlords and rich-peasants) by confiscating and redistributing their land and other estates transformed the traditional tenure system into completely new one. Here the party indeed paid the price for its impatience and immaturity.

It was also the period of dramatic struggles between Comintern's doctrinaires and pragmatists in the central leadership. As the radical military strategy of the doctrinaires failed in the battlefield which almost led the party to a total destruction, the pragmatic leaders, particularly Mao, finally took over the central leadership. As a result, radical policies and brutal measures in land reforms which were advocated by the doctrinaires were replaced by more moderate policies and less violent approaches. And such change later proved to be vital to the party and its survival.

As to the traditional structure of rural society, for the purpose of establishing and securing occupied areas, it was necessary to overturn the traditional rural elites from the leading position of the society and replaced them with the organization with the maximum empathy for CCP's regime. Then, land confiscation and redistribution became the most effective measure to attach peasants' interests with CCP's. Also, the military occupancy ensured the measure to be applicable.

### **(3) Political Objectives in 1937-1945**

The temporary truce between CCP and KMT between 1937 and 1945 gave CCP a chance to develop and grow in strength. As the invasion was the primary threat for the country, the party proposed an even more moderate policy (the reductive policy) in land reform as the gesture of peace with KMT, as well as to win more extensive support in the society. Then, the main task for reform policy was to be more receptive on the interests of different social groups. But, the party did not give up the already acquired achievements of previous reforms, especially in their base-areas. And then, the reductive measure was reapplied, but more as a temporary solution for mediating the domestic conflicts.

### **(4) Political Objectives in 1945-1952**

From 1945 to 1952 was a period during which CCP's strength gradually exceeded KMT's during the civil war; it was also the period that land reform was progressively implemented in more territories, especially in those that newly occupied by the CCP's army. Then, to mobilize more forces against KMT's army and stabilize newly occupied regions, the reform policy's tasks were to maximize support from peasants, meanwhile maintaining the occupancy and governance by minimizing potential conflicts. Hence, the party would have to employ differentiated and diversified measures for different areas. And the result of such changes was showed through the overwhelming support from the rural masses as well as the party's triumph in the civil war.

As CCP took control over most of China and established the Socialist regime in 1949, land reform could finally be implemented in the whole country, and it was accomplished

promptly under the consolidated regime. The equalized private ownership on land for peasants basically removed the economic differences among rural population and banished the traditional tenure system as well as the old social structure. The equalized possession in fact individualized the political and economic status of peasants; and organizationally, the rural leaders were replaced with CCP enthusiasts. All these arrangements made the coming collectivization possible and feasible. Then, the reform policy at that moment was actually preparing for the coming changes.

#### **(5) Political Objectives in 1952-1958**

In the new Socialist regime, rural collectivization was an inevitable step for CCP's land reforms. As the party's political objectives shifted to establish and develop a Socialist economic structure as well as secure political regime. A socialist land tenure system based on public ownership for all means of agricultural production was the essential task for reform policies. Then, the socialist rural land tenure system that based on the *collective ownership* was established through the *rural cooperation movements*, during which the party further consolidated its governance and administrations on rural society as well as its resources. Organizationally, people's communes finalized CCP's structural change on rural society.

#### **(6) Political Objectives in 1958-1978**

From 1958 to 1978, the party's objective was mistakenly oriented by constant and radical political movements, which indicated conflicts within and misjudgments of the central leadership. The political turmoil shut down almost all functions and developments of a normal society, including the evolutionary process of reform policy. Only a few attempts to adjust collective farming in agriculture were made, and soon be overwhelmed by the political climate. The economically distressed farmers had to secretly initiate the individual farming under the highly collectivized communes. But, the official and institutional reform was omitted due to political unrests.

#### **(7) Political Objectives Since 1978**

At the end of 1970s, the heavily damaged macro-economy demanded for new leadership to reorient the country's principle task from its political frenzy back to economic development. Therefore, the party's primary objective shifted to develop its socialist economy. Within this struggle, the task for land reform policy was to restore agricultural productivity i.e. the restitution of individual farming (PRS), which latter evolved into the HRC system. Organizationally, the people's commune was gradually abolished and replaced by the local governmental structure. But, as the country's economic policy still

biased toward industrial and urban development, the rural surplus, instead of becoming the individual wealth for rural farmers, was institutionally transferred to the industry sector and urban areas through various administrative procedures, such as different kind of taxes etc. following old established economic mechanisms known from different periods in Soviet Union, India or African developing countries. Meanwhile, the State policy kept reassuring farmers' security on HRC land; however, as economic development and urban expansion accelerated at an unprecedented rate, in addition to the soaring land value in urban land market, the government (especially the local government) could enjoy the vast appreciation, whereas farmers lost their land with unfair compensation. The remaining collective ownership on rural land to a certain extent provided the legitimacy for these governmental actions, but the essential reason is tenure insecurities in current system.

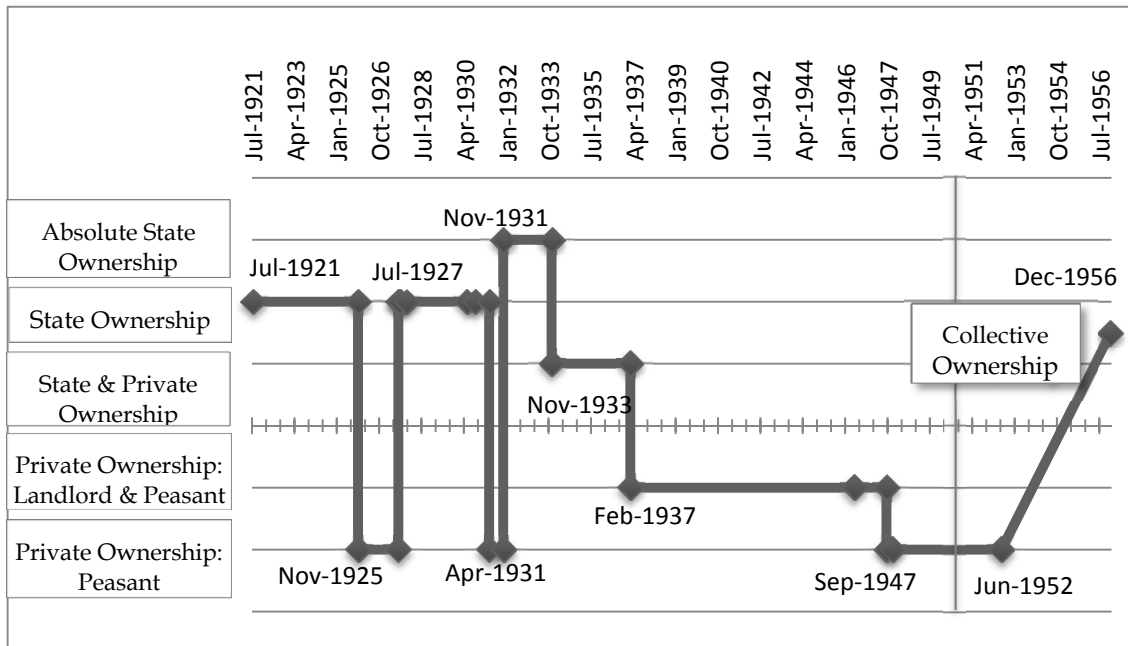
As the gap between urban and rural livelihood was deepening and widening, the discontents and conflicts were building-up in the rural society. The government had to reconsider its biased strategy in developing the *Socialist Market Economy*. Especially the potential risks of catastrophic social unrests urged the party to make effective changes and improvements for the rural population. Hence, a new round of land reform is not only necessary, but also imminent at the beginning of the 21<sup>th</sup> century. Currently the party's primary objective is to minimize the potential threats of social instability; therefore, land reform policy focuses on minimizing the conflicts of interests between the government and farmers in order to consolidate and sustain the party's governance.

To sum up, it is clear that *political objective* was and still will be the guiding principle for reform policies, which would always contribute to the party's fundamental interests. As the policymaker, the government or the party should instrumentalize reform policies to achieve its political agenda as well as to pursue its utmost interests on land, which might not be economic. Also, the government should utilize reform policy to guide the country's development not only towards economic flourish but also to a secure and stable society.

### **5.3.1.2 Ideological Preference**

As already discussed, CCP's persistent preference on public ownership is consistent throughout the whole process of land reforms. Yet, it was not unshakeable. For several times, it had to compromise with particular political objective under certain circumstances (Figure 5.3).

Figure 5.3 The Claim Changes on Ownership Issue in Land Reform Policies



Source: Author

The figure was designed with five levels of ownership arrangements appeared in CCP's land reforms. In the upper part, the *Absolute State Ownership* locates at the top level, which followed by less inclusive *State Ownership* (majority of land owned by the State) as well as the coexistence of *State and Private Ownership* (more land owned by peasants). Then, in the lower part, the *Private Ownership* for both Landlords and Peasants followed by *Private Ownership* for Peasants Only. This layout is based on the theoretical indications of ownership concentration where land would be owned by lesser entity(s) as the *level* ascends. At the far right part, the *Collective Ownership* is placed in the middle, between *State* and *State & Private ownership*, which indicates that land concentrated at collective organizations. The dots in the chart indicate CCP's claims in land reforms regarding the ownership issue, and the time for major claim changes are labeled (detail policies refer to the review of land reforms). The vertical line in Oct. 1949 marked the establishment of Socialist regime.

As shown in the figure, CCP's preference on public ownership is very clear. But, it goes through large fluctuations in different periods of time, especially in the revolutionary period. The fluctuation actually indicates the party's prioritization between ideological preference and political objective.

- The first change of claim on ownership in 1925, from *Public* to *Private ownership*, shows that the party learnt the feedbacks from peasants' movements and considered the peasants' demands for land ownership. By temporarily promising

the private ownership to peasants, the party wanted to provoke and mobilize more peasants to participate the revolution.

- In the most turbulent period from 1927 to 1937, drastic and frequent changes of claims on ownership actually reflect the struggle within the leadership and debates between CCP and Comintern. Furthermore, the inclination toward State ownership also echoes the party's primary objective of securing and consolidating its governance in occupied areas. And the later acknowledgement of the coexistence of *State and private* ownership indicates that the party had gradually understood the importance of peasants' demands on land and the necessity to fulfill them in order to gain their supports. Hence, the preference for public ownership must subject to the needs for party's survival and development. Then, the claim changes toward private ownership in the following years are logical and reasonable responses.
- From 1937 to 1947, private ownership was bestowed to both landlords and peasants, which not only minimized the conflicts and resistances in reforms, but also assisted CCP's growth both in strength and territory gains. Then, the party pushed the reform policy further and eventually exterminated the so-called "feudal landlord class" and kept its promise of "land to tillers"- the private ownership for peasants.
- When the socialist regime was stabilized and a centralized government was in placed, the party could finally implement its plan for Socialist transformations without altercations. The process of rural collectivization was stepwise and the policies were elaborate, hence it appeared as a climbing slope. As the RCM advanced to the nationwide passion of merging PAPCs to AAPCs in 1956, the collective ownership was finally established. Though in the following two years, rural cooperatives further integrated into bigger People's Communes, but the ownership status remains, which still basically maintained till today.

The public ownership on land is regarded by the party as the ideological achievement of the revolution, which would hardly be challenged by its policy. However, the ownership is not definitive or sufficient for tenure security. As the history shows that the farmers' demands can affect the party's objective and further influence its stands on ownership. Which means, the compromise could be made by the party on even the most sensitive issue, like the ownership issue; hence, farmers' demands for improving tenure security doesn't have to be the struggle on ownership, but focus on the actual rights on land and leave the party with agreeable ownership arrangement.

### 5.3.2 Comparative Analysis on Policy-Making

In this section, we focus on analyzing characteristics of CCP's policy-making and discussing the influencing factors of land reform policies by comparing policies in different periods.

#### 5.3.2.1 *The Presumptions for Land Reform Policies*

From the policy review, two principle presumptions for CCP's land reforms are concluded which provide the legitimacy and righteousness of land reforms.

- In the revolutionary period, all reform policies were based on the party's presumption that, *the landlord's private possession of rural land caused the concentration of land ownership in few rural elites, which not only caused unequal possession of wealth in rural society also was the premise of feudal exploitations*. Consequently, reforms against landlords and rich-peasants, even the excessive brutality toward them were legitimized.
- As in the socialist period, the reform policies before 1978 were based on the presumption that, *the Socialist collective production is advantageous than the individual farming*. Deductively, the collective farm and public ownership were believed to be the optimum symbol of Rural Socialism.

Though, as previously discussed, both presumptions are proved to be wrong and inaccurate. However, up to now, the party still officially recognizes these two presumptions as the tenable and proper judgments at those times. In fact, they served much better for party's political objectives than actually improving tenure security to farmers. Then, the study would argue, the ground of CCP's land reform policies might be debatable, but it reflected the party's objective. Hence, in the making of land reform policy, CCP is prone to make presumption, which would be in favor of the party's objectives.

#### 5.3.2.2 *The Procedure of Policy Making*

According to the review, CCP's land reform policies were mostly made through the party's conferences and the participants were only party members. Normally, the participants would be informed with the theme and major topics of the conference; and they had to prepare their reports or speeches; and then through discussions in the conference, the policy would be drafted by the *Central Committee* and (sometimes) trialed in implementation. In a next step, after the feedbacks were received from different regions, the policy was finalized and officially promulgated.

From this generalized procedure of policy-making, it is clear that the policy-making process of land reform policies was always done in a closed and bureaucratic circle. Since the participants were mostly party members, the information channel on real-life problems as well as the values and interests reflected by the policy were consequently considered in a limited and subjective way only. There is no functioning mechanism for democratic and extensive public participations in the process which resembles to the decision making on public policy by an elite group.

### 5.3.2.3 Comparisons on Influencing Factors

As identified in the analytical framework, the “actual situation” and “leadership” are influencing factors for CCP in making reform policies. Based on previous review of land reforms, the study would focus on comparatively analyzing the functions of two factors

#### (1) Actual Situation

The “actual situation” is in fact an external and complicated factor in the process, which could not be fully predicted and controlled by any part of the society. Here, to focus on some key moments in the history of CCP’s land reforms, we can discuss the actual situations of those moments and analyze their impacts on the policy.

- The first major change in reform policy was regarding the ownership claim in 1925. It was the moment that the progress of peasants’ movements in many regions was advancing swiftly and the reductive measures did not satisfy the peasants’ demand. Hence, the party timely proposed “arable land to peasants” as the response to the situation.
- Then, in 1927 after the cooperation with KMT collapsed and the party suffered heavy losses from KMT’s purgatory campaigns, the situation was life threatening. Then, land reform policies were focusing on the insurance of CCP’s survival and developments in base-areas. Land reforms in *Rural Soviets* were harsh, drastic and brutal for the traditional rural elites, but significantly necessary and beneficial for the party.
- Since 1937, the Japanese invasion became the gravest threat to the country. But for CCP, the most immediate threat was KMT’s military purges. Then, the invasion and the ensuing nationwide patriotism made the domestic conflict unacceptable to the general public. Especially for KMT as the party in power, their action against CCP was regarded unpatriotic. The imminent political changes avail the temporary truce between two parties. Accordingly, land reform policy was changed toward more moderate and acceptable clauses in favor of more classes.



Also the complicate situation allowed CCP to survive and strengthen itself at the time.

- The break out of civil war in 1946 was inevitable for two irreconcilable parties, though CCP's strength had been increased significantly after 1945, but the party was still outnumbered in forces and disadvantaged in equipment. Then, land reform policy served as a measure to consolidate CCP's old-areas and stabilize new ones but also the instrument of recruitments. Therefore, more diversified and specific policies were promulgated for different areas and people. As CCP gradually reversed the situation in battlefield and occupied more territories, a series of policies for new-areas proved the party's responses toward changing situations. Eventually, after the nationwide Socialist regime was established, land reform accompanied with other movements concretely secured the party's governance.
- Since latter 1952, the stabilized regime and fortified governance for the whole country were the essential preconditions for rural collectivization. Unlike drastic reforms in base-areas, the collective ownership on land was established rather progressively. The longings for a Socialist utopia and a strong country veiled the central leadership and the people with idealism ecstasy; also accelerated the collectivization process. Reform policies in this period could barely catch up with the progress in reality. As well, policies for rural collectivization were greatly propelled by falsely exaggerated "achievements" in actual situations.
- After the country went through decades of socio-political unrest, the socio-economic situations and the livelihood of people urged the party to start fundamental reforms. Therefore, the land reform policy in the late 1970s announced the end of collective farms. As individual farming was restored, the remarkable achievements at the beginning years solidified the sustainability of policies regarding HRC system, as well as the ensuing policies to ensure the system.
- But policies to ensure HRC system is more of the policy for allocating resource and organizing productions, less of the institution for ensuring property rights and economic interests for farmers. Then, tenure insecurities issues emerged in recent years are problems under the new situation, which demands the shift of focus on tenure security - from accessing to productive resource to economically valuable merchandize as well as property rights supporting the distribution of interests on land. Then, the new reforms shall acclimate with current situations.

From this brief analysis it is obvious that “actual situation” is always an important factor for the party in making of land reform policies. Especially, in critical times that threatening the party’s survival, development or governance. It would be the headmost concerns of the policy makers. And, frequently in the history, it pushed the evolutionary process of reform policies from revisions to a new reform.

## **(2) Leadership Influences**

As CCP’s policy-making process is a closed and bureaucratic process, the policy review shows that the central leadership, especially the chairman of the Central Committee, constantly affected the orientation of policies. To interpret the phenomenon with elite theory, land reform policy is the public policy made by a small group of elites, which represents their value, interests and preference, for the rural masses. Even within the central leadership group, the head of elite group is the decisive person in decision-making. Hence, in the making of reform policies, frequently only a few people or even one person determines the policy for millions. There were three characters that have greatly influenced the evolution of reform policies: Comintern as an institution, and Mao Tse-tung and Deng, Xiao-ping as party leaders.

From 1921 to 1934, Comintern was the leader behind the curtain who decided CCP’s land reform policies, and the leader of Comintern was also the leader of USSR – Stalin. At the beginning, it introduced the idea of utilizing rural land issues to organizing peasants’ movements for revolution, and facilitated the cooperation with KMT. In early 1930s, the head of the CCP’s central committee was also designated by Comintern. Hence, the actual controllability on policies was in the hand of the Comintern’s doctrinaires, which directly caused the CCP’s strategic failure in 1933.

Comintern’s recognition on CCP’s revolution in China was largely dependent on the experiences with the communist revolution in Russia, however, the huge differences between the two countries and their societies were overlooked. For CCP, Comintern indeed assisted the party’s development; but on the subject of land reform, the debates in the 1930s between Comintern and the pragmatic leaders of CCP represented that CCP gradually adapted its ideology with the uniqueness of Chinese situation. From 1929 to 1930, it was also the period that USSR launched the movement of rural collectivization; hence, the Russian experiences and practical measures in land reform were conveniently adapted to CCP’s policies and practices, especially on the issue of “rich-peasants”. Stalin regarded the food crisis during 1928-1929 as the rich-peasants’ deliberate sabotage to the socialist regime. Consequently, a harsh policy on confiscating and redistributing

rich-peasants' land was implemented with excessive brutality. (Shen,1994, pp.60-359 ) The attitude towards rich-peasants in USSR affected CCP's reform policies which actually aggravated the conflicts and reluctances of peasants in implementation. To certain extent, it also caused the failure of the doctrinaire leaders. After Mao's assumption of leadership and the application of the comparatively more pragmatic and moderate policies in land reforms in the rest years of the revolutionary period, Comintern's influences on CCP's reform policies were considerably reduced. However, the rural collectivization movement in China in 1950s shares many similarities in both policies and implementation measures; even the reactions of farmers and consequential effects on agriculture and rural society were remarkably alike. (ibid) Hence, even no longer as the decisive leader of CCP's policies, Comintern's or Stalin's policies and approaches actually gave Mao an example or a prototype of rural collectivization.

Mao's participation in land reform activities trace back to the peasants' movement in 1920s, from which he perceived the massive potential of power for a revolution lay in rural China. Comparing to representatives of Comintern, he was a pragmatist on reform strategy and policies. His works on differentiating rural classes gave the party a more practical standard in land reform. And his pragmatic strategy of "rural encircles urban" correctly analyzed Chinese society and situations of revolution. Mao's focus on rural society and land reforms helped the party achieved victory against KMT, also made him an unchallengeable leader who "emancipated millions of rural people".

But the most significant personal impact he had contributed to reform policy was in rural collectivization. Though collectivization could be considered as the party's collective decision, Mao did play an important role in accelerating its pace of implementation. Through speeches, publications and directives, he frequently pushed the RCM and the ensuing *people's commune movement* forward, which greatly shorten the planned period of transition. Meanwhile, he used his prestige to include collectivization into purgatory political movements, which further led the country into decades of political unrests. Though his true intention in collectivization is still a controversial topic, but his influence on land reform policies is unquestionable.

After the Mao era, as the country was on the edge of devastation, the party needed a bold reformer to reverse the damages done in the past. Again, after a short period of struggle within the central leadership after Mao's death, the reformist leaders featured by Xiao-ping Deng took over the power. Nevertheless the HRC system was commonly regarded as a further development of the PRS which had been secretly employed in many regions for decades. But Deng's appraisal on the good practices of the exemplary case in

An' hui in 1980 dispelled the misgivings of the people, and directly encouraged the nationwide implementation of HRC system. However, Deng did not deny the collective economy in the rural, and claimed that the HRC system was just a primitive form of collective. And the dismemberment of collectives was a temporary solution, which could "re-collectivized" when time is appropriate (Deng, 1994, pp.315-316). Also during his administration, land use rights became the tradable commodity, firstly in the *Special Economy Zones* that he appointed. But, his strategy in reestablishing a market economy and allocation by the market, also known as the slogan of "let some people (or some area) get rich in advance", had far-reaching side-effects to the rural society. The strategy, to some extent, intensified the industry- and urban-biased development route, which caused diehard problems lasting till present, like rural-urban differences and regional imbalances.

#### **5.3.2.4 Remarks on Influential Factors of Policy Making**

Combining the analysis of the actual situation and leadership influences in the making of reform policy, the following characteristics can be concluded:

- Theoretically, the making of reform policy can be considered to be done by a small elite group (CCP) making decisions for the masses (farmers) based on their own values, interests, beliefs and preferences. The mass is excluded from policy making; instead, their interests were based on the elite group's judgments of actual situations.
- In the socialist era, as a party in power, CCP is rather conservative in reform policy. The willingness of fundamental reform could be motivated when the party's principle interest was threatened. In other words, the development in the actual situation was a motivating factor for CCP to launch a new round of reform, in order to solve the imminent problems in land tenure system as well as to minimize domestic conflicts that could endanger the party's governance.
- Within the elite group, the leader of the group is decisive. There are struggles within the group, but the struggle would be limited within the group's mutual recognitions of value and beliefs. As in land reform policy, the struggle within CCP's leadership would not affect the party's political objective and ideological preference.
- A leader's influences on land reform policies could be crucial given the centralized structure of CCP and its government. Therefore, unless fundamental changes took place in current institutions, the influence would remain strong.

### 5.3.3 Comparative Analysis on Policy Implementation

According to the review, the study comparatively analyzes land reform policies through aspects of implementation method, targets and characters.

#### 5.3.3.1 Implementation Methods of Reform Policies

As previously mentioned, during the revolutionary period, the principle method of land reform policies was the CCP-led peasants' movement. As to specific approaches, there were mainly two measures: the reductive and distributive measures.

Then, at the beginning years of P.R.C, the rural collectivization movement was also claimed to be the farmers' voluntary initiatives encouraged by the State government. And then, the official statement of rural reform in late 1970s and early 1980s was also originated from farmers' spontaneous innovations. Therefore, as the party prefers to believe, the implementation method of land reforms is always reacting on the demands of rural population.

But, exploring beyond the appearance and comparing the facts, it is clear that policy implementations in different periods always depended on the CCP's ability to guide, control or administrate the rural population.

- The success or failure of peasant movements from 1921 to 1927 was greatly influenced by the revolutionary army's (the joint force of CCP and KMT) military strength against local warlords'. Or, in other words, though the movements could make considerable achievements in organizing peasants, the decisive factor was still remained on the strength from forces.
- Since 1927 to the end of revolutionary period, CCP's occupation in base-areas and military forces were the essential precondition for land reforms. Only then, the party could guide and ensure the land-poor classes in rural society to challenge the land-rich classes and the traditional tenure structure.
- As the socialist regime consolidated the party's governance nationwide, the collectivization movement that starting from early 1950s, rapidly developed from voluntary participations to compulsory enrollments. Hence, the collectivization of ownership was more close to the forced implementation than spontaneous transition.
- Rural reform in late 1970s or the de-collectivization of rural cooperatives was in fact the government's response to the critical economic circumstances at that time. The reallocation of arable plots and the re-emergence of individual farming had

long been a crucial topic within the circle of central leadership. The farmers' initiative, which later developed into the HRC system, just coincided with the government's agenda in economic reform. Then, the nationwide application of HRC system again became a mandatory policy, disregarding the specific demands or circumstances in different regions.<sup>7</sup>

- The rapid urbanization and industrialization in recent years greatly boosted the land value in urban land market; consequently rural land value especially of the land in urban fringe areas has been soaring. Frequently exposed severe conflicts between local governments and rural residents in compulsory evictions, also from another point, revealed the administrative force in policy implementation.

Then, the following points can be concluded:

- Firstly, in implementing the land reform policy, CCP prefers to emphasize the *initiative of rural masses*, but the actual process is always under close guidance and control by the party. By emphasizing the rural initiative, the party could magnify the advantages of reform and reduce the potential reluctances, which could be considered as cost efficient.
- Secondly, the actual implementation of policy proved to be more of the fulfillment of the party's agenda than the farmers' demands. Hence, the implementation is always mandatory and compulsory in nature, by military or administrative forces.
- Thirdly, both in revolutionary and socialist period, the implementation of reform policies have the long existing problem of disregarding the regional feasibility. The centralized governmental structure and policy-making process may be the main reason. As the policy is mainly mandatory and unified which lack of autonomous rights and freedom for regions, farmers and regional officials. As passively accepting recipients of the policy, they sometimes would have to nominally comply but actually disobey, which could easily lead to policy failure and deviation.

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<sup>7</sup> From the experts' interview, some local officials revealed that the HRC system was unwelcomed in early 1980s, especially in some suburban counties of northeastern regions where many farmers were already detached from agricultural cultivation and employed in the urban industries nearby. The land was redistributed nominally anyhow, but collective farming was still secretly remained for years. Some farmers even gave up their entitlement for HRC land. But as the urban land market rediscovered the value of land in urban fringe areas, many of them tried to reclaim their rights on HRC land, which caused many unexpected conflicts.

### 5.3.3.2 Target Groups of Policy Implementation

Land reform policy not only represents the restructuring of tenure system, it also readjusts the interests among different groups and individuals.

During the revolutionary period, the traditional elite class in the rural society was the target of class-struggle-oriented policy. Landlords and rich-peasants were considered as reactionaries for their possession of wealth and power in the society, as well as the “exploitative” nature of means to collect their wealth. No matter the reductive or redistributive measure, to include more or fewer classes as the target group of reform was the strategy for the party to organize peasants and gather supports from rural society. And, land reforms implemented during the revolutionary period could be regarded as the action to eliminate class differences through equalizing private possessions or a process of both societal and economic restructuring through readjustments of interests on land.

After accomplishing the nationwide land reform in 1952, the economic differences of rural classes were basically eliminated. Then, the following collectivization included all rural landowners – farmers as the target group of reform. Step-by-step the State expropriated land from private owners and established collective ownership. Since the individual interests were basically unanimous, no distinctive differences from one another; hence, the loss of private ownership on land didn’t made one’s condition much worse than the other. The rapid advancement of collectivization movement, in some extent, was availed by the non-differential status of land possession. Then, the leadership in the grass-root level who was bestowed with administrative power on collective estates became the new elite class.

Then, the reform since late 1970s gradually restored the market economy and the institution of (private) property in the country also created the differences of individual wealth among farmers. Though the government is reluctant to admit that there are differences among farmers and the newly emerged elite class in the rural society, unlike in the traditional rural society, the new elite class in rural China mostly relates to the grass-root administration, or village leadership.

During the interview with experts, they pointed out that instead of landlords in the traditional system, *village leaders* are the new elite class who has now control over collective estates, especially on land. Therefore, the administrative power also allows them to collude with their family, relatives and friends within the village or with investors from outside. Though institutionally the village leader should be democratically and directly elected by villagers, the pervading problems of corruption and nepotism in

rural society do only hardly ensure the process working as planned. Hence, the status of democracy in grass-root administration is another unavoidable aspect that directly affects policy implementation.

In modern China, the combined effect of the labor surplus in rural China and the huge labor demands due to rapid urbanization and industrialization creates a unilateral labor flow from the rural to the urban. This labor is also known as the migrant workers who were farmers that primarily gave up the agricultural operation. As introduced in Chapter One, they take about one third of the total rural population nowadays. There are studies indicating that the non-agricultural incomes of rural households have already been exceeded the agricultural income. The general tendency of income sources from 1978 to 2004 shows that the non-agricultural income is growing faster than the agricultural income. (Yang, Guo & Sun, 2007, pp.74-78) The decreasing weight of agricultural income indicates that the function of land as a means of production to rural households is decreasing; therefore, as an economic resource, farmers (as landholders) naturally demand for income from land as a profitable asset and property. Hence, the demand for asset income on land further diversifies the farmers' situation as the target group of reform policy.

Therefore, the study argues that there are some new problems in current rural society in implementing policies when considering target groups of implementation:

- Currently, the new elite class in rural society especially the village leaders who have administrative duty and power on collective land are a very decisive group of people in implementing reform policies. They have both direct and indirect personal interest on land, which will be affected by the reform policy. They are also the direct enforcement agency and leaders in land reform. Hence, the grass-root leadership is a special interests group who can affect the effectiveness and performance of reform policy. Its existence and potential influences shall not be ignored.
- The change on the structure of farmers' income sources also indicates the change on farmers' demand for incomes on land. Under the current transitional period of urbanization, land is arguably more a means of insurance than only an income source to farmer households. In addition from a comparative study on the rural labor output and income disparity among regions, both the distribution of migrant workers and the income levels varies greatly among the regions (Wang, 2005, pp 118-132) Hence, the demands and interests on land, vary greatly across the country. Therefore, reform policy should not only be made in respect of



regional differences, but also be implemented with sufficient flexibilities in practices.

- Learning from mistakes, an arbitrary categorization of people into “classes” and adopting “class struggle” as the foundation for implementing reform policies is no longer the option in modern China. Nevertheless, the differences among rural landholders in different regions or circumstances should not be overlooked. Therefore, the principle of implementation should focus on tenure security, upon which for different individuals or interests groups of various demands, a commonly agreeable approach for implementation should be reached more locally than unanimously.

### 5.3.3.3 Comparison of Influencing Factors

According to the analytical framework, the study further analyzes the influencing factors in implementation, as well as their features and effects.

#### (1) Comparison of Incidences of Regional Disobedience

Throughout the history of CCP’s land reforms, regional disobedience is a distinctive feature in implementing reforms. Regional disobedience indicates the regional government (or regional base-areas in the revolutionary period) or regional leaders intentionally disobeyed the policy from the State government (or the party Central). Based on the review, important cases of regional disobedience are listed (Table5.2).

From the comparison, one can conclude that there are mainly two types of reasons that motivate the regional leader disobeyed a central policy:

- The first type of reason appears if *the Regional* (regional government, base-area, or leader) deliberately misunderstood *the Central’s* (party central or State government) policy and acted on its own interpretations. Resulting problems revealed the obscureness and impreciseness of the reform policy.
- The second type of reason can be interpreted as the regional level disobeys the central’s policy for its infeasibilities in implementation, which indicated that the policy was impractical for local circumstances or contradicting to the needs for the regionals’ survival, development or interests.

Table 5.2: Comparison of Regional Disobedience Cases

<b>Time</b>	<b>Central Policy</b>	<b>Regional Disobedience</b>
1931	<ul style="list-style-type: none"> <li>• State ownership (Rural Soviets)</li> <li>• Restricted transaction</li> </ul>	<ul style="list-style-type: none"> <li>• Vesting farmers' with private ownership and acquiescing transactions</li> </ul>
1937-40	<ul style="list-style-type: none"> <li>• Stop land confiscation;</li> <li>• Implement reductive measures in land reform.</li> </ul>	<ul style="list-style-type: none"> <li>• Many of the old-base-areas didn't implement the policy;</li> <li>• Arbitrarily set rent reduction levels;</li> <li>• Secretly implement confiscation</li> </ul>
1946	<ul style="list-style-type: none"> <li>• "Requisition by purchase"</li> </ul>	<ul style="list-style-type: none"> <li>• Most regions ignored the policy</li> </ul>
1953-56	<ul style="list-style-type: none"> <li>• Support peasants voluntary and spontaneous cooperation;</li> <li>• Gradually develop rural cooperatives.</li> </ul>	<ul style="list-style-type: none"> <li>• Compulsory enrollment;</li> <li>• Rapidly upgrade to AAPC;</li> <li>• Exaggerate achievement of the cooperation movement.</li> </ul>
1961-62	<ul style="list-style-type: none"> <li>• Collective Farming</li> </ul>	<ul style="list-style-type: none"> <li>• Individual farming, i.e. PRS.</li> </ul>
1980s	<ul style="list-style-type: none"> <li>• Implement HRC system</li> <li>• Gradual de-collectivization</li> </ul>	<ul style="list-style-type: none"> <li>• Some regions and areas secretly kept the collective farming pattern.</li> </ul>
2000s	<ul style="list-style-type: none"> <li>• Regulate and control the real estate market;</li> <li>• Regulate land requisition</li> </ul>	<ul style="list-style-type: none"> <li>• Enthusiastic in land requisition and real estate development.</li> </ul>

Source: Author

Actually, the repeatedly appearing problems of regional disobedience in policy implementation exposed some important features:

- China is a country with great geographical and topographical diversity which physically caused various forms of land use and tenure systems among the regions. Hence, these unique regional characteristics made a centralized and unified policy hard to adapt to various situations. Especially, for the CCP's reform policy which primarily based on the ideology and value from a modern western philosophy and challenged not only traditional land tenure systems but also the old social structure. The feasibility of a policy would be affected by the regional differences physically and ideologically.
- The problem is also due to the complex relationship between the central and the regional governments under a centralized regime. On one hand, the central and the regional level share mutual interests in maintaining the commonly agreed institutional establishment. On the other hand, the competition among different regions or between the central and the regional on resources, development opportunities, fiscal capacities and etc. ask the regional leaders to constantly consider their own interests of survival or development while facing any reform policies.

- Last not least, the political career for a regional leader is always related to his/her performance in governance. To obey a central policy may gain credit from the central leadership, but when a central policy is contradicting the regional interests or impractical to local situations, there would be potential risks for the regional leader to lose credit in performance by his local clientele. Hence, from a self-interest aspect, a regional leader has to analyze a reform policy while balancing the gains and losses upon his/her interests. Therefore, the implementation of reform policy at regional level also exposes the regional leaders' own judgments.
- Further on regional leaders' judgments are sometimes asked for to read beyond the text of a policy. As policies always centered on the party's political objective and ideological preference, in some cases, changes of reform policy were actually more of "making a point" than "taking actions". Like the change from the redistributive to the reductive measures in 1937 or the following continuance of reductive measure in 1946, the regional disobedience in these times were actually coinciding with the party's persistent agenda in land reforms.

Currently, the competition among regions becomes the principle reason of regional disobedience, especially in economic performance. Though the State government constantly emphasis the importance of tenure security for farmers and regulating land market, regional and local governments are still enthusiastic in compulsory land requisitions and boosting real estate developments. The economic incentive for the regional governments (who are also executors of central policies) would be a primary challenge for new land reform policy in implementation.

## **(2) Comparison on Deviational Mistakes**

The so-called *deviational mistake* is a rather confusing yet typical problem in the implementation of reform policies. The term is a derivative from the political term "left or right wing"; instead of defining the political stands it means that mistakes appear during policy implementation which deviate from or contradict to the policy's original objective. These mistakes were defined either "left" or "right" deviational, where "left" normally means being too radical, too harsh or impatient; whereas "right" means acting too moderate, following gradualism, being conservative or even reactionary. The term is also a product of the "class struggle", which was the political guideline for CCP from 1920s to early 1980s. As the party's shifted to economy-oriented guideline, the term became obsolete.

The most frequent problems in implementation are “left deviational mistakes”, whereas the “right-deviational” mistakes were mostly related to political struggles. Table 5.3 lists some key deviational mistakes in CCP’s land reforms.

Table 5.3 The Deviational Problems in Implementation

Time	Deviational Problems
1925-27	Excessive brutality in peasants movements;
1927-28	Physically eliminate landlords;
1931-35	Absolute State Ownership; Confiscating all land; Equalitarian allocation; No land allocation to landlords; Falsely differentiate classes; “Labor Camp” enrollment and compulsory resettlement for landlord and rich-peasants;
1937- 40	Continue land confiscation; Excessive brutality to landlords and peasants; Encourage peasants’ refusal on rent payments to landlords.
1947	Confiscate all land and evenly allocate to peasants; Enlarged “class struggle” in implementation; Excessive brutality;
1949-52	Excessive brutality in land reform;
1953-58	Rush forward in the movement of rural cooperation;
1958-78	Radical political movements; unanimous collective farming.

Source: Author

During the revolutionary period, deviational mistakes mainly concentrated on two issues: the treatments toward landlords and rich peasants; and the measures in confiscating and redistributing land.

- The excessive brutality and harshness toward landlords and rich peasants, both physically and economically, was a long lasting reform problem. The motivating reason was based on the perceived necessity of the party’s agenda on social restructuring. To eliminate “feudal exploitation” as well as “feudal landlord class” through “class struggle” was important precondition for the party to establish a Socialist regime. Hence, these extreme actions were regarded to be unavoidable and actually acquiesced by the party. To define these radical actions as deviational mistakes mostly resulted from party’s consideration over the negative impacts which might jeopardize the stability of governance and discourage mass supports for revolution.
- The complete nationalization of all land in rural Soviets or the simple egalitarian redistribution of land in fact originated from the same ideology. As previously

discussed, the party held a strong preference to public ownership on land. Then rapid nationalization could be interpreted as the impatience in the progress of reform. In addition, a complete egalitarian redistribution was an alternative solution that prepared for later collectivization, especially when the actual circumstances proved that to install a public ownership on land was infeasible and troublesome, as it may have induced repulsions from the peasants. To define these actions as deviational mistakes was more likely because of the radical nature of the policy than the implication of the policy.

- In the beginning years of the socialist period, class struggle was believed to be necessary to consolidate the new regime. Especially, a series of radical political movements initiated by the party central level had greatly influenced the pace of reforms in that period. The acceleration of rural collectivization not only represented the misjudgment of leadership also revealed the party's impatience. In this period, the pragmatic suggestions were regarded as *right-deviational* mistakes; on the other hand, impractical and unrealistic proposals were considered as courageous and capable. Though not officially recognized, the rush-forward in collectivization movement should, by definition, be another left-deviational mistake in land reform.

Another noteworthy feature is that "deviational mistakes" frequently occurred accompanying with "regional disobedience", especially when the regional leaders' personal interest is taken into consideration. In many cases, regional leaders preferred rather "left" than "right" implementation steps. For the "left" ones could be explained as overzealous or passionate to the cause; the "right" ones would be categorized as cowardice, reactionary or even treacherous. The effect could be easily observed from their actions during the whole process of rural collectivization.

For the last 30 years, the term of "deviational mistake" became obsoleted along with the "class struggle" concept. However, the problems of radicalness, impatience and arbitration in policy implementation still exist. Learning from this experience, to recognize this unique problem would be another important reference for new reform policy.

#### **5.3.4 Comparative Analysis on Policy Revision**

In this section the study analyzes features and characteristics of CCP's revisions on land reform policies. According to the analytical framework, it has to be discussed from three forms of approaches: *campaign and movement*, *adjustment* and *amendment*.

### 5.3.4.1 Comparison on Campaigns and Movements

To launch a movement or campaign is usually the first step of policy revision, especially in solving problems regarding practical measures and approaches. The movement and campaign would have an “emphasizing function” to the implemented policy, which was dedicated to guide the implementation on the course as designed. Table 5.4 lists some important campaigns and movements in land reforms.

Table 5.4: Comparison Table of Campaigns and Movements

Time	Movements or Campaigns	Purpose
1921- 27	Peasants Movements	To educate, organize and mobilize peasants’ participation in revolution
1931-34	Land Investigation Movement	To promote land nationalization in all rural Soviets;
1938	Campaign of Protecting Land;	To prevent landlords to reclaim land;
1941	Movement of the Inspection on Rent Reduction and Rent Return;	To ensure the implementation of reductive policy;
1945-46	Campaign against traitors; (Confiscation & redistribution)	To consolidate the newly occupied northeastern areas;
1947	Campaign of Land Reform Reexamination;	Solidify achievements and rectify problems;
1950-51	Campaign against reactionaries;	Consolidate new socialist regime and indirectly enhance land reform;
1952-56	Movement of Rural Cooperation;	Socialist rural transformation;
1952	Campaign of Rectification;	To solve hasty problems;
1958	Movement of Great Leap-forward; Movement of People’s Commune;	Push forward the rural collectivization and agricultural production;
1958-78	Series of political movements	---
Since 1978	Promoting HRC system in the country; Establishing (urban) land market.	To trail the policy in small scale, and then implement in the country.

Source: Author

As previously discussed, problems of regional disobedience and deviational mistakes frequently appeared during policy implementation. In order to fulfill the objective of policy, the party Central needed to stress its claims and ensure the desired outcomes. Then, thematic and specific movements or campaigns would be launched by the Central to guide the orientation in practices. Particularly in the revolutionary period when peasants’ movement was the main pattern of land reform, to launch movements or campaigns has its organizational and cost-efficient advantages.

But to rectify problems through movements or campaigns also entails the potential risk of deviation or misuse of power. There were cases where the campaign was launched upon false judgment by the party and actually worsen the problem in implementation, like the *land investigation movement* in 1930s, which in fact escalated the “left-deviational” mistake (Deng, 1996, pp.71-113); or the “people’s commune” movement, which greatly accelerated the collectivization process despite the country’s economic capacity and eventually led to nationwide famine in the following years (Zhang, 2009, pp. 45-46) Then, the movement and campaign as the method of revision could also reveal CCP’s demands of effectiveness in progress, despite the feasibility and practicality of the policy.

The movement and campaign focuses more on revising the pace and progress of certain policy, hence the outcome of revision is subject to the righteousness of the policy.

Since 1980s, due to lessons learnt from last two decades, the “movement” or “campaign” was rarely applied in land reforms. Similar in effects, the party would advocate or encourage some good practices in some regions and propose other regions to “learn” from these exemplar cases, especially during the promotion of the HRC system and the establishment of the urban land market. From the perspective of the reform procedure, these reforms were firstly only be allowed to experiment in small scales or in some specific regions; upon positive results from the experiment and by summarizing experiences and problems in the trial run, the policy would be formalized by the party and then be implemented nationwide. The official recognition on regional or local initiatives becomes a unique method for modern China. Of course, the initiative must comply with the party’s principle claims and interests.

Hence, through campaign and movement, the reform policy would push the progress of implementation forward. And such revision is dedicated to emphasis and enhances the effectiveness of acting policy.

#### **5.3.4.2 Comparison on Policy Adjustments**

Policy adjustments also acknowledge the righteousness of the acting policy, and the changes would be reflected by contextual changes on the regulations of the acting reform policy (Table 5.5).

During the revolutionary period the adjustments had frequently been made on the issue of “how to treat landlords or rich peasants?” As aforementioned, the excessive brutality against landlords and rich-peasants had been a persisting problem in CCP’s land reforms. The revolutionary climate in the country, the provoked hatred of the rural mass, the incapability in guidance and the indulgence of the leaders in peasants’ movements, the

necessity of the party's agenda for social restructuring, and so on, all have been the causes of problems. Though the struggle against traditional rural elite was a major component of land reforms, the party also needed a stable social environment for its survival and development. Hence, the adjustment had to be made when the resistance or conflicts during land reforms became too severe to control.

Table 5.5: Policy Adjustments in Land Reform

Time	Policy Adjustments
1928	<ul style="list-style-type: none"> <li>• Only confiscate <i>land</i> from landlords, exclude other estates;</li> <li>• Treat small-landlords and rich-peasants differently;</li> </ul>
1930 -31	<ul style="list-style-type: none"> <li>• Easing restrictions on land transactions;</li> <li>• Slow down the nationalization of land;</li> </ul>
1935	<ul style="list-style-type: none"> <li>• Partially confiscate rich-peasants land;</li> <li>• Encourage larger holdings in agricultural production;</li> <li>• Allocate land to landlords;</li> </ul>
1940	<ul style="list-style-type: none"> <li>• Reconfirm the reductive policy;</li> <li>• Stress on ensuring rent payments to landlords and being cautious in confiscating traitors' land;</li> <li>• Set reduction levels;</li> <li>• Encourage rich-peasants' production;</li> <li>• Protect property rights for all patriots.</li> </ul>
1945	<ul style="list-style-type: none"> <li>• Continue reductive policy;</li> <li>• Protect tenancy and enlarge agricultural loans.</li> </ul>
1947	<ul style="list-style-type: none"> <li>• Refine the standard of differentiating rural classes;</li> <li>• Abandon absolutely equalitarian allocation;</li> <li>• Prohibit brutality towards landlords and rich-peasants;</li> </ul>
1947	<ul style="list-style-type: none"> <li>• Propose preconditions of land reform in new-areas;</li> </ul>
1949	<ul style="list-style-type: none"> <li>• Moderate redistributive measures;</li> </ul>
1953-55	<ul style="list-style-type: none"> <li>• Adjust the objective of the rural cooperation movement for several times (by shortening the period or increasing the expected rate).</li> </ul>
1955	<ul style="list-style-type: none"> <li>• Slow down the overheating cooperation movement.</li> </ul>
1961-62	<ul style="list-style-type: none"> <li>• Attempting to implement PRS but failed.</li> </ul>
1984-98	<ul style="list-style-type: none"> <li>• Extending duration of HRC land.</li> </ul>
1999 -	<ul style="list-style-type: none"> <li>• Secure tenure and confirm property rights for HRC land through legislations.</li> </ul>

Source: Author

In the socialist period, as the differences among rural classes was basically eliminated, the problems in policy implementation occurred mainly between the governmental actions or demands of rural land users. During the collectivization process, several adjustments were made under the pressure from the central leadership by constantly renewing the policy objectives in rural cooperation movement. The political frenzy and the personality cult were factors beyond the scope of a normal policy analysis. The controversial opinions from some pragmatic leaders and rural masses were submerged by the overwhelming



enthusiasm towards Socialism development. Evidently, it also exposed the influence from leadership in policy revision. Then, as the HRC system was established, major adjustments on the reform policy were focusing on ensuring tenure security for rural farmers on their HRC plots, particularly by prolonging the duration of land use contracts. And in recent years, as the farmers are more aware of the market value of land, to acknowledge the property rights on HRC land is an important legislation task that the government made to further consolidate current tenure system.

Thus, the policy adjustment in both revolutionary and socialist periods functioned as the “sustaining element” for the acting policy, which normally focuses on mitigating the conflicts and resistances in implementations through contextual revisions.

#### ***5.3.4.3 Comparison on Policy Amendments***

Amendment indicates the transition from the acting policy towards a new one, which not only proposes solutions for emerging issues but also foretells the orientation of the next reform policy. Table 5.6 lists a series of comparisons between major amendments on reform policies as well as motivations and reasons that cause the amendments.

The intrinsic motivators that led to amendments are not only the feasibility or practicality issues in policy implementation, but more fundamentally related to the necessity demanded by major changes of actual situations and the political objective of the party. In addition, by respectively referring these amendments to the chronological timeline of land reforms, the amendments always foretold the direction and principle claims of the following and new reform policy. To analyze the issue in detail:

- During the revolutionary period, the most evident feature of amendments was focused on the choice between the reductive and redistributive measures, or in other words, the choice between a moderate and a radical approach. The amendments on granting peasants’ private ownership in 1925 was made for the purpose for more effectively mobilizing rural masses, which also foretold the redistributive policy in the following decades. And amendments in 1936 and 1945, which were upholding the reductive policy, were made upon the party’s utmost concern on survival and development where the reconciliation with KMT was a necessity. And then, as the civil war was immanent, the amendment in 1946 and 1947 were dedicated to mobilize as much support as possible from rural society to prepare for and to win the war. Last not least, the amendments in 1950 indicated the party’s change of identity from a revolutionary party to the party in power.

Following each amendment the previously practiced policy and approach were soon replaced by the new policy that were benefit

Table 5.6: Major Policy Amendments in Land Reforms

Time	Amendments	Motivation and Reason
1925	Proposing private land ownership;	To mobilize more support by fulfilling peasants' demands.
1936	Enlarge the scope of landlords and rich-peasants who could be exempted from confiscation;	For the party's survival and development;
1945	Enforce the <i>Land Law</i> (by Nan'king Gov.); Land to the tillers	Gathering more extensive support from the public; To cooperate with KMT.
1946	Re-apply the redistributive measures; Acquire land via various measures;	Prepare for civil war; To mobilize more peasants to participate the revolution;
1947	Completely and evenly redistribute all rural land to peasants;	To eliminate the traditional tenure system.
1950	"Land Reform Law" focuses on land reforms in new-areas;	To change from a revolutionary party to the governing party;
1953	General Guideline of Transitional Period;	Prepare for socialist transition and rural collectivization;
1979	Relief restrictions on individual farming;	Prepare for HRC system;
1988	Constitutional amendments;	Prepare for (urban) land market;
2004	Constitutional amendments.	Restrict administrative power (in land requisition procedure).

Source: Author

- In the socialist period, the preparatory effects of amendments were more obvious. They not only foretold the coming changes on tenure system, also were usually included within more comprehensive schemes of the party or government's agenda in developing a socialist economy. The amendment in 1953 lifted the curtain of rural collectivization; the loose of restrictions on individual farming cleared the barrier for establishing the HRC system; the constitutional amendment in 1988 made land transactions possible and initiated the establishment of land marketization under public ownership. The most recent constitutional amendment in 2004 revealed the government's intention in restricting the administrative interferences in land transactions.

Then, from the perspectives of both policy-maker and policy recipients, the indications of amendment are different:

- To the policy maker, the amendment can at a certain extent reveal the party's or the government's agenda on the reform orientation of the upcoming changes on policy to the public. It is more of a signal to all the interest groups that implicating the resolution of the party or the government to solve the emerging issues in the current system.
- To the policy recipients (all the interest groups involved in land tenure system), the amendment signifies an upcoming structural change on the existing setup of the interests distribution on/from land. As the interests-sharing structure changes, the balance of influential powers among groups will be altered. Then, their competitions for interests on/from land would also affect the formation of the new reform policy.

Therefore, the policy amendment is a transitional phase in the evolutionary process of land reforms where the existing policy evolves toward a new one. In this phase, the policy maker shows to the public the orientation and principle claims of the new reform as well as a hint of the future structure of interest on land to all involved interest groups. As the response, all interest groups can have a chance to compete for their interests in the new setup by giving feedbacks and using their power to influence the final decision of policy maker's. As the history shows, the amendments made before 1978 were more inclined to serve the party's political interest and agenda; however, since 1978, the developmental strategy shifted to the establishment of a market economy; and consequently new interest groups emerged in the society. Therefore, the amendments are mostly driven by the progress of socio-economic environment which actually is a result of active interactions among interest groups. Especially in modern China, as an increasingly diversified society and economy, the reform in land tenure is of great importance to many interest groups; and their opinions and influences are vital to the success or failure of the reform. Hence, CCP and the government shall well utilize this transitional phase and the foretelling feature of amendments to gather feedbacks prior to the final launch of the new reform, through which shall also enhance the feasibility and effectiveness of the new reform policy.

## **5.4 Chapter Summary**

Continuing the discussion on land reform policies and applying the findings in the previous chapter, the research focuses on the identification and application of the evolutionary pattern for CCP's land reform policies.

The evolutionary pattern is consisted of three continuously evolving stages: policy-making, implementation and revision. In each stage, influencing factors and approaches that could affect the progress and directions of policy evolution are identified. The pattern then is utilized as an analytical framework for more detail comparisons and analyses on reform policies.

## Chapter Six:

# Land Tenure Security: Past Evolution and Status Quo

*“Beneath the problem of land rights is the problem of civil rights.” – Qin’ Hui, 2006*

This chapter further analyzes land tenure security in relation with land reform policies. First of all, the changes of tenure security resulting from land reforms will be discussed; then, we will focus on the discussion of current tenure insecurity issues based on the survey data.

### 6.1 The Changes of Tenure Security in Land Reforms

Based on the review of land reforms and discussions in previous chapters, the change of the status of tenure security throughout CCP’s land reforms could be concluded.

#### 6.1.1 Tenure Security in the Revolutionary Period

In the revolutionary period, the status of tenure security was introduced as the backgrounds of land reforms in Chapter Four, from which the study concludes the following findings:

1. The political and social turmoil in the period had direct impacts on tenure security;
2. Rural households generally had problems of low (agricultural) productivity, land inadequacy, land fragmentation, pervading poverty and indebtedness;
3. The traditional tenure system was based on the private ownership, and the status of land (ownership) concentration varied in different regions. Rental arrangements were the most active and popular kind of transactions; the terms and customs of tenancy contract were quite diversified and complex within rural China.
4. For peasants, the means of accessing to land were also diversified: owning, using, leasing and renting could happen simultaneously in a single household; hence, to categorize “rural classes” based on ownership, possessive or tenancy relationships alone was arbitrary and inaccurate.

According to findings in Chapter Four, there is not enough evidence to declare an escalating tenure insecurity status in rural China in that period. Despite CCP’s official

recognition, the tenure insecurity issue was not the cause of land reform, but a well utilized instrument for CCP's revolution.

Then, based on previous introductions and analyses on reforms and policies, one can conclude that CCP's land reform actually was the deliberate movement to restructure the rural society including its economic structure. Methodologically, both reductive and redistributive policies worked under the same principle – by economically restraining incomes of the traditional rural elites deriving from rent and loans; or reallocating economic and productive resources, especially land, to systematically eliminate the private ownership and the economic differences among rural classes. Consequently, the traditional elite classes in rural society became the target of reform.

As tenure security is the “perceived certainty” of land rights. By categorizing the rural population into different classes, it complicated the definition of tenure security. For who were labeled as landlords and rich-peasants, land reform would not only deprive their formerly legitimate incomes and possession of land, but also usually meant physical threats to his/her life and their families'. In the meantime, for middle- and poor-peasants or labors, land reform usually meant improved and better access to land. Though there was the period of Rural Soviets, all land was confiscated and nationalized; still the land-poor would have much better chance to use land (with less economic obligations and burdens, comparing to the previous status.) than the land-rich classes. However, in most of the revolutionary period, CCP's land reforms were only implemented in a few base-areas that under CCP's occupation, which were constantly threatened by the military siege and purgatory campaigns launched by the KMT government (the legitimate government then). Hence, to CCP, the failure in the battlefield could cost them the control over occupied base-areas. As CCP retreated, the previous tenure system was restored which was always accompanied with retaliations from landlords or local governments. Then, for the land-poor classes, their tenure security was constantly facing uncertainties beyond tenure itself. Also, during the seesawing process of land reforms and from the self-preservation and self-interest aspect, it explained the reason of peasants' excessive brutalities towards land-rich. Therefore, in the “class struggle”-oriented land reforms, “tenure security” was always a relative definition. Someone's improvement in tenure security usually meant insecurity to someone else.

Therefore, in the revolutionary period, CCP's land reforms were mostly affecting the tenure system and tenure security in limited regions and at different scales. Also, such reforms revealed changes of tenure security under constant social unrests and warfare. In other words, since CCP's land reforms were dedicating to restructure the socio-economic

structure in rural China, the class struggle was the most efficient and effective measure to achieve party's objectives with the minimum costs. Thus, the primary achievement of land reforms in the revolutionary period was not as the party claimed - the liberation of rural people and productivity, nor the resolution of tenure insecurities for peasants; but the party's pragmatic actions for seizing power. Tenure insecurity was merely a less significant aspect in the traditional system, which was well exaggerated and politicalized.

### **6.1.2 Tenure Security in the Socialist Period**

In the beginning of the socialist period, as the nationwide land reform was accomplished, the traditional elite in rural society were replaced by CCP's activists. The economic status of rural population, especially land possession was basically equalized, which was a crucial precondition for "de-privatization" or "collectivization".

Based on the public ownership of all means of production, the *socialist production* was idealized by the party as the advanced form of production. Hence, rural collectivization was actually embedded into the scheme of the "socialist transformation of agricultural sector". Apparently, the transformation shifted farming pattern from individual to collective; which actually concealed the government's withdrawal of land ownership from farmers. The concentration of landholdings through rural collectivization didn't stir significant social unrest, partially because of the equalized status in holding, the farmers' unawareness of property right as well as its economic implications.

For decades, the existence of collective ownership blurred the definition of ownership and property right. Tenure security for certain individuals became irrelevant to his/her wellbeing. The collective's decision, which was actually the decision by a few collective cadres, would surpass individual initiatives. For an individual household, there was no choice for career, no market for transaction and no individual incentive in production. The collectivization was rather experimental and ideological than practical for the country's actual situation. Rural farmers were "securely" attached to land and agricultural production, but there was no security for otherwise.

The problems of collective farming made the economic reform and land reform in late 1970s inevitable and necessary. The essential function of the Household Responsibility Contracting (HRC) System was to re-link individual output with individual or household gains. Though this restitution of economic incentives released long-suppressed productivity in the first several years, the collective tenure system remained as a limitation on the property right for individuals. Especially when the urban-biased development started to encroach peri-urban and rural spaces. As collective ownership

sustained and subjected to the State's development agenda, the limited and ambiguous property rights on collective land failed to give rural individuals enough protection from the State's administrative power. Meanwhile, the economic value of land re-emerged in the growing urban market, but rural landholders were deprived from the appreciation in land market. Through land requisition procedure, the government could keep the most part of profit, which greatly boosted the governmental revenue and further fostered the government's growing dependency on the revenue from land market.

Nevertheless, the State government keeps improving farmers' rights on HRC land and permits land transactions among farmers. But these efforts could not fundamentally resolve the isolation between rural and urban land markets, yet could sufficiently provide the security on land rights. In addition, unilateral land transactions from rural to urban were firmly controlled by the government through administrative procedures (land requisition). Thus, tenure insecurity issues in current China are represented as the struggle over the interests on land between the government and farmers.

## 6.2 The Status Quo of Tenure Security

According to research objective, the study applies the survey data to present the current status of tenure security in modern China. As introduced in the methodology part, the data were collected through questionnaires for farmers and village leaders, and interviews with officials and experts. This section therefore focuses on descriptions of the status quo and issues of tenure security.

Based on the definition of "tenure security", the survey is designed to reveal the following information: the status of access to land, land transactions and farmers' perceived certainty of rights on land.

### 6.2.1 Status of Access to Land

In exploring the status of the access to land of farmers' households, the inquiries are focusing on three features: the *amount of holding*, the *status of fragmentation* and the *stability of holding*. (Table 6.1)

According to the data, the following problems can be concluded:

- *Land Inadequacy*: for an average of 4.29 members in a household, there are only 1.77 agricultural laborers cultivating on 0.36 ha of land. For surveyed areas, land size per capita is only 0.084 ha, whereas the national statistics show a little higher figure as 0.144 ha. (NSBC, 2008). Land inadequacy can also be used as a standard to reveal the surplus of rural labor force. In recent years, a growing number of rural labor force



sought for jobs in the urban areas as migrant workers which is also the result of urbanization and higher income expectations. However, the difficulties of finding jobs with high salaries to sustain a living in the urban areas as well as problems to integrate into urban society, makes the rural areas still the home for most of migrant workers. Hence, the perennial or part-time migrant workers mostly do not give up their HRC plots. For many workers, land is the insurance for survival in case of any unexpected setbacks in the city. According to village leaders and experts, land inadequacy also caused most of young labor forces to leave rural areas and agricultural production, and actual tillers of land are mostly the elders, weaker, or women who could not find jobs in the city.

Table 6.1: Status of Landholding of Surveyed Farmer Households

Data	Mean Value	
Family Member(s)	4.29	
Labor Force	2.75	
• Agricultural / Migrant Labor Force	• 1.77 / 0.96	
Total Size of HRC Plot(s)	5.38 mu $\approx$ 0.36 ha	
• Land Size per Capita/per Agri. Labor	• 0.084 ha / 0.203 ha	
Amount of Plot(s)	4.34	
• Are your plots adjacent? (8.6% households have only 1 plot)	Not 88.9%	Yes 2.5%
Plots Exchanged for Convenient Cultivation	8.9%	
Plot Reallocation	48.5%	
• Frequency	• from 1 to 8 times, or regularly	

Source: Survey Data, Author

- *Land Fragmentation*: a total of 0.36 ha of land on average is parceled into 4.34 plots with 88.9% households have non-adjacent plots. Though 71.2% of them feel the situation of sporadic plots is inconvenient in cultivation, only 8.9% of all respondents exchanged the plots with others to overcome the inconvenience.

The reason behind this problem is the non-functioning land market which is hampering the exchanges of plots between farmers. Another reason might be the lack of effective land consolidation and readjustment mechanisms. Especially when plots were evenly allocated and the physical features of plots, like soil quality, accessibility, irrigation access and so on, which unavoidably cause fragmentation.

As a consequence, fragmentation limits the working efficiency, productivity, and the opportunity for mechanical farming. The experts also pointed out that fragmented

plots without a functioning market directly jeopardize the farmer's willingness for investment.

- *Instability of holding*: around half of respondents experienced "plot reallocation"<sup>8</sup>. And in some areas, plots reallocation is a regular procedure happening even annually. One of the main purposes of reallocation is to reconcile farmers' conflicts in allocation due to population changes or physical differences among plots. It is an attempt to balance the interests among farmers.

The egalitarian sentiment is a cause of this problem; moreover, the frequent change of holding would further escalate the fragmentation. As some village leaders pointed out: farmers are commonly aware of the negative impacts caused by reallocation. But as land is getting scarcer as the population growth, or for the technical difficulty to allocate plots with absolute equality among all households, reallocation is the only way to mitigate the conflict. According to the experts: considering land market as a fairer and more efficient platform in allocating economic resource, the absence of a functioning rural land market makes farmers more inclined to practice their rights and to claim their economic interest on land through reallocation, which is also a procedure prone to nepotism and corruptions due to issues of in current grass-root administration.

From a perspective of tenure security, a frequent reallocation actually shortens the holding duration of being entitled to use the land, which can frustrate the long-term investments and even leads to the deliberate exhaustion of soil fertility. Although the State policy repeatedly ensures long-term and stable holdings, plot reallocation is still being practiced rather often in reality.

From these analyses, land inadequacy, fragmentation and instable landholding are not only isolated problems indicating the broader problems in access to land, but also inter-related which has more far-reaching effects on the status of tenure security. These problems would limit the opportunity of farmers' development; moreover threaten the survival and sustainability of rural households.

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<sup>8</sup> *Plot Reallocation* is the readjustment of already allocated HRC plots among households in a collective organization or a village. A typical reallocation is organized by the collective or village leaders and farmers representatives. Firstly, all (or parts) of HRC plots are pooled together; then all plots are numbered and ranked with respect of soil quality, shape, size and so on; and then, according to the size of the family (normally the number of legible laborers) every households draw lots to determine their plots for the new contract. Legally, the Property Law prohibits frequent reallocation; only in special cases like the plot is damaged by natural disasters, or upon two third of all member households' request, the reallocation can be sanctioned.

### 6.2.2 Status of Rural Land Transactions

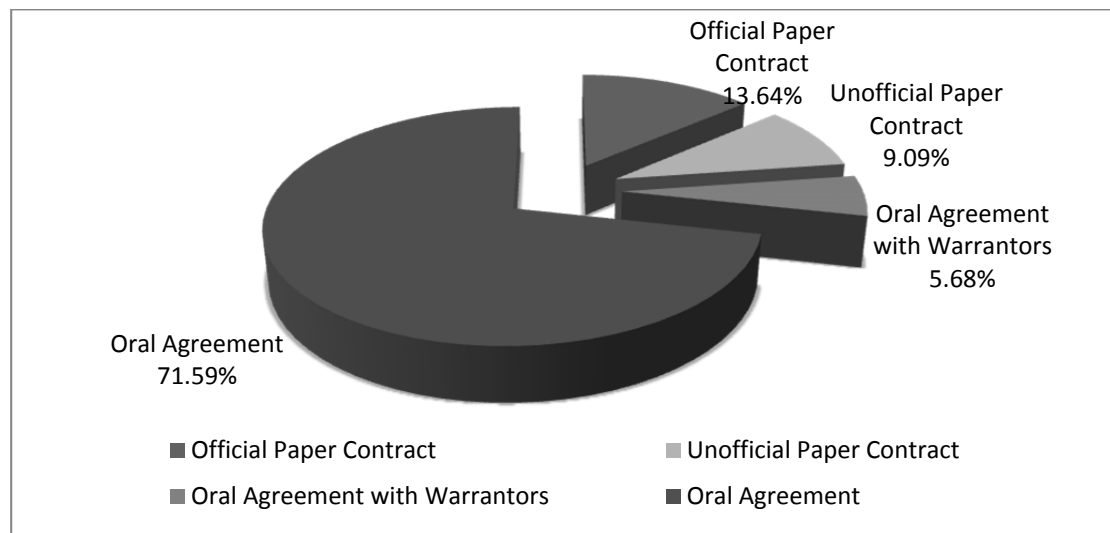
According to the law, the transaction of HRC plot is allowed among members of the same collective or village. Therefore, the status of transactions reveals the farmers’ accessibility to land from another perspective. As land inadequacy and fragmentation are hampering the productivity in individual farming, plots exchange and rental activities should be a solution to scale up the holding and expand production in the future.

Among 361 respondents, only 23 households lease land to others and 54 rented land from others, which is 6.4% and 14.9% of the whole sample (only one family both rent in and out land simultaneously). Including families that had exchanged plots for the reason of fragmentation, there are 88 or 24.4% of families involved in some kind of land transactions. Considering the fragmentation and inadequacy problems, such low rate indicates that rural land transactions are rather inactive.

Considering the duration of rental contracts, among 78 cases 34 (or 43.6%) have no specified leasing term. For the rest, the average duration is 10.35 years.

Furthermore, regarding the farmers’ approaches in making rental contracts, the result is showed in the following chart. (Chart 6.1):

Chart 6.1: The Formality of Contracts for Land Transaction



Source: Survey Data, Author

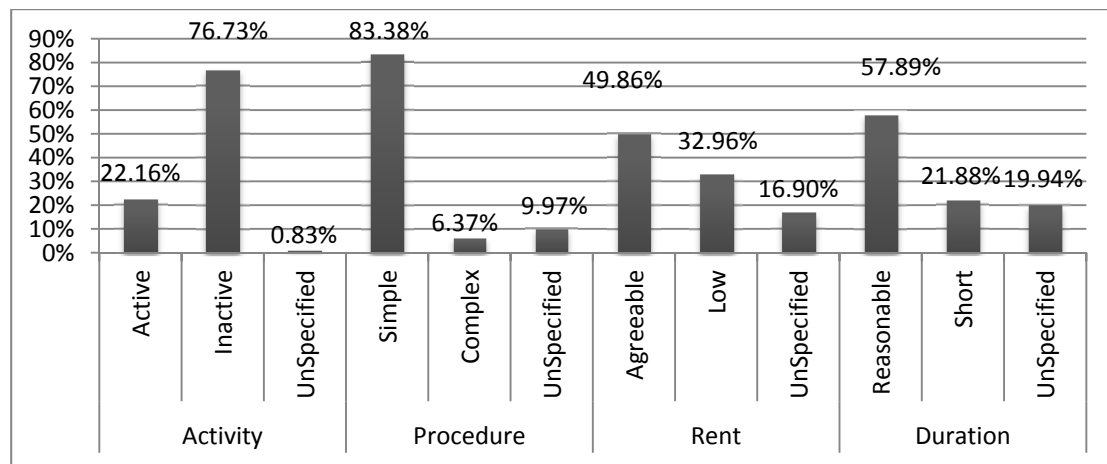
Only 14% of case signed in officially recognized paper-based contracts, a dominant majority of 71% was based on oral agreements between farmers, not even with a warrantor. Furthermore, for 88 cases, only 13 (or 14.78%) of transactions were later registered at local authorities.

When, the respondents were asked with a set of questions to reveal the perceived status of land transactions in their village, and the questions are:

- How would you describe the activity of land transactions in your village?
- How would you describe the procedure of land transactions?
- How would you describe the rent level?
- How would you describe the rental duration?

According to their answers (see Chart 6.2), most of the farmers considered that land rental market is procedurally simple and not being very active which reconfirms the findings in the last paragraph.

Chart 6.2: Perceived Status of Land Transactions



Source: Survey Data, Author

This also applies to the rent level. Though most of people thought the rent rate as “agreeable”, still about a third of people thought it to be too low. There is a difference on the issue between the “lessor” and the “lessee”: only 48% lessors thought the rent is agreeable, whereas 78% of lessees thought the same.

As to the rental period, most of the people considered it rather reasonable than too short, but about 20% have no comment on the issue which also echoes the unofficial character of previous findings that 43.6% of contracts have no specific leasing duration as well as the majority of the contracts were made through unofficial measures.

From the survey of village leaders, there are some special problems in land transaction:

- Most of farmers are reluctant to “sell” their HRC plots to others (even in the case of families that had already given up agricultural production and didn’t generate incomes from farming). This indicates farmers’ dependency on land as an

insurance instrument. In some cases, they would rather leave arable land idle than to return or sell it to the collective or to others individuals.

- Migrant workers prefer to rent their land to close relatives, friends and neighbors with hardly any competition and having no fear to lose the land due to kin and friendship ties. This again reconfirms the finding on the absence of functioning land rental and sale market. Very often, farmers finalize a rental agreement just before the planting season starts with the duration for only one year. Being urged to repeat this procedure year by year has a strong impact on their perception of tenure security and functioning property rights systems.
- In some areas where the regulation of *plot withdrawal* in the case of land being laid idle apply, some migrant workers leased their land for free, or even paid the leaseholder in cash or in kind, just to make sure their land will be cultivated and not being withdrawn. This phenomenon most likely happens in areas with low agricultural productivity and incomes. Such informal transaction reveals that the economic value of land is underappreciated in transactions.

Therefore, current status of land transaction can be summarized as follows:

- A temporary or permanent market for land transaction is still not active in rural society, which limits farmers' development potential in agricultural production as well their income derived from it. Furthermore, market competition is missing in these transactions allowing to an improved allocation of land.
- Farmers tend to reach agreements on land transaction in a simple and unofficial manner, which might smooth the progress but is on the other hand prone to conflicts. Especially, the transaction lacks of legal or formal documentation or registration which would lead to an informal conflict resolution without proper legal support.
- Regarding the rental price, the situation varies in different cases. As more than half of the lessors think that the rent rate is not agreeable and the cases of migrant workers who lease out land for nothing due to the fear of losing their entitlements to HRC plots, it can be concluded that under the situation of popularly informal rental arrangements in current rural society, rent rate is more favoring the lessee, which also indicates that the economic value of land is underappreciated and the rent rate is consequently rather low. The abnormality in leasing shows the consequence of non-functioning market and its impacts on people's behavior.
- Considering the low-yielding characteristics of agricultural investments, the investment in improving agricultural productivity needs rather long pay-back

periods. 10 years on average as a rental contract period is still not long enough. Legally, the contract period of a HRC plot still has an upper limit of 30 years; therefore, the rental contract between farmers is also at certain extent subjected to the limitation. In practice, a large portion of rental contracts without specific running period and the frequent plot reallocation further add uncertainty to farmers' perception of tenure security.

Therefore, land rental and sale market in rural China are rather inactive and informal with problems of an under-appreciated value and uncertain contracting period- all generating additional risks and putting a pressure on the land price margin. All these proves the fact of the absence of a functioning rural land market, and the consequences of the absence are further limiting the opportunity for farmers' access to land, as well as threatening tenure security.

### **6.2.3 Farmers' Perceptions on Tenure Security**

Farmers' perceived certainty on land rights is an essential standard for tenure security. The difficulty to analyze farmers' actual and practicable rights on land is that farmers' perceptions and understandings as well as their knowledge on and ability to use these rights are subjective and individualized. Hence, the study uses findings from the survey to analyze this issue from several perspectives.

#### **6.2.3.1 General Perception on Tenure Security**

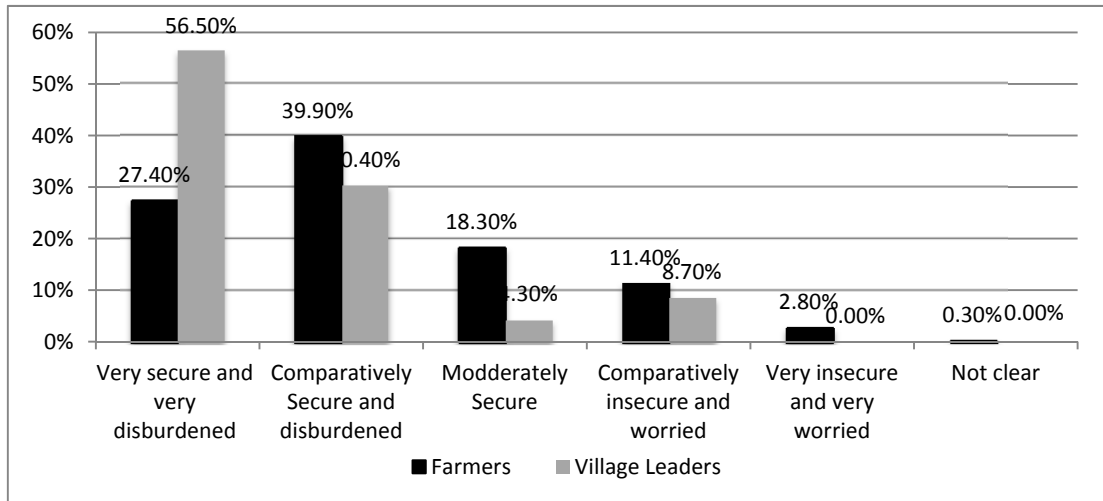
The question of "under current land institutions, how secure do you feel about your rights on land?" was formulated to investigate the *general perception* on tenure security of both *farmers* and *village leaders* (Chart 6.3).

According to the results, the majority of farmers feel rather secure with the current tenure system; furthermore, the result from village leaders is more optimistic. Through the comparison, it reveals two issues:

- Firstly, farmers are generally accepting the status quo of tenure security. However, as most of farmers' answers cluster at the medium intervals - from the "comparatively secure" to the "comparatively insecure", the result also shows that farmers are still having doubts and concerns about their security.
- Secondly, village leaders as the grass-root administrators and local enforcers of land policies are more satisfied with current status, which is easily understandable with regard to their role in the rural society. As further discussion proved that village leaders are very decisive people in decision-making processes

on land issues, in some extent, they are the beneficiaries under the current tenure system.

Chart 6.3: General Perception on Current Status of Tenure Security



Source: Survey Data, Author

According to the answers from the interview with experts, their opinions on the issue of farmers’ perception on tenure security are summarized as follows:

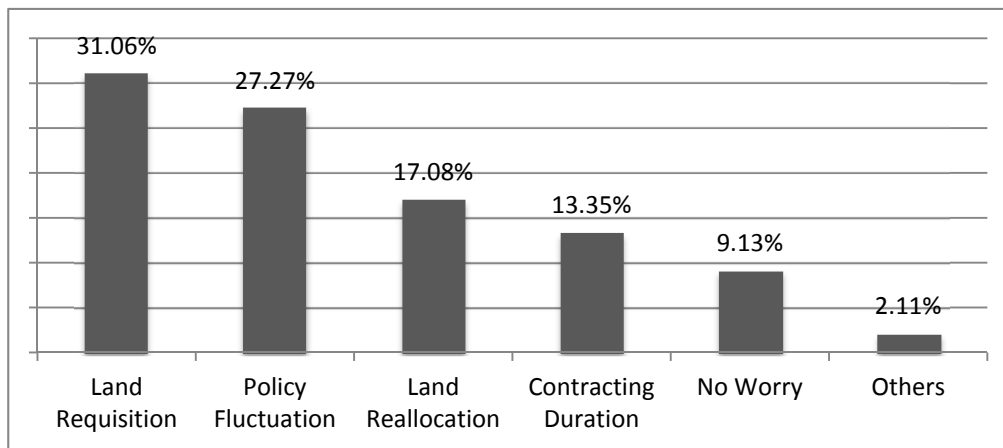
- Currently, farmers do mostly agree with State policy and the central government as the policy maker. However, the problems are mostly concentrated at policy implementation by regional or local governments as well as grass-root leaders. Current land conflicts that threaten the social stability are mostly caused by the malpractices of policy enforcers in lower levels of the bureaucratic system. And the discontent of farmers becomes the source of social instabilities, especially caused by land requisition, corruptions, or compulsory resettlement.
- The misbehavior of policy enforcers are only one outcome of the problem. The fundamental reason is still within land institutions. Currently, the State and regional governments are economically motivated to interfere or even to directly participate in market transactions. Under the public property regime accompanied by the administrative power, the government plays multiple roles simultaneously who not only entitles to the claim for economic profits derived from land transactions (as the acting owner of land), but also can influence the course of transactions (as the administrator) for its own benefit (as a land-user). Hence, the actual origin of land conflicts is the outcome of the competition between the government and farmers (landholders) over economic and power interests on land.

- The government's pursuit for interests on land through administrative power, especially the regional and local governments, is the major land conflict in China nowadays. And the indulgence of the State government, as the policy-maker, is reflected by land policies.

### 6.2.3.2 Farmers' Concerns on Tenure Security Issues

Based on experts' opinions, the research concludes some potential concerns of farmers' regarding tenure security (Chart 6.4).

Chart 6.4: Farmers' Concerns on Tenure Security Issues



Source: Survey Data, Author

The result shows that *land requisition* is the most worrisome problem, which indicates farmers' fear for a loss of land. Next to it is fluctuation in policy formulation and implementation, which concerns farmers for potentially uncertain changes on the status quo. Then, *land reallocation* and *contracting duration* on HRC land are also considerable concerns for farmers.

The findings echo the previous introduction on land requisition issues in Chapter One. Then, more specific aspects of land requisition related issues are asked. As the result, the top three issues that farmers concern the most are: a) *standard of compensation*, b) *future livelihood (how to making living after the requisition)*, and c) *resettlement arrangement*.

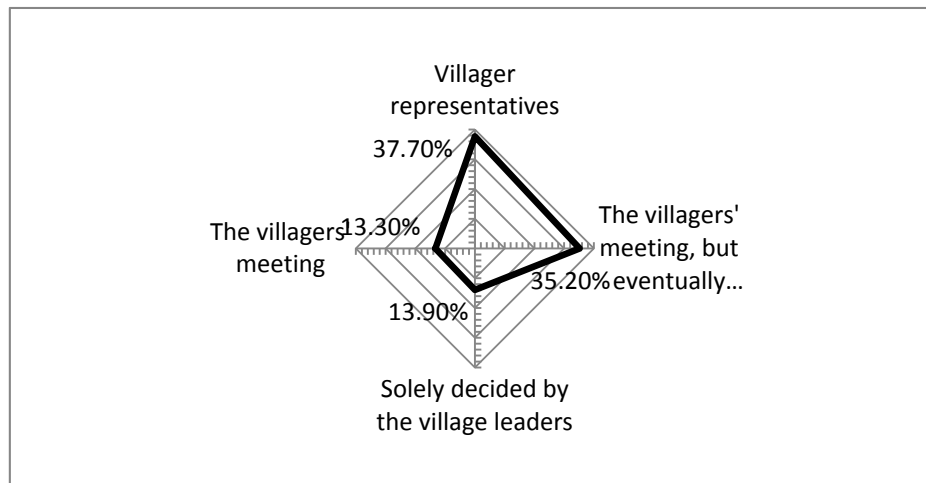
From these findings, economic interests as well as the wellbeing in the future are the essential concerns of farmers, not only in the course of land requisition but also under any institutional arrangements of land tenure systems. Since the status of tenure security would decide farmers' rights as well as their interests on land, their attitude towards the acting land policy and their perceptions on tenure security can be represented by these concerns of interests.



### 6.2.3.3 Decision Making on Major Land Related Issues

According to the law, major decisions on the collective land, such as the distribution of compensation from land requisition, plot reallocation and so on, should be made collectively by all the members of a village in open meetings. However, the survey found out that the status of decision-making is not as democratic or collective as it supposed to be. (Figure 6.1)

Figure 6.1: How Major Decisions on Land Were Made in the Village



Source: Survey Data, Author

According to the chart, 13.90% of the respondents answered that *the village leaders would solely make the decision*, and 35.20% expressed that although the villagers' meeting would be held but the final decision is still in the hands of village leaders. The decision made through the villagers' meeting only takes 13.30%. As another democratic approach, the decision made by the villager representatives who were elected by villagers takes 37.7%.

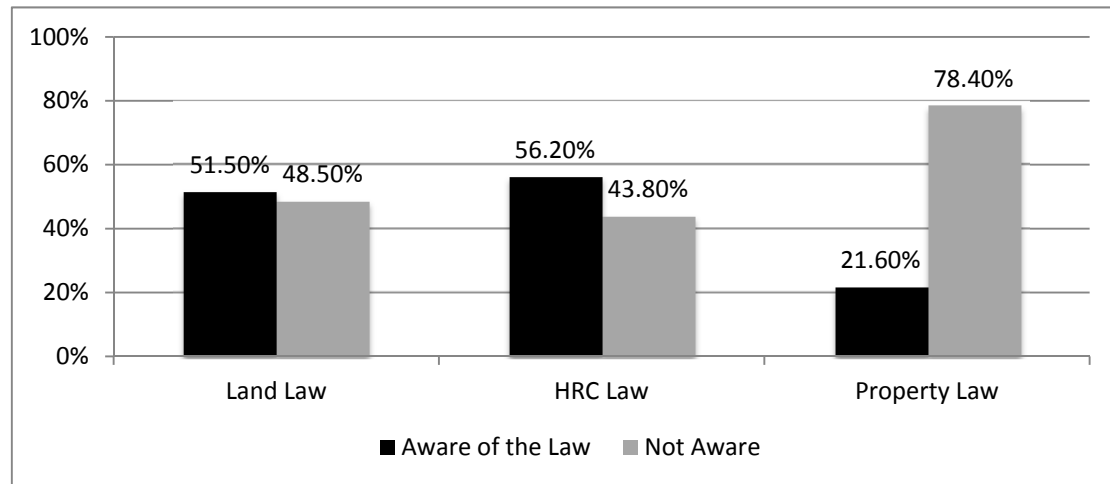
The experts' opinion also supports the finding that village leaders are the decisive person in major decisions in rural society. The situation would be even more authoritarian when the village leaders were capable of manipulating the election of villagers' representatives. From their experiences as scholars or officials, they found that the capability and the character of a village chief or chairman are always the key elements for a village's development. And the actual decision making process in rural society is most likely made by a few leaders instead of collectively by all the farmers, which made the process prone to nepotism, corruptions, collusions and – in short- to elite capture.

As for the landholders, their incapability in decision-making at the very basic level of rural society makes them vulnerable to infringements of land rights and opposing interests. This is another distinctive problem affecting tenure security status in China.

### 6.2.3.4 Awareness and Knowledge on Land Policies

Existing laws and policies are fundamental institutions in securing tenure for farmers. Hence the farmers' awareness and knowledge of these institutions are essential to tenure security. The following two charts (Chart 6.5, Chart 6.6) demonstrate the farmers' awareness and knowledge over three principal legislations.

Chart 6.5: Farmers' Awareness of Principal Legislations on Land



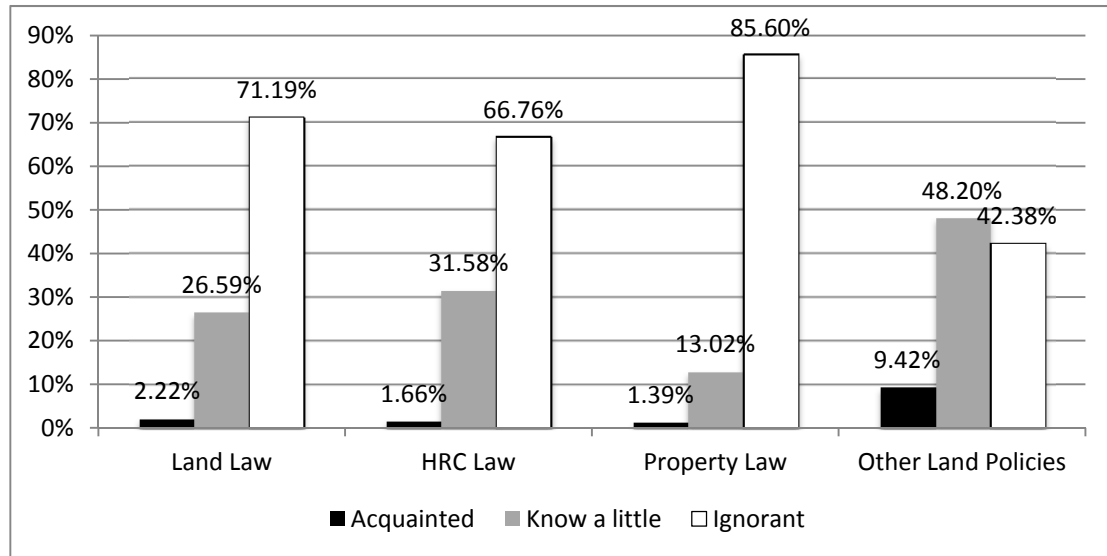
Source: Survey Data, Author

Chart 6.6 shows that only about half of respondents know the *existence* of the *Land Law* and the *Law on Household Responsible Contracting of Land (HRC Law)*. Alarming 78.40% of the respondents are unaware of the *Property Law*, which specifically defines the property rights on HRC plots. One explanation could be that the property law was just legislated in 2007, which is rather new comparing to others. Another explanation could be that the concept of property rights has not yet comprehended by the rural people.

As to the knowledge on the clauses and contents of these laws, Chart 6.6 shows that a few might know these laws by name, yet fewer have sufficient knowledge about the contents. For all three laws, no more than one third of all the respondents are acquainted or have some knowledge of; and the least acquainted is again the Property Law with only 14.41%. The survey further inquired respondents' knowledge of other land policies. The result does not differ much from others.

A substantial amount of farmers is ignorant of basic legislations and policies, which from the legal foundation to protect their rights on land. Reasons of such pervading ignorance may be innumerable, but it doesn't mean that the farmers are indifferent to the problem or unwilling to learn. In fact, 72.6% of all respondents expressed interests to learn more

Chart 6.6: Farmers' Knowledge of Principal Legislations and Policies



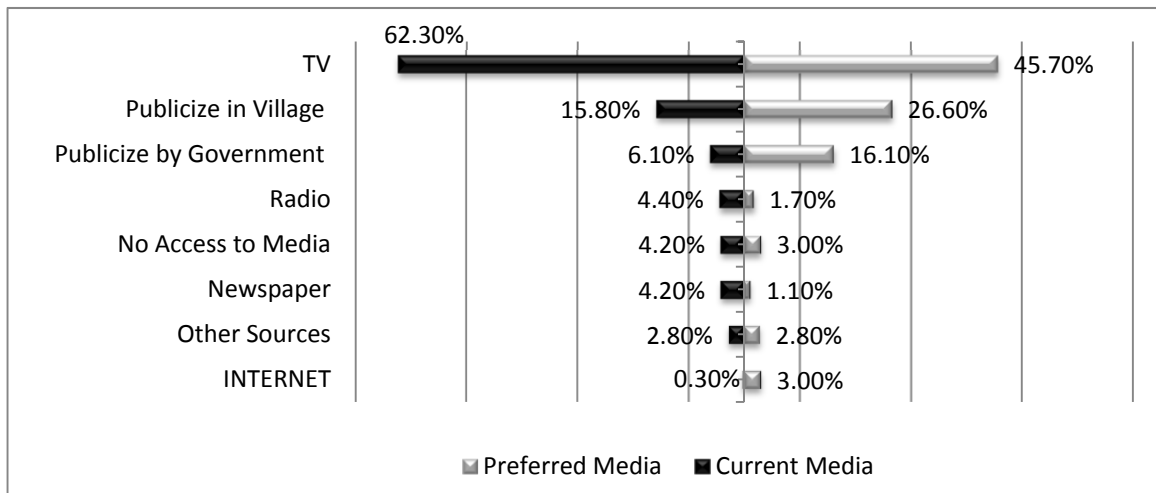
Source: Survey Data, Author

The general unawareness and ignorance on land legislations and policies shows that farmers have insufficient knowledge and understanding of the policy in place, which would be a precondition to allow them to practically protect their rights when facing any infringements. But the results also show that farmers are inquisitive and interested in learning more. Their access to information is another important aspect to improve tenure security.

### 6.2.3.5 Farmers' Access to Information

Comparing previous findings, the study argues that farmers' access to information, which could assist them collecting deeper knowledge of land policies as well as protecting their rights on land, is important to improve tenure security. In addition, the survey inquired popular forms of media that farmers are currently using in acquiring information. Meanwhile, the question also asked farmers their preferred media source that they are more inclined to use as the source of information in the future (Figure 6.2).

Figure 6.2: Current &amp; Preferred Media for Farmers Access to Information



Source: Survey Data, Author

Clearly, television is and will still be the most popular and accessible media for farmers to get access to information regarding land policies. However, the result also shows a dropping preference on TV and the increases in the publicizing campaign that organized by the villages and government, which means that farmers are more inclined to rather tangible and communicative sources in learning policies. Currently, using newspapers and through radio broadcast as the source of information take only 4.40% and 4.20% which decrease to 1.70% and 1.10% in the column of preferred media, Possible explanations for such decreases might be that, they are comparatively less visual than TV and not as interactive and tangible as publicizing campaigns. The educational status and the costs for purchase might also be other important issues that affecting the popularity of newspapers. On the other hand, although internet is not an important source of information by now, its future preference increases by ten-fold, from 0.30% to 3.00%. Demographically, the percentage of internet users in China has increased from 4.6% of the country's total population in 2002 to 34.4% in 2010 which accounts for more than 460 million people (World Bank, 2012). It should be considered as a potentially important media source for farmers, especially for the younger generation.

Though television programs might be more convenient, it is mostly perceived as a unilateral propaganda channel which can easily be censored and controlled by governmental authorities. Hence, the information from TV is potentially limited and biased. On the other hand, direct publicizing campaigns or internet are comparatively advantageous in interaction between policy maker and recipients however its dissemination is still at an early stage.

Considering the status quo, viable media sources for farmers are limited and potentially biased, which limits farmers' ability in acquiring concrete knowledge on land policies, as well as the ability to protect their rights on land.

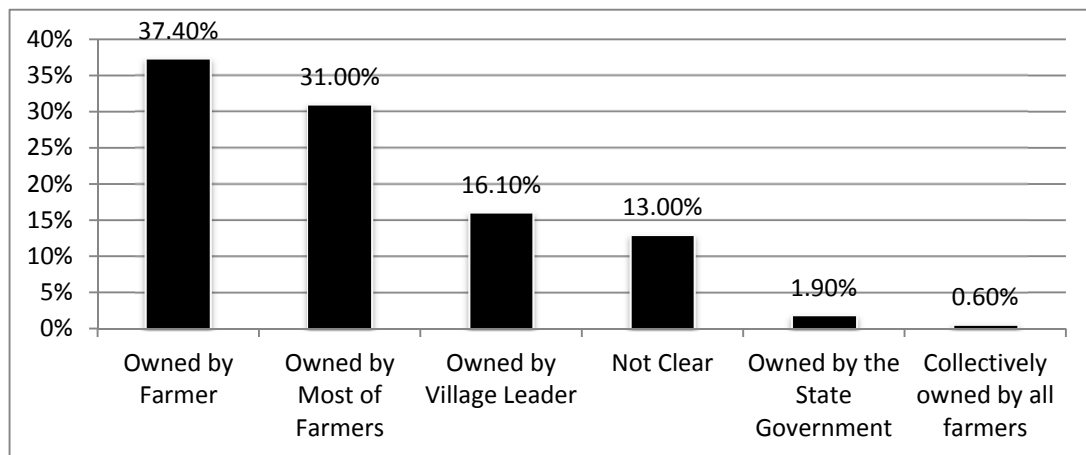
### 6.2.3.6 Farmers' Recognitions on the Collective Ownership

Since many scholars and experts argue that collective ownership is the key obstacle in improving tenure security, the farmers' own recognition or interpretation of collective ownership reveals two messages:

- The first related to the farmers' understanding and knowledge of current land ownership;
- The second one is on the farmers' "perceived" ownership, which reflects their personal expectations on the entitlement of interests on land.

The survey results are shown in Chart 6.7.

Chart 6.7 Farmers' Recognitions on the Collective Ownership of Land



Source: Survey Data, Author

- Most of the respondents do not really understand the legal definition of collective ownership. Only 0.60% of respondents gave the right answer and 13.00% of the respondents are not clear on the concept of collective ownership. These reconfirm previous findings on limited awareness and knowledge on land legislations and policies.
- Over a third of respondents thought land is owned privately by themselves which echoes with farmers' concerns on their own interest. And 31% considered land is owned by most of farmers which is comparatively closer to the legal definition. Another 16.10% even thought that village leaders are the owner of land. Such misunderstanding also reconfirms the previous finding of the villager leaders' decisive role in decision making.

The results illustrate a long debated issue: collective ownership in China is an ambiguous and confusing institution for rural individuals, which as Ho (2006, pp.1-17) describes “the intentional institutional ambiguity”. A diversified recognition represents respondents’ individual experiences which can also be interpreted as farmers’ differentiated expectations from ownership. For instance, when distributing profits from land transactions, the farmers who believed land is privately owned will logically and rationally expect a bigger share of profit; whereas the farmers who believe land is owned by the State, collectives or village leaders, may settle and expect smaller share through conceding the interests-sharing realty and leave the distribution at the hands of governments or village leaders.

Thus, an ambiguous and confusing recognition on collective ownership would affect farmers’ expected and actually acquired interests on land, which make the current tenure system prone to conflicts of interests, especially between the government and farmers in land market.

#### ***6.2.3.7 Means for Resolving Land Conflicts***

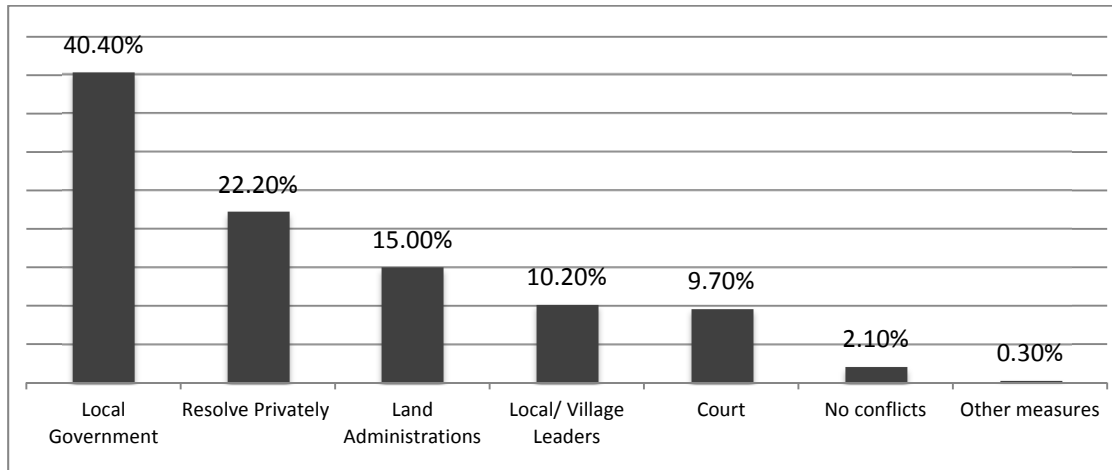
As survey findings show that farmers are concerned about their rights and interests on land, however, they have insufficient knowledge on current land institutions and their functioning. They have as well as suppressed power in decision-making, in addition to the ambiguous collective ownership concept; all these problems make acting tenure system prone to conflicts. Hence, the resolution of land conflicts is another crucial aspect of tenure security.

To analyze the issue, the study focuses on analyzing farmers’ choices for methods and mitigating authorities in resolving a land conflict. And the result reveals the effective and trustworthy options that are believed and accepted by farmers. By asking “In case of a land conflict, what are the top-three methods or authorities you will most likely to use or to appeal”, the result not only exposes the significances of each option for farmers, but also indicates the sequence that farmers most likely to apply or to appeal, in other words, when the initial option fails what will be the next option to choose. (Chart 6.8)

According to the result, 40.40% of respondents prefer to ask local government to resolve conflicts instead of seeking for mediation at land administrations or courts, which supposedly should be the more professional or more legitimate authorities in a situation of conflict. Also 10.20% seek for help directly from local or village leaders, in addition to 22.20% prefer to resolve conflict privately or informally without consulting any of the

mentioned organizations which means altogether about a third of respondents would solve conflicts through unofficial means.

Chart 6.8: Farmers’ Choices for Methods and Authorities in Conflict Resolution



Source: Survey Data, Author

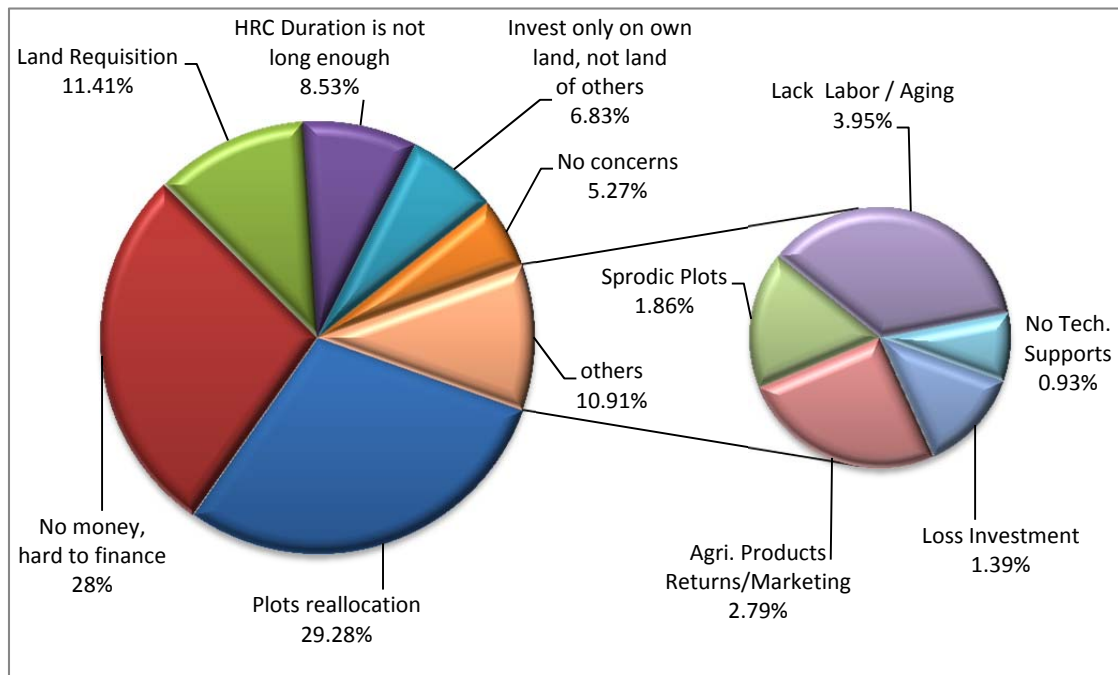
One explanation for the phenomenon is that currently the court or land administrations in China are predominantly under the influence from government; and the legal or departmental independency is on being constantly challenged by and subjected to the government’s will. Hence, farmers are more inclined to believe in government’s ability in conflict mitigation rather than legal and professional capability, which would increase burdens and tasks on the government as well as costs for public administrations.

Meanwhile, a significant portion of farmers would prefer to solve conflicts privately or through other unofficial channels which would encourage potential nepotism and corruption problems as long as no check and balances system is established. Therefore, to protect farmer’s rights in land conflicts, improvements should be made and focused on the efficiency and independency of land administration and legal system, also to formalize procedures and prevent corruptions. Also, the government could reduce extra costs and inputs.

### 6.2.3.8 Willingness for Agricultural Investment

Farmers’ willingness for agricultural investment reflects their perception of tenure security. The survey shows that only 39.6% of all respondents want to increase investment in agricultural operation. The low ratio originates from many concerns which hampering farmers’ willingness to invest. And these concerns are illustrated in Figure 6.3.

Figure 6.3: Farmers' Concerns on Agricultural Investment



Source: Survey Data, Author

The figure shows that, *plots reallocation* and *land requisition* are taking rather big portions which indicate the insecure tenure is discouraging investment. Meanwhile, the *lack of financing source* is another crucial barrier preventing farmers' investment. Other issues like *land fragmentation* and the *limited duration* of using HRC plots are also hampering elements. Economically, farmers also are facing problems of selling agricultural products reveals problems of *low returns* and *difficulties in marketing* for farmers, which make the prospect of investment returns unfavorable.

These issues cause a massive rural labor force migrating to urban areas for comparatively higher incomes. As a consequence, the loss of young and strong labor force further escalates the *aging* problem of the actual tillers; and further decreases the output from land. This in turn might cause problems of leaving land idle or high rates of depreciation which eventually also discourages the development of rural land markets.

According to the analysis, a lack of motivation in investment will not only affect the development of smallholder agriculture, but also have a far-reaching negative effect which may lead to a series of chain-reactions in the rural society, such as rural impoverishment, the underutilization or waste of natural or economic resources, increasing unemployment, and even social instability.



### **6.2.3.9 Status of Farmers' Participation in Policy Making and Implementation**

Many problems in the current tenure system are identified which also disclose problems in policy-making and implementation. Therefore, farmers' attitudes towards or feedbacks on the tenure system and acting land policies, as well as the mechanism of public participation are essential aspects reflecting the status of tenure security.

One important precondition for public participation is the readiness for "bottom-up" channel to react on farmer's attitude and opinions to the government. However, the survey results reveal that currently farmers are generally not enthusiastic or unable to express their opinions to the authorities.

Of all respondents, there are only 26.3% of them "have opinions" with the current tenure system, but *do not want to* express their thoughts openly; another 22.4% *want to* express them, but *don't know how to* do this in concrete terms. Only 16.10% farmers know how to express their opinion to the authorities. 35.2% of farmers have no opinion on the question. This means that 64.8% of the respondents have some opinions or thoughts regarding current tenure system and policies, but only small amount of them can effectively give feedback to the government. Hence, the bottom-up information channel is only functioning poorly.

Also, those who have opinions show them rather passive and indifferently on the issue, which could be the result of many years of top-down and compulsory approaches in policy implementation and the negligence in decision-making process.

Similar results were concluded from the survey of village leaders and interview with experts, that farmers are frequently excluded from the policy or decision-making process. The accumulated opinions or discontents cannot be effectively expressed, which could be explained by the increasing incidents of the farmers' mass appeals to levels of governments due to land related issues. For some occasions, mass appeals were regarded as potential social unrests; sometimes they escalated into direct conflicts between governments and farmers.

A lack of functioning and effective mechanisms for public participation not only has negative impacts on the feasibility and effectiveness in implementing policies, but also frustrates farmers' willingness to reveal claims on their rights. Without proper communication, these repressed opinions and discontents are potentially destructive to social stability.

#### **6.2.3.10 Summary of Farmers' Perceptions on Tenure Security**

Based on several dimensions, this section focuses on analyzing farmers' perceptions and attitudes on tenure security. The following features can be concluded:

- When considering tenure security, farmers' top concerns on the issue are always focusing their interests on land; especially, economic interests.
- Farmers are generally ignorant of policies and unaware of their legal and property rights on land; meanwhile, their source of information is rather limited and potentially biased towards the government's unilateral propaganda. However, they are very inquisitive to learn more about their land rights, and welcome more direct, interactive and communicative media to acquire information;
- Not only in policy making, also in the decision making process, farmers are frequently exclude, which further weakens their ability to claim and protect their legitimate rights as well as economic interests on land;
- Collective ownership still is a confusing and ambiguous concept for individual farmers. It institutionally entitles the government to share rights and interests on land with farmers. Farmers recognitions on ownership are related to their expected share of economic interests; furthermore, the ambiguity on ownership makes current tenure system prone to conflicts;
- In conflict resolution, the legal authorities and land administrations are considered less influential and effective than the government, which also indicates the problems on legal and departmental independency. Unofficial and private methods are popular choices for farmers, which increase the risks of nepotism and corruption;
- Tenure insecurity issues discourage farmers' motivation in agricultural investment, which would cause extensive and negative impacts on agricultural production and rural development;
- A lack of effective mechanisms of public participation can turn the issues of tenure insecurity into threats on social stability. The repressed opinions and discontents of farmers should be channeled properly through a bottom-up information channel

To sum up, from farmers' perceptions, the status quo of tenure security is problematic, involving a potential of escalation. These problems also highlight the characteristics of farmers, which could be utilized in the following model analyses to study their behavioral features and responses to reform policies.

### 6.3 Chapter Summary

In this chapter, the study first summarizes the changes on the status of tenure security throughout CCP's land reforms, from which it concludes that the evolution of tenure security could be summarized by one word: *struggle* – the struggles among different rural classes in the revolutionary period and between the government and farmers in the socialist period.

In studying the status quo of tenure security in China, the analysis primarily used survey data to demonstrate problems regarding tenure security, upon findings from three aspects: *access to land*, *land transactions*, and *farmers' perception on tenure security*. Here the following points could be concluded:

- Physically, Chinese farmers are generally facing problems of land inadequacy, fragmentation and unstable holding, which affect their ability of accessing to sufficient land.
- Land transactions in rural China are still inactive and informal. As a consequence the land value is depreciated and transactions are hampered by uncertainties of holding. All these problems are strong indicators for the absence of a functioning rural land rental and sale market as well as the urgency to establish one.

The analyses on the evolution and status quo of tenure security not only exhibit the connections between land reform policy and tenure security, also help the study to identify problems in the present tenure system. As the interests-sharing and competitive relationship between government and farmers is identified as the core issue, the study would further discuss their relationship and interactions in land reforms as well as effects of reform policies on them.

## Chapter Seven:

# Tenure Security and Reform Policy: Model Analysis

*“When a ruler rejoices in the joy of his people, they also rejoice in his joy; when he grieves at the sorrow of his people, they also grieve at his sorrow.” – Mencius, (372–289 BCE)*

Based on the previous findings, we will analyze the relationship between *the government* and *farmers* based on theoretical models. Here, *the government* specifically means the *State government*, for it is the policy-maker, the acting owner of land, the only provider in (urban) land market and also the user and administrator of land. Through model analysis, the focus of research is to explore the relationship, interactions and strategies for two *interests groups* or *players*, who would influence and be affected by policies.

### 7.1 The Position of Policy

First, the study argues that as a public policy, land policy is defining the *share of interests* on land for both groups. Since two groups are involved, the policy in favor of one group indicates that it is institutionally advantageous to the other group. Hence, the “position” of land policy decides the *interests-sharing structure* of two groups. Therefore, in examining the interactions between policy and interests groups, the positional change of policy could be considered as land reform.

For all theoretical models, the position of land policy is the key element of analyses. By generalizing comprehensive policy changes into changes of inclinations of policies, the models could interpret complicated policy changes upon an abstract and simple model.

### 7.2 Group Model: Relationship between Interest Groups

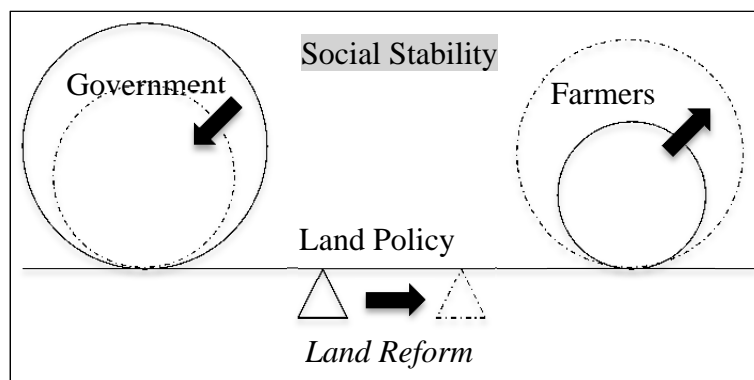
According to group theory, the government and farmers are identified as two interest groups affected by land policy instruments and mechanisms of implementation. Policy is deciding the controllability over land as well as the interests from land for both groups.

Based on the previous analysis, the Chinese government has multiple roles in current tenure systems. As the policy maker and administrator, it always excludes farmers from the making of land policy; frequently utilizes compulsory measures in policy implementation; and the absence of effective mechanisms for public participation allows the government to act rather arbitrarily with very little hindrance. As the acting owner

and land user, it can actively participate and involve in land markets where it can also compete interest on land with farmers even sometimes by using the administrative power to ensure or enlarge its benefits. Therefore, within current land tenure system the government's power of influence to land policy is more significant than the farmers group. Hence, the policy position is more in favor of the government's interest. Since the model describes the struggle between two groups over the interest on land, the government here is acting as the user of land who competes with farmers as landholders.

Therefore, the group model can be illustrated as Figure 7.1.

Figure 7.1: The Group Model for Government and Farmers



Source: Author

The circles in solid line indicate the status quo of the influencing powers of both groups; and the pivotal triangle placed near the government side shows the land policy is more favoring the government's interests. In this situation, farmers will try to increase its influence on current policy as well as their share of interest on land. However, according to the analysis on the status quo of tenure security, farmers are excluded from decision making process as well as generally incapable of fully acknowledge, practice and protect their rights on land. Moreover, the absence of an effective bottom-up channel for farmers leaves them very few options to express their claims. Therefore, farmers appeal for a more favorable policy will most likely be announced through unofficial means. Therefore, based on aforementioned incidences of conflicts between the government and farmers as well as problems in conflict resolution, the study argues that the farmers' efforts in influencing policy may be conducted by mass appeals or even direct conflict with the government which is a potential threat to social stability, especially when a functioning mechanism of expression is absent.

Here social stability is an external factor of the model. A stable society is mutually beneficial for both groups, which gives them a common ground for possible cooperation. The government has a direct interest in maintaining social stability for its rule; whereas

farmers' claims are expressed as the pressure to the stability, which can urge the government (as the policy maker) to make compromises on its interest (as a land user), which in turn changes the existing policy towards more favorable to the farmers group. In some extent, social stability is a media or an instrument for farmers to increase their power of influence.

The key precondition for this model is that, the interest of government is a mixture of economic, administrative and political objectives. More administrative power over land means more control of land resource thus more revenues, but it also can lead to an increase of administrative costs and farmers' discontents as well as instabilities. As a policy-maker, the government must consider both effects in its policy making process.

Therefore, a new balance can be achieved, which shown by the *dotted lines* in the figure. The outcome of both groups' struggle for influencing power causes a positional change on the existing policy; and then, the government's controllability over land would be shrinking whereas farmers' interests would increase. Changes of policy positions could also be interpreted as land reforms.

Each group has its own interests on land; meanwhile they also share a *common interest* from maintaining a functioning tenure system under a stable social order. Hence, the compromise of interests on both sides could be achieved through a bargaining or gaming process. And finally, the reform policy could be made upon the compromises and reconciliation of both groups.

Thus, the relationship between two groups is both *competitive and cooperative*, which could also be regarded as a gaming situation, where both sides must rationalize their strategies and responses to policy changes and try to maximize their interests at the same time. Moreover, through a game model analysis, the dynamic between two groups can be explained with more detail.

### **7.3 Game between Government and Farmers**

From a group model, we identified the relationship between two interest groups as both competitive and cooperative. However, it only defines a rather general relationship that insufficient to describe the dynamic and interactions between two groups. Therefore, game theory is applied to illustrate the issue.

As a theoretical modeling, it is necessary to firstly propose a few assumptions, upon which a rather complicate issue in reality can be adapted into an abstract and representative scenario for a theoretical analysis. Assumptions can also bring unique

characteristics of the rural land tenure system in China into the scope of analysis. Therefore, for the game model we propose the following assumptions:

1. In a highly abstract scenario, the reform policy would be “positioned” between two players; and then, both players share the interest on land according to the position of policy. Land reform means changes of the policy position;
2. The property regime is based on the public ownership where the government is the acting body of owner, user and administrator of land. Hence, it is entitled to economic benefits by its participation in the competitive land market. Meanwhile, it has the obligation to sustain a functioning land administration system and to maintain social stability by mitigating conflicts with farmers;
3. For both players, their *payoffs* from the game is the *expected utility* (expressed as  $G_u$  and  $F_u$ ), which would be the function of the net value of *Economic Benefits* minus *Costs*; their strategy is to influence the position of policy in order to maximize their *total expected utility*. Meanwhile, they share the common interest for a stable social environment and functioning land administration;
4. Both players can observe the other player’s economic payoffs. But farmers cannot accurately observe the government’s *costs in land administration* and *costs for maintaining social order*. And the government cannot fully observe farmers’ *transaction costs* and *attitude* toward acting policy;
5. In theory, the more policy is biased towards the government the more complex institutions are required to maintain a functioning land administration. Hence, more costs would be generated for the government and *vice versa*. The same applies to the farmers: more complex institutions mean more procedural or administrative expenses for farmers, thus more transaction costs for farmers;
6. When land administration reaches its maximum institutional efficiency, the costs for land administration would remain static. Also, farmers’ transaction cost is also static and reaches the minimum;
7. Farmers’ attitudes affect social stability; they hence influence the government’s input for maintaining social orders. And, farmers’ attitude is affected by observing the government’s economic benefit and changes on their transactions costs.

For the government, its payoff consists of three aspects:

1. The direct economic benefit ( $EB_G$ ) from land market transactions;
2. The costs of sustaining a functioning land administration ( $CL_G$ );

3. And, the costs of maintaining social stability where farmers' attitude toward policy affects the government inputs ( $CS_G$ ).

For farmers, the payoff is also consists of three dimensions:

1. The direct economic benefits ( $EB_F$ ) from land market transactions;
2. The transaction costs under certain states of land administration and institutions ( $CT_F$ ); and
3. The costs generates from the *attitude* toward the policy, where the level of *discontent* or *agreement* cause either *negative* or *positive* impacts to farmers' utility ( $CA_F$ ).

Then the payoff expressions for both players are:

$$G_u = f(EB_G - CL_G - CS_G)$$

$$F_u = f(EB_F - CT_F - CA_F)$$

The correlation between  $CL_G$  and  $CT_F$  is expressed as:

$$CT_F = f(CL_G)$$

And the correlation between  $CS_G$  and  $CA_F$  is expressed as:

$$CS_G = f(CA_F)$$

### 7.3.1 Basic Game Model: The Progress of Reform

First, the study designs a basic model to analyze the *motivations and interactions* for both players in responding to the other's actions which eventually reaches a mutually agreed policy.

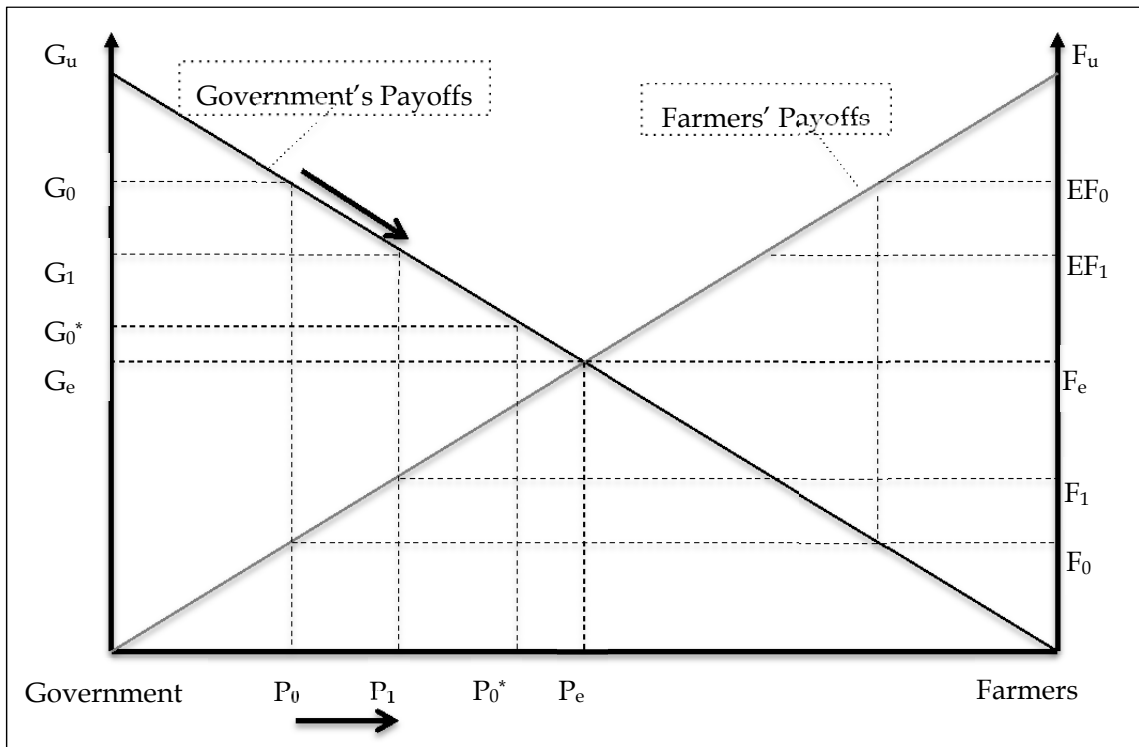
For the convenience of illustration, in the basic model the study assumes the government's costs on land administration  $CL_G$  and the farmers' transaction costs  $CT_F$  remain static values. Then, the basic model should be shaped as the following way (Figure 7.2).

The horizontal X-axis indicates the policy position, and two vertical Y-axes represent the expected utilities for two players. Since two players share the *total interests* on land, the policy that is totally biased to the government would leave no interests for farmers, and vice versa. Then, two crossing diagonal lines illustrate all the possible payoffs for both players.

Assume  $P_0$  indicates the status quo of land policy, and then the expected economic payoff for government is  $G_0$  and for farmers is  $F_0$ .



Figure 7.2: The Basic Game Model



Source: Author

Since farmers could observe government's payoff, they would *at least* expect the same payoff level as  $EF_0$ , then the line between  $(EF_0, F_0)$  indicates farmers' economic difference in expectation, which would cause farmers' discontent to current policy and threatening the social stability. For the purpose of a graphic illustration, in the following analysis, both players' payoffs as well as the changes of payoffs are expressed as the distances of intervals between specific dots. For instance, the mentioned economic difference that observed by farmers is expressed as  $EF_0 F_0$ .

Then, in order to maintain social order and resolve the threats, the government need to expense more to manage or suppress farmers' discontents and maintain social stability. Therefore, the actual payoff for the government would be reduced by such costs. Accordingly, the government's actual payoff is  $G_0^*$ , in other words the government could *actually* tolerate the policy bias at the position of  $P_0^*$ .

Since farmers could not observe this part of costs on the government's side, they do not know the actually tolerable policy position  $P_0^*$ . Therefore, the rational response for government is not to move to  $P_0^*$ , but to adjust its policy somewhere between the current policy and the tolerable policy, such as  $P_1$ , where it can still enjoy a higher payoff level, in the meantime increase farmer's payoff as the compromise for mitigating their discontent. Though the expected utility drops to  $G_1$ , the government still keeps a net benefit of  $G_0^* G_1$ .

To demonstrate this process in mathematic terms,

$$\text{Since } G_0 = f(EB_{G_0}) > F_0, \text{ then } CS_{G_0} = (G_0 - G_0^*) = f(EF_0 - F_0);$$

As  $G_0^* < G_1$ , then  $G_1$  is the best response for the government.

But, the game is not finished, as long as the government's economic payoff is higher than the farmers', as farmers' discontents would cause the government's costs on maintaining social stability to rise, the same gaming process would repeat again. Or illustrate it by conditional expressions:

$$\text{When } (EF_u - F_u) > 0, \text{ then } CS_G > 0; \text{ When } (EF_u - F_u) = 0, \text{ then } CS_G = 0$$

As farmers observed the government's payoff at  $G_1$  and their economic difference in expectations is  $EF_1 F_1$ , they should still be discontent and again claim for more favorable policy. Then, the gaming process starts again and again, and gradually the policy position moves towards farmers, until it reaches the intersection point of the two payoff lines, or the equilibrium state  $(G_e, F_e)$ , where policy would position at  $P_e$ .

As long as the government receives *economic benefit* from land market, a further bias toward farmers would be irrational for the government. For farmers, as their economic payoff is equal to the government's, they no longer have the discontent that caused by the government's higher economic payoff. Furthermore, as long as farmers are aware of the fact that the government would not give up its share of economic interest on land, they may also aware of that the government would not make more compromises on its policy. Therefore  $P_e$  is also the best response for both players in this circumstance. This policy position can be interpreted that as the government and farmers reach an agreement on how to distribute their diverging interests on land. However, both players could not enjoy higher payoff levels, and the policy is a result of compromises. In other words, under such "*Interests-Sharing Structure*" of land tenure system, repeated competitions between two players will limited the payoffs for both.

The basic model demonstrates motivations and interactions between two players in competing and sharing interests on land. It also shows that the progress of reform is gradual, experimental and repetitive. Through compromises, both players have to give up options with higher payoffs for their common interests of a stable society. But, "is it possible to reach higher payoffs for both players at the same time?"

### 7.3.2 Advanced Game Model: Effects of Policy

Though the basic model could explain motivations and interactions between two players, payoffs at the equilibrium state are not the optimum in the given situation. The

government's pursuit for economic interest and its competition with farmers prevent it from making more favorable policy for farmers which will diminish the government's payoff. Therefore, the study will further develop an advanced game model to analyze the effects of policy changes and argues the possibility of a *win-win* situation where both players could reach higher payoffs simultaneously. In addition to the previously discussed relationship and interaction between two players, the analysis will focus on how to change the policy and how different policies will affect the payoffs of both players, and what is a good or bad direction for policy changes.

Continuing to use the same assumptions as the basic model and considering all variables (including  $CT_F$  and  $CL_G$ ), the advance model focuses on the dynamic changes of payoffs in different scenarios of policy positions.

Although not all variables in the model can be accurately quantified, the *marginal changes* of these variables could be predicted and compared. The results of sequential comparisons are sufficient for game model analysis. Then, through analyzing the correlations of marginal changes of all variables', the model could illustrate the directional change of total payoffs for both players. First, the correlations of variables are specified (Table 7.1).

Table 7.1: Correlations of Variables

Payoffs	Government	Farmers	Correlations
Economic Benefits	$EB_G$	$EB_F$	Negative
Costs	$CL_G$	$CT_F = f(CL_G)$	Positive
	$CS_G = f(CA_F)$	$CA_F$	Positive

Source: Author

### 7.3.2.1 The Government's Payoffs

Firstly, to assume the scenario when the change of policy is constantly improving the farmers' interest, which can be illustrated in the graph as the policy position ( $P$ ) is continuously moving towards farmers. Accordingly, the policy change affects every variable. Then, all the marginal changes on the variables of government's payoff are listed in Table 7.2.

For each variable, its marginal value is expressed by adding a letter  $M$  in the front. And the upward arrow in the table indicates an increasing tendency of a variable in this

scenario, whereas the downward arrow indicates a decreasing tendency. From the table, as P moves toward farmers:

Table 7.2: Marginal Changes of Government's Payoff (I)

<i>When P moves toward farmers: Marginal Values</i>	<i>Since, <math>G_u = f(EB_G - CL_G - CS_G)</math></i>	
$MEB_G < 0, EB_G \downarrow$	<i>When, <math>MEB_G &gt; (MCL_G + MCS_G)</math></i>	$MG_u > 0, G_u \uparrow$
$MCL_G < 0, CL_G \downarrow$ $MCS_G < 0, CS_G \downarrow$	<i>When, <math>MEB_G &lt; (MCL_G + MCS_G)</math></i>	$MG_u < 0, G_u \downarrow$

Source: Author

- $EB_G$  starts to drop, which indicates that the government gradually reduces its claims on economic benefits until completely gives up competing economic interests in market where  $EB_G = 0$ .
- Meanwhile,  $CL_G$  and  $CS_G$  are also dropping, which means, as the policy allows farmers more practicable rights and freedom in transaction, the costs for government's input in land administration decreases. Similarly, the farmers' discontent also decreases, which means the government's costs in sustaining social stability are reduced as well.
- But, there are two possible outcomes to  $G_u$ : the decrease of  $EB_G$  could either slower than the decrease of the sum of costs ( $MCL_G + MCS_G$ ); or faster. Hence, the government's marginal utility  $MG_u$  can either be positive or negative value, which means the changing tendency of its total payoff  $G_u$  could either be increasing or decreasing.

In the basic model, any policy change in favor of farmers will always cause a decrease on the government's total payoff. However, to analyze the same condition in the advanced model, there is a possibility that the government can enjoy an increase in total payoff by making more favorable policy to farmers. But, this scenario is only possible, when the marginal reductions on administrative and social stabilizing costs are very high, which in comparison the marginal decrease on economic benefits is slower than the decreases on costs. Thus, this scenario can only happen if the policy position is highly biased towards the government's side, where the government aggressively pursuits its interests on and control over land; the high-power administration and exploitative interests grabbing would lead to a large and growing discontents among farmers which threat the stability of society and governance. In this extreme scenario, where the policy is completely biased towards the government, like in an extremely totalitarian and authoritarian regime, the

masses of landless farmers would organize a revolt against the regime which in turn would cost the government dearly.

However, as the policy position moves towards farmers, the cost on land administration decreases until it eventually reaches the lowest point. It also means that the land administration reaches its maximum institutional efficiency, or in other words it fulfills all the standards of the “good governance” in land administration. Then, the cost would remain static. To reach this point, the government must give up its involvements in competitive market, as well as exit from the interests sharing, which means the government acts only as the agent of land administration, instead of as land user or owner.

Further policy changes toward farmers have dramatic changes on payoffs of both players’:

- First, as the administrative costs ( $CL_G$ ) remains the lowest and static component, the farmer’s transaction costs ( $CT_F$ ) also reaches the lowest and static.
- Low transaction cost encourages land market transactions and other market activities, which can also lead to an increase in governmental revenue, such as regulatory fees or taxations on land transactions. Then, the marginal economic benefit ( $MEB_G$ ) would become positive. As a result, the economic payoff ( $EB_G$ ) increases. The important difference is that, the source of  $EB_G$  does not derive from competing interests with farmers, but from regular and official taxation revenues.
- At this point, as the government stops competing economic benefits with farmers, the farmers’ economic benefit ( $EB_F$ ) reaches the highest level. Then, instead of discontents, farmer’s attitude ( $CA_F$ ) towards the acting policy would be satisfactory and supportive, hence, it transforms from a cost into a “benefit” which has a positive impact on farmers’ utility ( $F_u$ ). It also means that the government’s marginal costs for maintaining social stability ( $MCS_G$ ) transforms from negative to positive values. Therefore, the government would enjoy the increase of payoffs from a stable society with people’s adorations and supports. Instead of being costs,  $CS_G$  here becomes a bonus.

Beyond this point, the government should again be able to increase its total payoffs by making policies more favorable to farmers. Therefore, the marginal changes of variables in this scenario are listed in Table 7.3.

Table 7.3: Marginal Changes of Government's Payoff (II)

After $CL_G = a$ , when $P$ moves toward farmers:	Since $MCS_G$ becomes bonus, then $G_u = f(EB_G - CL_G + CS_G)$
$MEB_G > 0, EB_G \uparrow$ Bonus $MCS_G > 0, CS_G \uparrow$	$MG_u > 0, G_u \uparrow$

Source: Author

This situation could be interpreted as one where the government gives up competing direct economic interests with farmers. In return enjoys the high efficiency and low-cost of land administration, as well as the positive increase of payoffs from people's supports. Therefore, this scenario can only happen when the policy position significantly biased towards farmers.

### 7.3.2.2 Farmers' Payoffs

For farmers' payoffs, policy changes favoring them would make their economic benefits  $EB_F$  constantly increasing; meanwhile the transaction costs  $CT_F$  and costs of attitude  $CA_F$  are dropping and even changing into bonus, which indicates the growing satisfactions toward policy improvements (Table 7.4).

Table 7.4: Marginal Changes of Farmers' Payoffs

$P$ moves toward farmers	Since, $F_u = f(EB_F - CT_F - CA_F)$
$MEB_F > 0, EB_F \uparrow$ $MCT_F < 0, CT_F \downarrow$ $MCA_F < 0, CA_F \downarrow$	$MF_u > 0, F_u \uparrow$
After $CT_F = b$ , when $P$ moves toward farmers $b$ is a static value	Since $CA_F$ becomes bonus, then $F_u = f(EB_F - CT_F + CA_F)$
$MEB_F > 0, EB_F \uparrow$ Bonus $MCA_F > 0, CA_F \uparrow$	$MF_u > 0, F_u \uparrow$

Source: Author

Farmers' transaction costs  $CT_F$  would remain stable when  $CL_G$  becomes a static value. And it is also the point where farmers' negative attitude reaches zero. For the government stops competing for economic interests with farmers and the transaction costs remain at the minimum level, there is no discontent on the farmers' end.

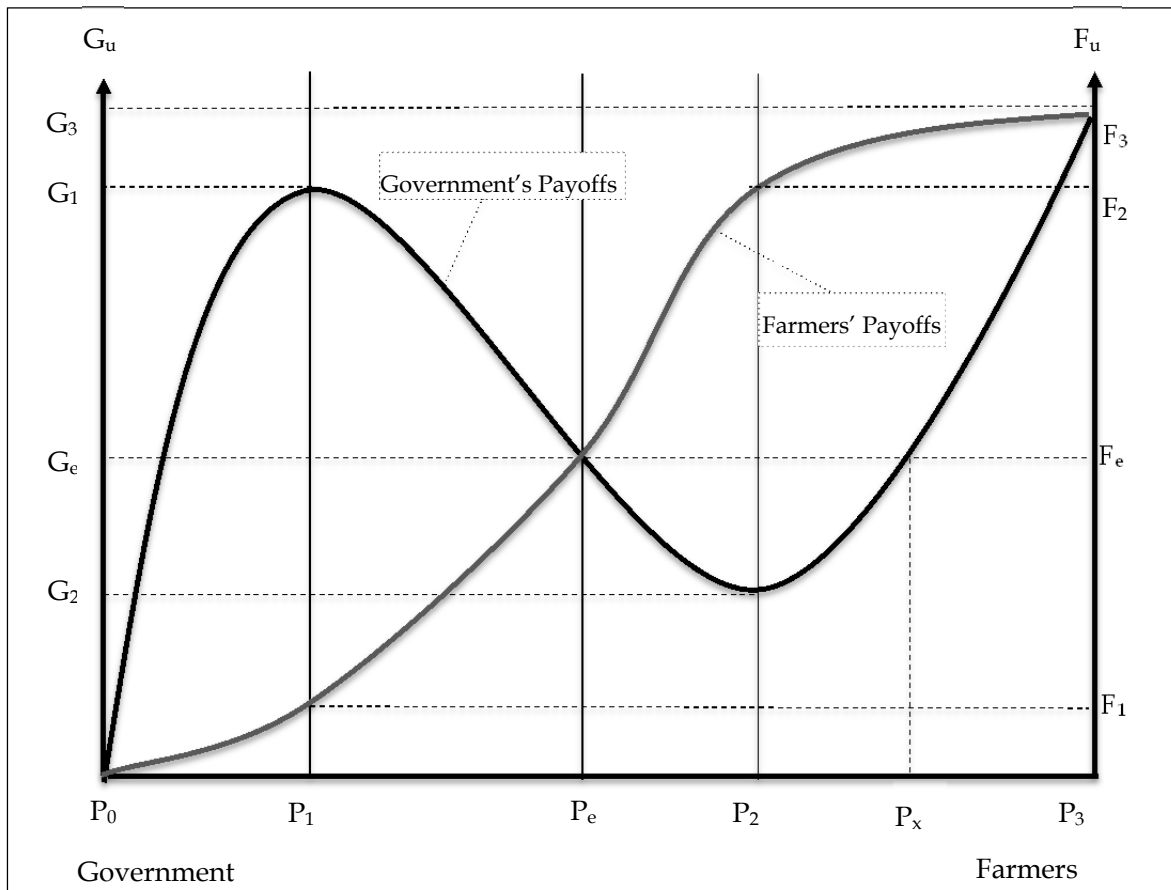
Beyond this point farmer's attitude would no longer be a negative cost component; the positive satisfaction dominates which means  $MCA_F$  would become a positive value. The following table shows the changes of farmers' payoffs

Then the payoff of farmers should shape as a continuously increasing curve, which means any policy changes in favoring farmers would always lead to the increase of farmers' payoffs.

### 7.3.2.3 The Advanced Game Model

Based on the analysis on marginal payoffs for both players, two payoff curves in the advanced game model should be shaped as shown in Figure 7.3:

Figure 7.3: The Advanced Game Mode



Source: Author

- The interval between  $P_0$  and  $P_1$  indicates the scenario where policy is highly biased towards the government. The high costs in maintaining a functioning land administration and social stability would offset high economic benefits. In a next step, little preferential policy changes for farmers can result in higher cost decrease for the government than losses in economic benefits; and the total expected utility ( $G_u$ ) would marginally increase. Until the marginal increase ( $MG_u$ )

equals to zero at the point of  $(P_1, G_1)$ , where the marginal decrease in economic benefits ( $MEB_G$ ) equals to the marginal decrease of costs.

- Then, the interval from  $P_1$  to  $P_2$  is very similar to the situation illustrated in the basic game model. For the government, as the policy becomes more favorable to farmers, the marginal decreases of economic benefits are faster than the decreases in costs, which makes the government's payoff continuously decreases.
- At the point of  $(P_2, G_2)$ , the cost for land administration reaches the lowest value, and being a stable one, where the maximal institutional efficiency in land administration is achieved. Also, it is the point where government's economic benefits from participating in a competitive market stops dropping; or expressed in other terms, it is the point that the government exits out of market, which means  $MEB_G$  equals to zero. Then, as policy moves from  $P_2$  to  $P_3$  the government's revenue from collecting taxes or administrative fees in an active land market,  $MEB_G$  becomes positive and bonus utility to the total payoff. Similar changes appear to the costs for maintaining social stability ( $CS_G$ ), at the point, since farmers' discontent ( $CA_F$ ) becomes zero; and then, beyond this point the farmers' discontent transforms into the satisfactions and supports, which also make the costs for sustaining social stability ( $CS_G$ ) a bonus utility to the total payoff  $G_u$ . Therefore, bonus utilities are the driving force that pushes the government's payoffs to higher levels from  $P_2$  to  $P_3$ .
- Farmers' payoffs appear as a continuously increasing curve from  $P_0$  to  $P_3$ . And, at point of  $P_2$   $F_2$  where the transaction costs remain static accompanying with the market exit of the government, the study argues that farmers' economic benefit ( $MEB_F$ ) reaches the maximum level. Then, since the government would levy taxations or fees on market transactions, the marginal increase of farmer's payoffs between  $(P_2, P_3)$  is slower than before, but still remains positive due to farmers' bonus utilities from growing satisfactions on policy as well as supports towards the government.

Eventually, the advanced model illustrates the effects of policy changes on both players' payoffs, which enriches the findings from the basic model analysis. More importantly, it theoretically proves that the government as the policy maker can enjoy higher payoffs by making policies more favorable to farmers beyond the equilibrium state ( $P_e$ ) that reached through mutual compromises in the basic model.



#### 7.3.2.4 Best Responses for Players

For both players, the best responses in different scenarios are:

- For farmers, the consistency in pursuing more favorable policies gives them increasing payoffs, hence the best response for them is to “keep asking” and “keep fighting” for policies being preferential to them. Then, the question arises: how to efficiently and accurately convey their claims to policy makers?
- For the government, there are two potential choices or two directions in making policies. Point  $P_e$  is the critical intersection that defines two directions; it is also the point reflecting the government’s priority in development strategy – economically oriented or socially focused. The situation between  $P_0$  and  $P_1$  pushes the stability and legitimacy of the regime to the edge; whereas in  $P_2, P_3$ , both players enjoy higher level of payoffs simultaneously, or a socially, economically and politically “win-win” situation arises.
- As a policy maker, the government has the power to guide the orientation of policy changes; hence the situation in  $P_0, P_1$  is the worst-case scenario for a government, therefore compromises have to be made. Though around  $P_1$ , comparatively optimum payoffs can be achieved for the government, but the huge difference in payoffs between the two players this optimum  $P_1$ , unstable. Just like the basic model demonstrated, the equilibrium state, or  $P_e$  would eventually be reached. Though being fully aware of the possibility of higher payoffs in  $P_2, P_3$  the government would be reluctant to move forward, due to its low payoffs between  $P_e, P_x$ .

So, there are two best responses for the government: to guide the policy close to  $P_e$  or to  $P_3$ . This means that there are two equilibrium states of the game, which depending largely on the government’s attitude of priorities.

#### 7.3.3 Model Applications and Interpretations

The model is explanatory for the evolution of land reform policies. By applying the model to the evolutionary process of CCP’s land reforms, seemingly fluctuated and random changes in policies can be well interpreted.

##### 7.3.3.1 Reform Policies in the Revolutionary Period: A Model Interpretation:

In general, the reform policies in the revolutionary period actually fitted into the situation in  $P_2, P_3$ . As the party redistributed land, wealth and power from the minority of traditional elites to the majority of comparatively less privileged peasants, the increases of

tenure security (at least for the majority) gained great support from rural society, which eventually assisted the party to seize power.

But there were exceptions, especially in early 1930s when Comintern's doctrinaires held the central leadership. The complete nationalization of all land or the absolute State ownership had greatly damaged the peasants' interests in cultivating land and their passion for revolution. The policy then might have given the party maximum resources or payoffs for its survival and future development, like the policy situation around  $P_1$  demonstrates; but the policy was not stable, as the drop of production and depreciation on land value indicated peasants' growing reluctance and lack of confidence for the regime. This happened despite the ruthless implementation measures and power governance under military occupation. The situation rapidly escalated, which almost put the communists revolution to the end.

The Japanese invasion actually gave the party an unexpected opportunity, which allowed it to alter its policies. By restoring private ownership, improving implementation approaches and minimizing conflicts, the following preferential reform policies for peasants proved to be much more effective and feasible to achieve the party's political objectives. The party's losses in economic interests were offset by rapidly diminishing costs.

Hence, as the party witnessed the consequence of extremely biased policies, it's highly unlikely for the party to again follow this path. For the rest years of the revolutionary period, CCP paid more attention in policy making to ensure mass supports.

### ***7.3.3.2 Reform Policies in the Socialist Period: A Model Interpretation***

Then, at the beginning of the socialist period, the policy development turned backwards, and the rural collectivization movement actually concentrated the government's control over land, as well as its share of interests from land. And the increased control indeed gathered the necessary economic capacity to fulfill the party's agenda in development. It also caused a tremendous loss for the farmers on both rights and benefits. Then, the situation could be explained as the policy moves from  $P_2$  to  $P_1$ .

Escalated by the political frenzy, "the great leap forward" and the "people's commune movements" actually pushed the policy to and even over the critical point of  $P_1$ , where not only ownership, but also using of land were collectivized. Farmers were detached from individual property rights and economic interests. Meanwhile, a highly centralized and hierarchical organization administrated the rural society, which was a highly efficient mechanism to collect rural surplus. The following decades of political turmoil aggravated

the farmers' discontent. Even minor adjustments in policy could not sufficiently offset the costs which brought the regime in danger. The situation refers to situations and payoffs in  $P_0, P_1$ .

Then, land reform in late 1970s and the following years turned the policy orientation again, through providing individual farming (HRC system) and improving tenure security for farmers, the social situation stabilized and the economy gradually developed. However, as the urban land market established and was rapidly growing, the government is in a dilemma situation: on one hand, the booming market brought significant economic benefits to the government; on the other hand, the inequality in interests sharing with farmers caused considerable threats to the stability of society, even the security of regime. The choices once again lay in front of the government, to pursue more economic benefits and move towards  $P_1$ , or more stability to towards  $P_2$ .

### ***7.3.3.3 Model Interpretations of Current Situation***

Due to CCP's strong ideological preference to the public ownership, the party is afraid that to give up control over land might threaten the very existence of public ownership; meanwhile, the government's active participation in land market could bring significant revenues. Hence, the progress of policies more favoring to farmers is was staggering. Now, the policy position should be located somewhere between  $P_1$  and  $P_e$ , where the government is still competing interests on land with farmers in the market. Also, land policies are institutionally biased towards the government, where farmers' property rights on land are limited and unequally treated.

As discussed, the government's reform policy is limited by its pursuit for economic benefit in competitive market. And as an acting owner, the government is entitled to share interests from land. The study argues that:

- Currently, the government is encouraged to make adjustments and changes regarding policies in interests-sharing, which could lead to a mutually agreeable policy ( $P_e$ ) based on the compromised payoffs on both players.
- The government should be aware of potentially better outcomes and make changes toward the win-win situation. Hence, the government has to transform its role in land market, which needs fundamental improvements in the orientation and recognitions of land policies.

According to model analyses, the land reform policy dedicated to improve tenure security in China should not only focus on making adjustments on sharing interests or patching

up insecurity problems, but more focus on clearing up institutional or socio-economic barriers that hampering the policy developments towards a win-win scenario.

## 7.4 Chapter Summary

In this chapter, a group model and two game models are applied to analyze the relationship, interactions and strategies for two players: the government and farmers, who influence and be affected by reform policies.

According to the group model, under current land tenure system in China, the relationship between the government and farmers as two interests groups who are competing over interests on land and the consequence of competition is reflected in changes of policy position. Meanwhile, two groups can make compromises on their interests to reach a commonly agreed policy position in order to maintain social stability.

Then, based on this both competitive as well as cooperative relationship, the study takes two interests groups as two players in a gaming scenario. The basic and advanced game models are developed.

The basic game model focuses on analyzing interactions between two players, and how players response rationally to reach an equilibrium state. The study finds that the government is motivated to change its policy in favor of farmers, and the progress is gradual and experimental. Also, as long as the government acts both as landowner/user and administrator, it would have economic incentives that prevent further bias towards the farmers' interests, after they reached the mutually agreed interest-sharing arrangement.

The advanced game model focuses on analyzing the effects of policy on both players in different policy scenarios. By extending the variables and applying the *marginal utility* concept to the basic model, the findings show that as the policy moves towards favoring farmers, the farmers' payoff constantly increase, but the government's payoffs fluctuates. In the case where policy is extremely biased towards the government, little changes on policy biasing towards farmers actually increase the government's payoff, but the bureaucratic costs in land administration and the costs to maintain social stability would be very high, and the stability of regime is threatened. Beyond such extreme case, the government's payoff marginally decreases while the policy further favoring farmers and the decrease will stop until the policy reaches the point where the government completely exits out market competition and gives up the economic benefit from land transactions. It is also the moment when the costs for land administration reaches the minimum and

remains stable. As the result, farmers' economic benefit reaches the highest level whereas their transaction costs reach the minimum and stable. Beyond this point, if the policy changes further favoring farmers, the government starts to receive positive bonus utilities due to the increases in administrative revenue from a growingly active land market as well as the bonus utility of being supported by farmers. In the meantime, farmers also receive positive bonus from being more satisfied with the policy, as the result their utility level keeps increasing. Eventually, both the government and farmers may simultaneously reach the highest payoffs without compromising their interests or a "win-win" scenario for both players. The theoretical possibility of the existence of this win-win policy can give the policy maker or the government motivations to making more preferential reform policies for farmers.

Finally, to examine the model, it was adapted to explain effects and consequences of previous reform policies as well as the current issues in China. Through the models, the study can stylize the relationship between the government and farmers, or the policy-makers and policy recipients; meanwhile, identify the optimum direction of policy changes in the future. Combing findings in previous chapters, the research proposes recommendations for the future reform policy.

## Chapter Eight:

# Conclusions, Recommendations on Reform Policies

*“As the economy develops, new problems arise, including income disparity, lack of credibility and corruption. To resolve these problems requires economic reform as well as political reform, especially reform of the leadership system of our party and country.”*

*-- Wen, Jia’bao 2012*

In this chapter, findings in previous analyses are concluded, based on which the hypothesis of the research can be confirmed. Then, applicable policies will be identified according to findings in model analyses; moreover, in order to enhance the feasibility and effectiveness of identified policies, they will be adapted to findings from analyses of the evolutionary pattern so as to propose recommendations for these policies. Also, the methodological limitations as well as the directions for further studies are provided. Finally, a closing statement gives a general summarization of this research.

### 8.1 Conclusions of Findings

According to the research objective, the conclusion of findings focuses on summarizing several key issues of the subject. It starts with the general reviews of CCP’s land reforms in different periods and their impacts on the status of tenure security; then, the unique characteristics of these policies are abstracted as an evolutionary pattern which can be utilized as a reference system guiding future reforms; and then, focusing on current tenure system, the conflict of interests between the government and farmers is recognized as the core issue for the new reform policies to resolve; and these findings therefore confirm the hypothesis of the research.

#### 8.1.1 Land Reforms and Tenure Security

In conclusion, CCP’s land reforms and reform policies both in the revolutionary and the socialist period have dramatic impacts on the land tenure system in China as well as on status of tenure security.

The reforms in the revolutionary period (1921-1952) were actually the redistribution of wealth and the restructuring of rural society. CCP successfully introduced and utilized the concept of “class struggle” in land reforms, which eventually overthrown the

traditional tenure system, equalized the land possession (or the distribution of wealth); meanwhile, the traditional elite groups in rural society were also replaced by CCP's enthusiasts. For CCP, land reform was the most effective instrument for the party's survival, growth and development, through which assisted the party to effectively mobilize rural mass to participate its revolution and eventually established a socialist regime. Dramatic changes in tenure security were represented by radical and politically-oriented mass movements against traditional elites; therefore, the status of tenure security changed in accordance to the fluctuations of CCP's political influences and military power.

In the socialist period (1952-1978), the focus of land reforms shifted to the *reform on the pattern of agricultural production*. The equalized private possession on land actually ensured the State-initiated rural collectivization movement. The movement actually deprived farmers' private ownership and gave State a strong control over land and rural production, which initially availed the State government to rapidly accumulate resources for its early industrialization scheme. Considering tenure security, from the dominating individual farming to the complete collective farming, the change of production pattern disguised the fact that all farmers' land was expropriated; and farmers' individual rights were replaced by the collective rights. As the results, the individual economic incentive for production was weakened, and the value of land was unrecognized. Farmers were "securely" attached to land and agricultural production, but there was no security for otherwise.

Then, the rural reform in late 1970s was also the reform on rural production pattern, only this time the reform gave up the collective farming without changing the collective ownership on land. Though, the economic incentive for agricultural production reconnected with individual efforts, but the value of land was still underappreciated. The establishment and development of the HRC system improved and ensured farmers' access to land and secure tenure on arable land in a given period of time, which initially brought significant improvements on farmers' livelihood.

However, as the country's urban- and industry-biased development scheme took the advantage from the still ambiguous collective tenure, the State could acquire land from rural landholders through requisition procedure with rather low costs; whereas the same land is sold in the urban land market with huge profit which makes the government a profit pursuing middleman. In addition, the (local) government and officials are politically and economically motivated to use their administrative power to manipulate land transactions as well as to actively participate market competitions. Therefore, the

core issue of tenure insecurity in current China is that the government and farmers are competing interests and rights on land, during which farmers are generally incapable to protect their land as well as to practice their rights.

### **8.1.2 The Evolutionary Pattern of Land Reform Policies**

Through the review of land reform and reform policies, the study concludes that land reform policies of different periods always follow a rather consistent and evolutionary pattern, which can be regarded as a three-stage cycle: policy making, implementation and revision. Meanwhile, there are two guiding principles always dominating the evolutionary process; furthermore in each stage, some unique characteristics, features and influencing factors affected the performance, effectiveness and progress of policies.

The evolutionary pattern is abstracted from CCP's land reform policies, which can illustrate the motivating force and intrinsic logic of policy changes beyond the contextual or methodological differences of policies in different periods or circumstances. Therefore, the pattern can be utilized as an analytical framework for comparatively analyzing policies as well as its implications to and effects on land tenure system.

As the pattern is also a summarization of experiences and lessons from previous reforms, it then can be regarded as a reference system for the government (or policy-makers) to reexamine current tenure system and policies so as to provide practical recommendations to policies in the next land reform.

### **8.1.3 The Government and Farmers: Competition and Cooperation**

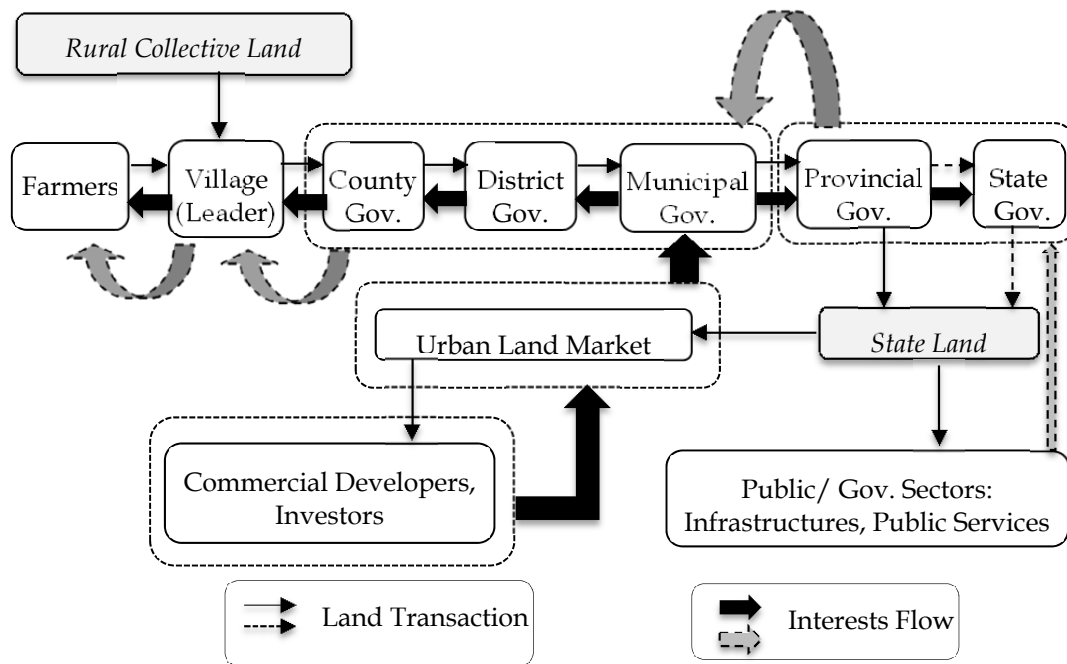
Currently, the government's profit-pursuing behaviors and its active interventions in land market institutionally cause the competition and conflicts of interests with rural landholders (farmers). It is a core issue of tenure insecurity and the fundamental problem hampering rural development in modern China.

#### ***8.1.1.1 Interests-Sharing Structure in Current Land Tenure System***

To understand the interests-sharing structure, it is necessary to first locate *how* and *where* the government could share or compete for (economic) interests from land. Figure 8.1 illustrates how the interest on land flows through relevant parties, especially different levels of governments, during a typical land transaction under current tenure system.



Figure 8.1: Land Transactions and the Flow of Interests on Land



Source: Author

In terms of the ownership transformation, rural collective land transforms from rural collectives (villages) to State land, which is the administrative procedure called *Land Requisition*. Then, in terms of uses of the land, it can be either transferred to commercial users like developers and investors (in urban land market); or through an *allocation procedure* to governmental or public sectors for infrastructural developments or public services with very little or even free of charge for land use.

Considering the licensing process of land requisition, according to current regulations the *State* or *provincial* governments have the authority to sanction land requisition, especially for rural arable land.

In a *market transaction*, land bid or auction is organized at the *municipal/city* level. Then, the market price for land (shown as the “interests flow” in solid black arrows) firstly goes to the municipal revenue; and then, it flows through governments of different levels (normally, a rather small part goes to upper level governments); and part of it eventually is given to rural collectives (villages) as the compensation for land which is normally much smaller than the market price. And, the municipal governments usually keep the biggest piece during this transaction. The idea for this distribution measure is that rural collectives, as legal owners of *collective land*, are only entitled for a portion of the market value which is calculated according to the land for agricultural uses. In other words, rural collectives (and farmers) can only claim compensations for losing their land (as if the land

will only and always be used for agricultural purposes.) Through requisition, the same land transformed into the *State land*, which means local governments are now the acting owner, therefore they are entitled to the full amount of market value. In other words, local government acts as a lucrative middleman who “buys” rural land with low agricultural price, then “sell” the same land with a market price. Both as owners, the rights of collectives’ are actually discriminated.

In situation of *allocating land* for the *public interests*, the compensation would be paid by the public sectors that gets land or by State or provincial budgets. In such cases, the compensation is normally even lower as the government always intends to lower the costs in public projects.

In both scenarios, there is another potential risk for farmers. As the collective or village leader is the actual enforcer for giving compensations to farmer individuals, they are economically motivated to have more control over the compensation for personal purposes; which means farmers might have more difficulties in access to the amount they deserved.

#### ***8.1.1.2 Findings from Model Analysis***

Based on the real world situation of current land tenure system, theoretical models are developed to reveal a both competitive and cooperative relationship between the government and farmers. As two interest groups on land, they struggle for more interests through incurring policy changes by their power of influence. Based on this relationship, two interest groups are considered as two players in a gaming situation and a basic game model explains the motivation and interactions between two players under an interests-sharing structure; which shows that both players are motivated to reach a policy position based on mutual agreements. However, both groups will suffer from compromises of interests. This reveals a vital finding that as long as current interests-sharing structure exists, land reform can only provide tenure security with a limited capacity; or in terms of rural development it is the institutional bottle-neck for further development.

By extending the basic model, an advance game model is developed to further analyzing the effects of different reform policies with regards to both players’ interests (payoffs), through which the study argues a theoretically win-win situation for both players where both player can maximize their payoffs simultaneously. Meanwhile, an optimum direction for policy development is identified. The research regarded this finding as the direction for locating policies for future land reforms.

To sum up, the study suggests that the reform to improving tenure security should be the *reform of government's identity and function*, which includes the change on the government's identity, removal of economic incentives and reduction of administrative interventions in land market. In addition to the policies dedicated to improve farmers' practicable rights, the suggested reform should facilitate the cooperation between two groups, which is also the optimum choice for the rural and the country's development.

#### **8.1.4 Confirmation of Hypotheses**

With the conclusion of research findings, the hypotheses of the study can be confirmed.

First, the evolutionary pattern of land reform policies is identified along with its features and influencing factors. The pattern proved to be instructive in proposing recommendations on policies for the suggested reform.

Under the current land tenure system, the competitive and cooperative relationship between the government and farmers is revealed and analyzed. The findings suggest that both groups eventually reach a mutually agreed policy after a series of repetitive struggles over interests on land. Furthermore, a win-win policy scenario for both the government and farmers can be reached. However, the government has to suffer a period of decreasing interest (payoffs) in the process. Nevertheless, it is the optimum direction for future land reforms and policies.

### **8.2 Recommendations**

Based on the conclusion of findings, the research proceeds to put these findings into producing practical policies for the suggested new land reform. And the recommendations are proposed in two steps:

- First to *identify suitable and applicable policies* for the suggested new land reform;
- By applying the evolutionary pattern to identified policies, to give *recommendations to enhance their feasibility and effectiveness*.

#### **8.2.1 Identifying New Reform Policies**

As the first step of proposing recommendations, applicable reform policies should be identified based on previous findings. As the model analyses have already pointed out the optimum direction of reform, it is necessary to combine the theoretical findings with real world situations; or to be specific, to design policies that can break through the limitation of current interest-sharing structure and further advance toward a win-win situation.

As Figure 8.1 recreates the interest-sharing structure in current tenure system, it reveals several important issues affecting farmers' tenure security:

- I. The current collective tenure system puts the actual controllability of and accountability for land in the hands of some governmental officials and village leaders. Farmers' incapability to practice or protect their rights (for a fairer compensation or for deciding the future use of land) is a crucial issue which needs to be changed;
- II. Market transactions are highly influenced by administrative power. Institutionally, urban land developers and rural landowners are isolated by administrative procedures as well as the local governments. Especially when local governments are economically motivated for the huge margin of land appreciation. When the government as the user of land (in land allocation procedure) for public projects always stresses the predominance of "public interests" that can easily overpower farmers' "individual interests". This is especially true when they are rather vulnerable in defending their legitimate rights as owners.
- III. Also, the complicated and hierarchical distributive measure of interests makes the whole process prone to collusions, nepotism and corruptions.

These issues not only reveal problems, but also signify the direction of reform. Hence, for the suggested new reform, the identification of reform policies should focus on following aspects:

#### **8.2.1.1 Policies to Improve Farmers' Practicable Rights**

Based on previous discussions, farmers' incapability to practice and protect their rights on land is an evident problem causing tenure insecurity, especially when facing the politically or economically powerful parties during transactions. To solve this issue, reform policy should concentrate on making improvements in following aspects.

##### **(1) Policies to Improve Rule-of-Law and Legal Assistance**

As aforementioned, existing institutions or legislations that are demarcating farmers' property rights on land are rather sufficient. The problem is more related to the rule-of-law than the content of the law.

Therefore, based upon the current legal system the following reforms should be made:

- a) Further specifying and enriching penalty clauses in legislation on issues of infringements or transgressions of farmers' property rights; a particular focus should be given to the specifications of practical regulations and legal procedures.
- b) Improving the independent status for law enforcements, courts and land administrations, especially setting preventive measures on governmental interferences; clearly differentiating the administrative affairs from judiciary tasks.
- c) Enhancing the capacity of law enforcements by imposing a censoring institution for land administration and the legal system; introducing more open, independent and public supervisions from the society.
- d) Providing sufficient legal assistance for farmers from land administrations and levels of governments as well as independent third-parties outside the system.

With these efforts, an institutionally and procedurally improved legal system will be the fundamental and legal foothold for farmers. And more importantly, an independent and functioning legal system would set the principle order for all parties in the society, which would not only regulate injustices in distributing wealth and resources (like land and its ensuing interests), also mediating conflicts and maintain social orders.

## **(2) Fostering Farmers' Awareness**

Even with a functioning legal system, another important precondition for farmers to practice their rights is that they must have sufficient knowledge on their rights and know-how to properly and effectively use it.

According to the survey, farmers are pervasively ignorant and undereducated in regards of laws and regulations in action that concerning their legal and property rights; also, they are rather confused with current tenure system and its institutions. However, they are generally interested in acquiring or learning more about their rights. Currently, what is hampering their access to information is mostly due to their limited and rather biased access to media and the exclusiveness of participation in policy making and implementation.

Thus, improvements should be made in developing more tangible and acceptable channels and instruments in conveying information; meanwhile, evoking and mobilizing farmers' positivity for public participation.

- a) Developing and emphasizing localized, communicative and interactive programs in policy publication and education which can allow direct access to information.

More importantly, proximity to land users could evoke interactions between policy makers and recipients; further encourage active public participation.

- b) The unilaterally propagandizing media, like TV, radio or newspapers should focus on introducing and explaining the policy from a neutral perspective. Especially in China, as a country with strict media control, the government always affects the independent position of public media, which could be potentially destructive for the government's reliability. For these media are still playing vital role as farmers' information sources, the reform should focus on improving the openness and impartiality of public media.
- c) As to the content of awareness fostering, thematic programs should focus on education and interpretation of rights, as well as the know-how of exercising them.
- d) Organizing various forms of public participation program in decision-making would enhance farmers' awareness of property rights through applying them in real-world situation. Furthermore, active participation could improve farmers' understandings of current land institutions and tenure system, through which feedbacks could be effectively conducted to policy-makers; also the increase of openness could minimize misunderstandings and potential conflicts.

Only when farmers have the capability to understand institutional, legal and economical indications of their property rights on land as well as the know-how of exercising them, they could then be able to practice and protect themselves effectively.

### **(3) Policies to Improve Grass-root Democracy**

According to the previous discussion, village leaders act a crucial role in decision making process as well as in the implementation of land policies. The current collective property regime lacks of specifications on individual rights, which allows village leaders to become the acting and actual dictators of land who could either be the good representative or the biggest obstacle for individual farmers to practice their rights.

Therefore, to improve democracy at grass-root administrations, the reform policy should emphasize the following aspects:

- a) Further improving the *direct election system* for village leaderships; and supervisions from both governmental and non-governmental inspectors should be introduced to minimize nepotism, corruptions or bribery in elections.
- b) Decentralizing administrative tasks and duties from chief village leaders to the *Congress of Villagers' Representatives*. In case of major decision that affecting the

collective interests of all members, more extensive or plenary congregation of villagers should be ensured as the only method for decisions.

- c) Encouraging farmers to voluntarily establish economic or social organizations or NGOs outside and independent from the administrative body of the village, such as *peasants' unions, production or trade alliance*; through which individual farmers could enjoy the congregated strength as an organization in excising and defending their rights.
- d) Initiating programs on grass-root democratization and individual's rights, which could also foster farmers' awareness of democracy.

As another step-stone for successful land reform, the improvements of democracy in grass-root administrations would directly enhance the practicable rights for farmers, especially as individuals; also it's a crucial and fundamental step for the country's political reform.

#### **8.2.1.2 Policies for Land Market Reforms**

Since the governmental involvement in the land market is the core issue causing tenure insecurity, land market reforms should focus on solving the problem from two aspects: firstly, minimizing governmental involvements in land market; and then, establishing an urban-rural unified land market.

Governmental involvements, here, include two interrelated behaviors: the administrative interferences of land transactions and the profit pursuing competitions. "*Administrative Interference*" does not mean regular tasks in land administration, but specifically indicates the government manipulates the process, procedures or rules of land transactions, from which the government could have the dominant control over land as well as the advantageous position in *interest-sharing* with farmers.

##### **(1) Policies to Change the Government's Identity**

Currently, the government acts simultaneously as the acting-owner, land user and administrator in the land market; its multiple-role makes it having various interests on land, which is also a root of current interest-sharing structure.

Hence the reform on changing government's identity should include:

- a) As the *acting-owner*, clearly delimiting the government's entitlement to interests from land market. Recognizing and valuing farmers also as the owner who deserves the fair share of market appreciation in land value.

- b) As the *administrator* of land (which should be the primary role for the government), clarifying the duties and obligations for land administration; pay extra cautions on excising administrative power in the market. And changing the goal of land administration from profit pursuing to regulating and maintaining market order.
- c) As *land user*, firstly it should strictly define the scope of “public interests”, and then introduce land evaluation to decide compensation standard. “Public interests” do not sufficiently legitimate to sacrifice the interests of individuals, especially when the sacrifices could be well compensated.
- d) Respecting farmers’ opinions as landowners and the collective ownership should be treated indiscriminately; especially when the government is acting as the land user.
- e) Reforming land requisition: strictly regulating the legitimacy of “public interests” as the pretense in adapting the procedure; establishing and enhancing negotiations and communications with farmers; avoiding forced evictions and resettlement or other compulsory methods in implementations.

Changing the role of government is a key step to improve tenure security, especially for the party in power whose fundamental interests relied on the capability of resolving conflicts of interests in the society and maintain social and economic order. Then, the government’s identity in land market should be more of a facilitator and administrator who could guide healthy development of market less of a beneficiary or competitor.

## **(2) Policies to Remove Government’s Economic Incentives in Land Market**

Since a considerable portion of land value can be kept by local governments, this already becomes the major source of local fiscal revenue. Furthermore, as local officials are censored and evaluated for their career performances in economic developments, they are driven to find and create more sources of local revenues for more fiscal freedom. Such economic and personal incentives, especially for local governments’, should be removed. Therefore, reform policies should integrate the following aspects:

- a) Reforming the performance evaluation system for (local) governmental officials, by changing performance standards from economic-oriented to more comprehensive standards, like the developments in education, social welfare, environmental protection, poverty reductions and so on.
- b) Reforming the taxation system, by decentralizing the current fiscal system and allowing more fiscal freedom for local development; in the meantime, strictly



supervising the uses, expenses and investments of local budgets; actively guiding the redistribution of wealth for eliminating social inequities and supporting vulnerable groups.

- c) Further advancing the “marketization” of land; by improving the legal system on market activities, enhancing rule-of-law, institutionally reducing discriminating or exclusive restrictions of market entrance, legally and equally ensuring all market participants’ rights and interests.
- d) Establishing and enhancing the executive accountability system for governmental officials, especially implementing strict penal measures to officials who abuses administrative power in land market for personal or career purposes.

Upon the removal of economic incentives, the government would also be more encouraged to identify itself as the servant and administrator instead of a competitor in the market. The change in identity could further assist the removal of economic incentives. Two sets of policies are mutually supportive and enhancing.

### **(3) Policies to Establish a Unified Urban-Rural Land Market**

By excluding the government’s involvements in land market alone is not sufficient to fulfill and protect farmers’ rights and interests on land. More directly, a functioning and healthy land market is urgently needed.

Currently the land market is institutionally separated into the urban-State and the rural-collective-land markets, which not only avails the government to act as a middleman who has the administrative power to insure its lucrative profits, but also gives the government maximum control on both markets. Moreover, the rural land market is much more exclusive and restricted in regards of market entrance and transferable rights compare to its urban counterpart.

Therefore, the following reform policies would facilitate the establishment of this market:

- a) Legally extending farmers’ rights of holding HRC land (considering permanent holding); and further stipulating the need of comprehensive property rights for individuals, especially the rights to use, benefit, disposal, mortgage and inherit; also, ensuring property rights for migrant workers or absent landholders.
- b) Allowing market entrance for urban land users and developers, where the land use strictly follows land use plans; land value would be decided through bidding, auction or negotiation; and the transaction follows the law of contracts.
- c) Allowing farmers, either as groups or individuals, to directly participate whole process of transactions; encouraging farmers democratically elect or hire

representatives in making transactions; also allowing independent third-party to supervise or monitor the process.

- d) Establishing a rural financing system and providing low-interests loans for agricultural or business developments; especially encouraging farmers' initiatives in expanding, diversifying or innovating operations, such as rural tourism, weekend-farms, Hi-Tech agricultures and so on.
- e) Encouraging joint ventures and cooperation between urban investors and farmers where land as the share of investments.
- f) Introducing and enriching legal assistance, notary, evaluation, mortgaging and other market services for facilitating and formalizing transactions.

The establishment of a unified urban-rural land market can ensure that collective land is treated as equal as State land in the competitive market, which can maximize farmers' interests on land and optimize the use of land as both economic and productive resource. To eliminate the middleman (such as the government), the market can also reduce transaction costs, opportunity for rent-seeking and corruptions, as well as maximize the interests for all market participants. Furthermore, a unified market could promote interactions between urban and rural society and reduce the gap of livelihoods, which could contribute greatly to the government's goal of constructing a harmonized society.

### **8.2.1.3 Policies for Reforming Land Administration**

As the game model reveals, the reform on land administration can minimize transaction costs, improve institutional efficiency and reduce administrative costs, which should reduce farmers' discontents and further encourage market transactions. In essence, the objective of the reform coincides with achieving *good governance in land administration*.

Then, by adapting the values of good governance in land tenure and administration (FAO, 2007, pp.10-11), new reform policies shall focus on changing or improving the following aspects (Table 8.1).

Also, to achieve good governance in land administration is a crucial precondition for the government to levy revenues from regular taxes and fees after exited the market, which, according to the theoretical model, could motivate reform policy advancing towards the win-win situation for both parties. Meanwhile, an efficient land administration could provide the necessary mechanism for effectively implementing land reform policies.

Table 8.1: Reform Policies for Good Governance in Land Administration

<b>(FAO) Good Governance Values In Land Tenure and Administration</b>	<b>Applicable Reform Policies</b>
<ul style="list-style-type: none"> <li>• <i>Land administration systems should be efficient, effective, and competent.</i></li> <li>• <i>Land administration officials should behave with integrity and give independent advice based upon their best professional judgment.</i></li> <li>• <i>Land administration agencies should be independently audited and should publish their accounts and performance indicators.</i></li> <li>• <i>Land administration services should be provided for all without discrimination, e.g. on the basis of gender, ethnicity, religion, age or political affiliation.</i></li> <li>• <i>Land services should be provided close to the user.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Scaling down bureaucratic system of land administration,</li> <li>• Improving transparency and openness in administrative tasks.</li> <li>• Simplifying and reducing bureaucratic procedures.</li> <li>• Curbing bureaucratic corruptions in land administration.</li> <li>• Improving working capacity, especially at local level.</li> <li>• Promoting working-ethic and professionalism training for officials.</li> <li>• Introducing independent supervisions from society or NGOs.</li> <li>• Involving private sectors to provide land services, like notary, legal assistances, evaluation and so on.</li> </ul>
<ul style="list-style-type: none"> <li>• <i>Land policies that embody value judgments should be endorsed by elected politicians after consultation with interested and affected parties.</i></li> <li>• <i>Land laws and regulations should be freely available, well drafted in a participatory transparent manner, responsive and consistent, and able to be enforced by the government and citizens.</i></li> <li>• <i>Sustainable land development should be encouraged.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Establishing extensive public participation and integrating bottom-up information channel into land administration</li> <li>• Improving transparency, openness and participations in legislations or decision making,</li> <li>• Strictly applying land use plans in developments,</li> <li>• Fostering people's awareness on land rights, laws and policies;</li> </ul>
<ul style="list-style-type: none"> <li>• <i>Land information is freely, available subject to the protection of privacy.</i></li> <li>• <i>Land registration and legal systems should provide security of tenure for those with a legitimate interest in a land parcel</i></li> </ul>	<ul style="list-style-type: none"> <li>• Developing and modernizing cadaster and registration system,</li> <li>• Issuing certificates of property rights on land.</li> </ul>

Source: Adapted from FAO, 2007, pp.10-11, Table 2; Author

## 8.2.2 Recommendations on Improving Effectiveness and Feasibilities of Policies

As the second step of recommendations, the evolutionary pattern of land reform policies is applied to the identified policies. Since the pattern is composed with the guiding principles and three evolving stages. For each stage, there are unique features and influencing factors, which can affect actual performances of the reform. Therefore, the

evolutionary pattern is utilized as a referencing system to locate recommendations for improving practicality, feasibility and effectiveness of these policies.

### 8.2.2.1 Recommendations According to the Guiding Principles

The evolutionary pattern proved that political objective and ideological preference always guide and be represented by land reform policies, upon which following recommendations are proposed as two principle guidelines.

#### (1) Maintaining Governance and Social Stability as the Priority

Proved by actual cases, there were many occasions in the history in which CCP prioritized political objectives over ideological preferences, especially when the actual situation was affecting the fundamental interests of the party. Hence, the first concern of reform policy should be the fixation of current political objective.

Currently, CCP as the party in power, its utmost political interest is to maintain and consolidate its governance, which is also the most essential objective for the party. Therefore, social instabilities affecting its governance should be minimized or effectively reconciled.

As practical implications on policies, the objective sufficiently rationalizes policies in changing the government's identity and exiting land market competitions. Also, considering the potential win-win situation, it could also motivate government to apply good governance in land administration.

Social stability is overwhelmingly the first priority for any governing party, and it can be achieved either through *power politics* or the mass support. The consequences of different approaches showed in the advanced game model give the only option for the government; especially when issues of social instability are growingly problematic for the government in recent years. The State's budget on "maintaining stability" has been growing rapidly, which already reached 510.4 billion RMB (roughly about 80 billion USD) in 2009. The governments have to regard the maintaining stability as the primary task as the economic development (Xiong, 2010). There is a huge space for improvement in terms of public expenditure and social costs. CCP's governance and the country's development are currently threatened by potentially devastating social unrests, which in turn determines the party's priority of political objectives. The study argues that, instead of continuously increase expenses on passively maintaining stability; the government should shift its strategy towards gaining stability from people's supports. Therefore, new land reform should represent the change, which is the also guiding objective for reform policies.

## **(2) Emphasizing Tenure Security without Challenging Ownership Structure**

From the review of reform policies, the party's ideological preference on public ownership is consistent throughout the evolutionary process which is unlikely to change in a foreseeable future.

Currently, the core issue of tenure insecurity is the government's competition and conflicts with farmers (as landholders) over interests and rights on land, which is *NOT* the issue of ownership. Though public ownership provides the government's entitlements for economic claims on land, however it doesn't give the State ownership superior position over the collective ownership. In other words, the core issue of tenure security originated from the inequality of property rights, not the difference between ownerships. The government has no right to deprive farmers' share of interests, nor can they dispose land or making decisions for farmers.

Meanwhile, as farmers' incapability to protect their rights on land becomes an source of social unrest; whereas the government's political objective is to maintain stability and governance, the government should be motivated to make compromises on its controllability and interest on land, in exchange for farmers' support and in turn - stability. Thus, the content of reform policies should emphasize issues that more focused on improving tenure security for farmers and avoid the fruitless debates on ownership issue which is an ideologically sensitive topic for the government and CCP.

Furthermore, the dual-ownership is not contradicted to the principle of a functioning land market as long as the same pricing mechanism and equal treatments are applied to both. In such market, land requisition procedure (where the government acts as a lucrative middleman) will no longer being abused by the government; more open market entrance will ignite active competitions; and the government can exit the market competition and provide services as the facilitator and administrator. And then, to strictly enforce land use plan that assisted by the modern cadaster and registration system is sufficient to fulfill the country's tasks in land use control and arable land protection.

Ideological preference should not be the barrier of reform; and by changing ownership along, like land privatization, doesn't necessarily bring security. Especially in China's case, the rush into privatizing land in a country with evident issues of bureaucracy and corruption may exacerbate issues of inequality and conflicts. From a pragmatic perspective, land privatization program can be discussed as a reform option only when more concrete developments in modern civil society and people's awareness of democracy are achieved,

### 8.2.2.2 Recommendations on Policy-Making

#### (1) Presumption of New Reform Policy

According to the previous findings, during the making of reform policies CCP tends to apply the presumption that serves its political objective.

Currently the primary objective for CCP to achieve from land reform is to adjust different social groups' interests on land to ensure social stability, especially between the government and farmers. Hence, it is crucial for policy-makers to be convinced that ensuring tenure security for farmers could improve their livelihoods, which would be a key step for solving rural problems that hampering the country's development; in turn, it will also motivate farmers' support to the regime. Therefore, it demands the policy-maker to firmly believe that:

*"Improvements on tenure security would consolidate and benefit the party's governance."*

As analyzed through theoretical models, only when the government is fully complied with such presumption, it could accept the temporary losses on its interests (or the controllability over land resource); and then, eventually achieve the win-win situation for both.

#### (2) Recent Developments in the Actual Situation

"Actual situation" is identified as an influencing factor in policy making. Nowadays in Chinese society, one of the newly-emerged and noteworthy aspects for policy makers is the development of civil society based on information technology.

Modern information technology rapidly changes the people's way of communication and interactions. The exchange of information and knowledge is no longer limited by time or space. Then, the information flow no longer circulates in the limited social groups or classes; and formerly hidden issues or local problems can be publicized and debated in a national scale almost instantaneously.

According to the *World Development Indicators and Global Development Finance*, the amount internet users in mainland China grows from 59 million to 460 million from 2002 to 2010, which takes 34.39% of the total population (World Bank, 2012). For policy-makers, the development is both a challenge and an opportunity. As a challenge, every decisions or actions of the government can be swiftly spread all over the country, even rumors. The people's sentiments toward certain policy or implementation measures can grow geometrically in the public, which increases the potential risks of mass discontent or social unrest. From another perspective, as an opportunity, the development demands the

government to be more considerate and cautious, more communicative and interactive, as well as allowing more openness and transparency in policy-making which can also encourage more fundamental political reforms.

In recent years, many incidences of tenure insecurity were exposed on internet (through social networking websites) and caused heated public discussions across the nation. Through information technology, more and more people could be involved in policy debates and express their opinions in an unprecedentedly extensive scale. This should remind the government of that other than the target recipients in the rural, new reform policies would most likely be examined by much larger population in public.

### **(3) Public Participation: From Elite Decision to the Mass Decision**

From the perspective of leadership influences on reform policies, according to the “*Constitution of CCP*”, the party upholds the “Democratic Centralism”, which “is a combination of centralism on the basis of democracy and democracy under centralized guidance” (CCP, 2007). As the party also claims “the party follows the mass line in its work, doing everything for the masses, relying on them in every task, carrying out the principle of ‘from the masses, to the masses,’ and translating its correct views into action by the masses of their own accord. (ibid.)” To combine the party’s claims with the actual situation, introducing public participation into policy-making doesn’t contradict the party’s principles, but actually fit them perfectly.

Also, elite dominated policy-making tends to be conservative, unless the elite groups’ core interest is threatened. Since the party’s primary objective is to maintain governance and sustain social stability, the party should already be motivated to make fundamental changes, which could ease the tension between the mass and the party. And the study believes that the most efficient and effective approach to achieve such change is to establish an extensive public participation mechanism.

Organizationally, to integrate public participation mechanisms into the making of reform policies allows the party (the elite group) to well grasp the values upheld by farmers; and then, further unify farmers’ values with its own. Meanwhile, participation gives the party the opportunity to fully understand actual situations and development of civil society which could encourage the party to push reform policy over the limitation of maintaining current interests-sharing status, and then advance to the win-win situation.

More extensive participation which involves more interests groups in society could invite more independent opinions into the considerations of policy-making. For instance, more market participants having access to the process can benefit the reform in land

marketization. It can also motivate the government's exit from market and identity change, and eventually fulfill the party's claim of "from the masses, to the masses".

The elite-dominated policy-making would in a long run still be the dominating organizational form in China. By introducing public participation, the party's objective can better reflect claims of the mass; and the mass can gradually enhance its power of influence in policy making. Just like the success of China's economic reform, the gradualism route can be adopted into land reform as well as the political reform towards democracy.

### **8.2.2.3 Recommendations on Reform Policy Implementation**

Compulsory measure as well as regional disobedience and deviational mistakes are frequently occurred problems in the implementation of reforms, which had greatly affected the performance of policy implementation.

#### **(1) Upholding Legality and Reasonableness in Implementation**

Compulsory implementation can cause seriously negative impacts to reforms and the image of the party, especially under current situation of rapidly growing civil society with modern technology. An incidence of compulsory implementation can soon evolve into a nationwide debate towards an acting policy as well as criticism and resistance to governmental misconducts, which is also a source of instability. Therefore, to avoid compulsory measures in implementing reform policies is the top priority for the government. Therefore, during policy implementation governments at all levels should methodologically uphold the virtues of legitimacy and reasonableness.

To improve procedural legitimacy, the government should not only make the policy context unambiguous, also specified action plans must in place and be enforced. In the history of CCP's land reforms, there are many incidences where procedural legality was compromised due to the political radicalness, the leadership's acquiescence, or the necessity of party's survival or development. However, under rapidly developing civil society as well as people's awareness on human rights and property rights, a modernizing Chinese society is growingly intolerant for any infringement or transgression on individual's rights by administrative forces. Thus, the government must acclimate to the situation and focus on implementing policies with indiscriminate, unbiased and law-abiding approaches. In other words, legitimacy stresses a universally equal and rigid aspect in implementation.



The reasonableness is another crucial aspect in implementation, especially for policies that involves farmers' cooperation, acceptance or consents. It has rather comprehensive implications that may concern timing, location, people's attitudes and many other uncertain elements. Therefore the reasonableness stresses the flexible aspect of implementation. To abstractedly conclude the issue of reasonableness is merely impossible giving the complexity of possible situations and individual cases a public policy may encounter. To follow the values of good governance (in land administration), especially at local or grass-root levels could be a feasible and well-grounded start.

To improve legality and reasonableness in implementation could affect not only performance and effectiveness of the reform, but also affect farmers' attitude towards the reform and the government which is closely related to social stability.

## **(2) Improving Policy Feasibility at Regional Levels**

The centralized policy-making and implementation was frequently challenged by the problem of regional disobedience; and the problem is escalating in current China where developmental competitions among regional governments that make the effects of central policies being discounted during implementation.

To improve the feasibility, firstly, the implementation should respect the regional differences. The complexity of regional differences makes it nearly impossible for any central policy to include all aspects of regional characteristics. Hence, the policy adaptation to regional features is the only viable option. Currently, provincial and municipal governments' all have certain authority to stipulate local regulations in accordance to the central policy. However, the problem is that local adaptations are frequently limited by the framework of the central policy.

Thus, the study suggests further decentralizations of implementation regulations, by giving more freedom and authority to local governments, even to the grass-root administrations. Moreover, to combine public participation programs with the policy decentralization that allows policies being implemented through direct interactions and communication with farmers. As to the content of policy, a central policy should focus on delineating principles, objectives and terms that reflecting the fundamental values of the policy, which leaves enough space to allow local governments and farmers to negotiate available and practical methods to achieve them. Meanwhile, sufficient considerations and efforts should be made to argue the necessity of a central policy – Is it more appropriate to have just the regional or local policy? Do we need central policy for such

local issues? These are the questions should be asked even before the making of reform policies.

More fundamental reason of regional disobedience is that a central policy often contradicts to certain interests of local governments, especially economic and officials' personal interests. Upon the removal of economic incentives for local governments and officials, regional competitions can be limited and the interests of regional or local governments can be in line with the central government which shall further improves the feasibility of policy.

### **(3) Avoiding Deviations in Policy Implementation**

Problems of deviation in implementing reform policies frequently appeared as radicalness, impatience and arbitration of the policy enforcers. The reason behind the problem is actually the human-factor that acting under political, economic and institutional incentives.

The members of CCP or officials of the government are the actual enforcers implementing reform policies that typically through a top-down approach. Hence, they are the human factor (or the uncertainty) in policy implementation. Since the progress of implementation was often regarded as an indicator that reflecting official's political allegiances, capability in promoting economic development or career performance, officials are politically or economically motivated to accelerate the pace of implementation without hesitations on applying radical or arbitrary measures. The problem can be exacerbated when the central leadership was misleading, implying or encouraging certain behaviors.

Therefore, the government should focus more on the quality of implementation instead of the progress. The timetable and plan for implementation should be cautiously elaborated and followed; for different regions, the schedule or action plan can be made in accordance with their unique conditions. Special attentions should be paid to avoid political, economic and institutional incentives that might motivate local governments and officials to deviate from the original plan; the accountability system should be introduced to hold the perpetrating officials responsible for their actions.

Land reform, as a governmental initiative, can fundamentally change the existing tenure system and the vested interests of entities, which usually becomes a delicate and time-consuming process. The human factor is unavoidably affecting its route and the progress; however, it can also be controlled by removing inappropriate incentives from the reform policies and by limiting leadership interferences.

#### **8.2.2.4 Recommendations on Policy Revisions**

Policy revision is a transitional stage from the policy in action towards the making of new policies. Three different approaches in revision have different effects on the acting policy that can be utilized in preparing for policy changes and guiding the policy evolution towards the desired direction.

##### **(1) Campaign and Movement: Initial Preparation for New Reforms**

Since “campaign and movement” functions as an “emphasizing and enhancing factor” to the acting policy, the government should make use of this feature to enhance and promote the good practices in existing tenure system, which will also in line with the direction of future reform. Then, the approach can be utilized for the initial preparation for developing new reform policies.

By nature, campaign and movement implicate the mobilization and interaction with people. Hence, it is readily compatible for the reforms on

- Fostering farmers’ awareness,
- Integrating extensive public participation in policy-making and implementation,
- And improving democracy at grass-root administrations.

In fact, the government has been encouraging improvements on these three aspects for years, but the progresses are unsubstantial. Then, to launch campaigns and movements that are dedicating to emphasize the merits of these claims will not only benefit current tenure system, but also prepares the rural mass with necessary knowledge of the new participatory reform; moreover, organizationally facilitate the implementation of new reform. Therefore, the study recommends the government should forwardly promote campaign and movement among farmers and rural collectives to enhance these aspects as the initial preparation for the suggested reform.

##### **(2) Policy Adjustments: Methodological Preparation for Reform**

Policy adjustment usually functions as the “sustaining factor” of the acting policy, especially adjustments for solving problems during implementation. Therefore, policy adjustment could be utilized as the methodological preparation for the suggested reform.

To be specific, adjustments on the acting policy should focus on following areas:

- Improving rule-of-law and providing legal assistances,
- Changing the government’s identity in land market,
- Adopting good governance in land administration,

- Upholding legality and reasonableness in implementation,
- Capacity building and professionalism training for officials,
- And policy decentralization and localization.

Efforts that invested in these adjustments could on one hand improve the legal, institutional and professional capacities in society that can greatly enhance the effective implementation of existing policy; on the other hand, they also prepare a sound environment for the new land reform and methodologically facilitate the enforcement of policies.

### **(3) Policy Amendments: Transition towards New Reform Policies**

Since policy amendment is the transitional stage towards new reform, which not only appears as amendments on principle terms of the acting policy but also foretell the directions of the new reform. Regarding the core problem of tenure insecurity, new reform policies are dedicated to resolve the conflicts of interests between the government and farmers. Hence, policy amendments shall focus on modifying the structures of rights and interests between them. To be specific, the following aspects should be stressed and implicated in amendments:

- Institutionally ensuring farmers' rights and interest on land,
- Gradually relieving restrictions on market entrance,
- Removing government's economic incentives in market competition,
- Reducing administrative interference in regular land transactions,
- Forwarding political, governmental and bureaucratic reforms,

These amendments will send a clear message to the public that the government is determinant in reforming current property regime and the existing interest-sharing structure, which also foretells the direction of new land reform.

#### ***8.2.2.5 New Reform Policies and the Evolutionary Pattern***

Theoretical models assist the study to identify applicable reform policies for improving tenure security; and then, these policies are adapted with the evolutionary pattern, from which practical recommendation are proposed for new reform policies.

The recommendations are proposed in accordance with the unique characteristics of CCP's land reform policies from guiding principles to all stages of evolutionary process. They can further assist the policymakers to identify reform objectives; avoid problems or mistakes in the previous reforms; and to be prepared for and facilitate the transition

towards new land reform. These recommendations can improve the righteousness, feasibility and practicality of policies.

### **8.3 Methodological Limitations and Direction for Further Research**

Research objectives demand the study to gather both historical and present data regarding documentations, events and facts of CCP's land reforms and policies for the identification of evolutionary pattern. Meanwhile, the general status of tenure security of current China needs to be represented with both the extensiveness and accuracy, for which can support the analyses of competitive and cooperative relationship between the government and farmers. Therefore, the research is methodologically challenged by the capability in data collection, especially the data to represent the general status of tenure security of the whole country. Also, as the tenure security mainly depends on people's perceived certainty of the practicable rights on land, which is basically a subjective standard based on individual's judgments, this could further limited the acquisition of accurate and unbiased data. Therefore, the greatest limitation for the study is to collect quantitatively sufficient and qualitatively sound data for supporting arguments. Hence, the employment of convenience sampling in selecting study areas as well as recipients and informants is the choice based on limited financial capacity, time frame and manpower. The limitation actually indicate one of the directions for further research, by increasing the studied areas and sampling size, the improvements in the quantity and quality of the data should generate more credible outcomes.

In model analyses, the commercial developers and other entities that may also affected by reform policies are excluded. Though the focal point of the study concentrates on the relationship between the government and farmers, however, in the real world situation there are other interests groups in the society and their interactions with and influence on both government and farmers could be very decisive and relevant to the issue. Hence, influences of other interests groups should be another direction for continuing the study.

Also, the study mainly focuses the discussion on the perspective of the State government, for it is the principle policy-maker in the centralized governmental system. But, in China, local governments' behaviors and interests have very unique characteristics. As the actual enforcer of reform policies as well as the crucial beneficiary in market transactions, it could be isolated as another important interest group in further studies.

There are many different schools and perspectives to evaluate and analyze public policy; therefore, to abstract a pattern from previously promulgated polices can also follow various theories or definitions. This study makes use of a rather general categorization in

defining the cycle of policy changes, which focuses more on representing the evolutionary process in the history. Hence, the pattern emphasizes the dynamic and cycling mechanism from one round of reform to another. However, regarding the dynamics and functionalities of public policies, there are many studies and theories proposed more complicated categorizations or different compositing structures. According to these theories, various types of policy patterns can be abstracted as well as different features and characteristics of policies can be concluded, which could be an interesting perspective for future researches. Of course, it is always an option to commence more in-depth research on CCP's land reform policies of a specific period of time; as this study considered, there are seven periods in about nine decades of historical spectrum. Therefore, to apply the evolutionary pattern as well as the theoretical models that identified in this research into the analysis of reform policies in a particular time period will be a valuable enrichment to this research.

## **8.4 Closing Statement**

Currently, so called "three rural problems" is hampering China's development, which has already drawn close attentions of the State government. As the government gazes upon the reform in rural land tenure system as one of the solutions for rural development issues, the direction and the effectiveness of the next rural land reform become the top concerns of the government and CCP.

The study believes that to improve farmers' tenure security is the right direction and the guiding principle for the suggested reform; and in order to achieve it, the new reform policies have to be made with a pragmatic recognition on the existing tenure system as well as the country's socio-economic and political situations. Moreover, to ensure the effectiveness and feasibility of the reform, policymakers need to not only identify the core problem and seek for solutions, but also must learn from experiences and lessons in previous reforms, which means a well understanding on the whole process of CCP's land reforms as well as the consequences of these reforms.

After analyzing issues regarding land reforms, policies and tenure security as well as their relations and interactions, compelling findings indicate that one of the most crucial reforms is depending on fundamentally change the government's role and actions in current land tenure system. The reform is principally in line with CCP's utmost political objective nowadays - to maintain social stability and the party's governance. However, there are still economic and institutional incentives for the government to sustain the existing interest-sharing structure as well as its active interferences in land market. For

the government as the policymaker, to improve tenure security for farmers may achieve an optimum result in a long run; but, in the short run, it must make compromises in its control over land and give up its profit pursuit in land market, which means it have to endure loss of interests for a rather long period of time. To conquer the dilemma, it demands an unwavering resolution and confidence on the promising future from both the central and regional governments as well as from the party's leaderships. This might be one of the most challenging issues for the next land reform in China today.

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	D: Oral contract without warrantor ;	
2.7	<b>Did you go to the local authorities to register the transaction?</b>	Yes / No
2.8	<b>What do you think about the HRC land transactions among villagers in your village: Frequency, Procedure, Rent, and Duration?</b> A Frequent; B Not Frequent; C The procedure is simple; D The procedure is complicated; E The rent level is reasonable; F The rent level is low; G The duration is acceptably long; H The duration is rather short; I Not Sure.	(4 questions would be answered separately) <b>Frequency:</b> (    )  <b>Procedure:</b> (    )  <b>Rent:</b> (    )  <b>Duration:</b> (    )
2.9	<b>Did your HRC land experiences the redistribution and readjustment? For how many times?</b>  <b>What is your attitude toward HRC land redistribution and readjustment?</b> A Don't want to; B Indifferent; C Want to; D Not Sure.	Yes / No  _____ Time(s)  (_____)
2.10	<b>Except HRC land do you have the "reserved plot"(If "no", then skip this question)? And How big is it?</b>	(_____)mu
2.11	<b>Will you increase the investment for the agricultural operations on the HRC land that you are tilting?</b>	Yes/No
2.12	<b>What are the concerns you the, when you considering to increase agricultural investment?</b> A Land redistribution and readjustment; B The duration of HRC; C Difficulties in finding loans; D Don't like to invest on the HRC that rented from others; E The State may requisition the land; F Others (briefly noted in the answering area)	<u>Top 3 concerns:</u> 1 <sup>st</sup> concern:(__) 2 <sup>nd</sup> concern:(__) 3 <sup>rd</sup> concern:(__) Others:(_____)
2.13	<b>If the State gives allowances or provides loans for cultivation, would you like to increase the investment on agricultural operations?</b>	Yes / No
2.14	<b>If the State promises to compensate your investment on land when land requisition, would you like to increase the investment on agricultural operations?</b>	Yes / No
2.15	<b>If the government allows you to use HRC land as the cumbrance for mortgage, would you like to use the loan to invest on agricultural operations?</b>  <b>If the loan is not for agricultural operation, but for other purposes, what most likely would use the loan for?</b> A Build or renovate the house; B Educations; C Medical Cares; D Improve Living Standards; E Others (briefly noted in the answering area)	Yes / No  (_____)
		Others:

2.16	<p><b>Do you know anything about Land Requisition procedure by the government?</b></p> <p>A Know nothing about it; B Never experienced, but know a little C Never experienced, but know a lot; D Experienced</p>	( )
2.17	<p><b>To your knowledge, what are the concerns you have about land requisition?</b></p> <p>A Nothing; B Compensation; C Resettlement; D Employment problems after land requisition; E Basic social welfares after land requisition; F Concerns a lot, nothing is satisfactory; G Others (briefly noted in the answering area)</p>	<p><u>Top 3 concerns:</u></p> <p>1<sup>st</sup> concern:( ) 2<sup>nd</sup> concern:( ) 3<sup>rd</sup> concern:( ) Others:( )</p>
2.18	<p><b>If the policy allows farmers to transfer land freely, will you lease or sale your land to people or firms outside the village?</b></p> <p>A Like to lease or sale all the land; B Like to lease or sale part of the land; C Don't want to D Not sure</p>	( )
2.19	<p><b>If there were the possibility to start an agricultural company that would concentrate farmers' land together. (Farmers can receive land rent and hired by the company to earn salary.)</b></p> <p><b>Who would you like to operate the company?</b></p> <p>A The village collective itself; B Villager groups; C Outsiders; D Do not wants this kind of company; E Not sure.</p>	( )
2.20	<p><b>How does your village make major decisions about the land issues?</b></p> <p>A The conference of farmers' representative; B The conference of all the farmers in the village C Though has the conference, but the final decision made by the village leaders; D Totally decided by the village leaders; E Not sure</p>	( )

**Part 3: Questions about Land Policies**

3.1	<p><b>Do you know about the "Land Administration Law"? And how much do you know about it?</b></p>	<p>Yes / No A lot/Some/Little</p>
3.2	<p><b>Do you know about the "Rural HRC Law"? And how much do you know about it?</b></p>	<p>Yes / No A lot/Some/Little</p>
3.3	<p><b>Do you know about the "Property Law"? And how much do you know about it?</b></p>	<p>Yes / No A lot/Some/Little</p>
3.4	<p><b>Do you know some other policies on land?</b> <b>How much do you concern about it?</b></p>	<p>Yes/Not much/Little Yes/Not much/No</p>
3.5	<p><b>What is the main media source of your knowledge on land policies?</b> <b>And what is the best media source in your opinion?</b></p> <p>A TV; B Radio; C Newspaper; D Internet; E The government organized propaganda teams or information flyers;</p>	<p>Main Media: ( ) Best Media: ( )</p>



## Annex 2 Land Tenure Security Survey for Village Leaders

Surveyor: \_\_\_\_\_ Date: \_\_\_\_\_ Village No.: \_\_\_\_\_ Village Location: \_\_\_\_\_

### Part 1. Background Information of the Respondent

Name		Age		Gender	
Official Duty				Incumbency	--

### Part 2. Village Background Information

Reg. Pop.		Regular Residence		Reg. Farmer Households	
Labor		Agri. Labor		Mig. Labor	
Admini. Area	ha.	Arable Land Area	ha.	HRC Land	Ha.
Location	Rural / Suburban / Urban Fringe			Ave. Ann. Income	RMB/Year

### Part 3. Land Policy Related Questions

1	<p><b>What is the villagers' popular attitude towards the HRC policy when it initially implemented (i.e. the 1<sup>st</sup> round of contracting)?</b></p> <p>A The majority of villagers oppose, hope to keep the Collective Commune structure;                  B Minority support, majority oppose, hope to keep the Collective Commune structure;                  C About half support and half oppose;                  D Minority oppose, majority support, hope to keep the Collective Commune structure;                  E Majority of villagers support, like to dismantle the Collective Commune;                  F Other situation (briefly noted in the answering field)</p>	( )  Other s:
2	<p><b>When initially implementing the HRC policy in the country, some area only dismantle the Collective Commune nominally, but actually keep the former structure of the Collective operation on land or "fake big farms", what was the situation in your village?</b></p> <p>A Dismantle the Collective Commune, and distributed all land to the farmer households;                  B Nominally dismantle the Collective Commune, but didn't distribute land to farmers;                  C Part of land distribute to farmers; and part of farmers still kept the Collective operation;                  D Others (briefly noted in the answering field)</p>	( )  Other s:
3	<p><b>After the implementation of HRC, did your village redistribute and readjust the land?</b></p> <p><b>How many times?</b></p> <p><b>And for what reason?</b></p> <p>A Population Changes (Birth, death, marriage, etc.);                  B The fertility differences on HRC land;                  C Land requisition caused land decrease;                  D Natural disaster caused land decrease;                  E Land development by the village caused land changes;                  F Farmers realized the economic value of land, and reclaim land after initially relinquished the HRC land;                  G The HRC policy changes; H Others (briefly noted in the answering field)</p>	Yes / No  Times( )  <u>Top 3 reasons:</u> 1st:( ) 2nd:( ) 3rd:( ) Others:( )

4	<p><b>What is the main reason of HRC land transactions among villagers?</b></p> <p>A Lack of labor;</p> <p>B Agricultural income is too low, but unwillingly to give up HRC land, doing other complementary business;</p> <p>C To rent land would get higher income than cultivation;</p> <p>D Others (briefly noted in the answering field)</p>	<p>(_____)</p> <p>Others: :</p>
5	<p><b>What is the main reason of the farmers who lease other farmers' land?</b></p> <p>A Own HRC land is too little;</p> <p>B Don't want to or don't have other skills to do other business;</p> <p>C Skillful tilter, want to expand the cultivation</p> <p>D Others (briefly noted in the answering field)</p>	<p>(_____)</p> <p>Others: :</p>
6	<p><b>Since 1989, did the State requisition land from your village?</b></p> <p><b>For how many times?</b></p> <p><b>When is the most recent land requisition in your village?</b></p>	<p>Yes / Never</p> <p>Times( )</p> <p>Year ( )</p>
7	<p><b>During the most recent land requisition:</b></p> <p><b>Did the government inform the villagers about what project is the land for, before the land requisition starts?</b></p> <p>A Just the government's announcement of requisition, but don't know any information about the project;</p> <p>B The government announced the requisition, and inform the villagers about the project;</p> <p>C Before the requisition, there is only gossips among villagers;</p> <p>D No governmental announcement, and no information about the project; only when the project is finished the farmers know about it.</p>	<p>(_____)</p>
	<p><b>Did the government ask for the villagers' opinion before land requisition, and how the villagers think about it?</b></p> <p>A No one asked, villages don't have issues; B No one asked, villagers' issues reported to the village leaders; C The government or the village asked for the villagers' opinion, but the opinions were ignored; D The government or the village asked for the villagers' opinion, and the opinions were responded; E The village organized the conference, and report the opinions to the government</p>	<p>(_____)</p>
	<p><b>How the compensational standard was decided?</b></p> <p>A The government issued the standard; the farmers didn't participate the process;</p> <p>B The government organized the public-hearing and with villagers discussed the standard;</p> <p>C The government or the developer discussed with the village leader and decided the standard;</p> <p>D The villagers and developer discussed and decided the standard;</p> <p>E Others (briefly noted in the answering field)</p> <p><b>During the process of "leveling the structures and resettlement" in land requisition, is there any "nail family" who refuse to move?</b></p> <p><b>Did the government implement the forced eviction measures?</b></p>	<p>(_____)</p> <p>Others:</p> <p>Yes / No</p> <p>Yes / No</p>
8	<p><b>What is the main approach in the village while propaganda the State's policies?</b></p>	

	A Organized all the villagers to study; B Organized the villagers' representatives to study; C Just give documents to the villagers, didn't organize the study; D Post or broadcast the documents in public; E Villagers acquire knowledge from news by themselves; F Others (briefly noted in the answering field)	( )
9	<p><b>Is the situation of occupying arable land for residential purpose popular in your village?</b></p> <p><b>How about the situation of idled residential plots or idled houses?</b></p>	<p>Many / Some / Seldom</p> <p>Many/Some/Rare</p>
10	<p><b>How many villagers working outside the village constantly over the years ?</b></p> <p><b>How these migrant workers dealt with their land?</b></p> <p>A Lease to other farmers or the collective;</p> <p>B Relinquished the HRC land, and returned to the collective;</p> <p>C Mainly idled; D Give it to other family members or relatives;</p>	<p>( )people</p> <p>( )</p>
11	<p><b>Did any people or company rent the <u>arable land</u> in the village to establish the agricultural company?</b></p> <p><b>Did anyone rent the village's <u>construction land</u> to establish industrial factories?</b></p> <p><b>Did anyone rent the village's <u>arable land</u> to establish industrial factories?</b></p>	<p><u>Yes / No</u></p> <p><u>Yes / No</u></p> <p><u>Yes / No</u></p>
12	<p><b>What is the main approach, when villagers and the collective have conflicts over land?</b></p> <p>A Arbitrated by the court; B Arbitrated by the land administration authority</p> <p>C Arbitrated by the government; D Through nepotism connection to find local leader</p> <p>E Through private channel, under-the-table</p>	( )
13	<p><b>When the villagers have any thoughts or opinions about the country's policy, how did they convey them?</b></p> <p><b>And which approach do you think is the most effective one?</b></p> <p>A Villager individual report through letters or visit; B Villagers report to the village leader; C Villagers ask representatives to report; D Villager look for help through nepotism connections to find the officials; E Villagers spontaneously organized the conference, and send the representatives to report; F Others (briefly noted in the answering field)</p>	<p>( )</p> <p><u>Most Effective:</u></p> <p>( )</p> <p>Others:</p>
14	<p><b>What land policy do you think the farmer concerns the most?</b></p> <p>A HRC policy; B Residential Plot policy; C Policy on the arable land transactions;</p> <p>D Policy on rural construction land transactions; E Policy on the rural unused land;</p> <p>F Policy on land registration and certification;</p> <p>G Other policy(briefly noted in the answering field)</p>	<p><u>Top 3 concerns:</u></p> <p>1<sup>st</sup> concern:( )</p> <p>2<sup>nd</sup> concern:( )</p> <p>3<sup>rd</sup> concern:( )</p> <p>Others:( )</p>
15	<p><b>According to current land policies, what do you think about the land tenure security?</b></p> <p>A Very secure; B Fairly secure; C Moderately secure; D Fairly insecure;</p> <p>E Very insecure</p>	( )

Thanks again for your participation, if you would like to give more comments about our research, please tell our surveyors and they would write them down.