



Farmland tenure in China: Comparing legal, actual and perceived security



Xianlei Ma^{a,b}, Nico Heerink^{a,b,c}, Shuyi Feng^a, Xiaoping Shi^{a,*}

^a China Centre for Land Policy Research & College of Public Administration, Nanjing Agricultural University, Nanjing, China

^b Department of Social Sciences, Wageningen University, Wageningen, The Netherlands

^c College of Public Administration, Zhejiang University, Hangzhou, China

ARTICLE INFO

Article history:

Received 30 September 2013

Received in revised form 20 July 2014

Accepted 30 July 2014

Keywords:

Land tenure

Legal security

Actual security

Perceived security

China

ABSTRACT

This paper examines the magnitudes of legal security, actual security and perceived security of farmland tenure, and the causes of currently prevailing land tenure insecurity in rural China. Two farm household surveys conducted in the northwest of Gansu province in 2010 and in the northeast of Jiangxi province in 2011 are used as case studies. Although recent land tenure reforms have significantly improved legal tenure security, we find that farm households still experience substantial insecurity of actual and perceived land tenure. We argue that social security considerations, ambiguous formulations of laws, and village self-governance rules are three important underlying causes. Actual and perceived land tenure security is lowest in the case study region in Jiangxi province even though the share of off-farm income in rural household incomes is much larger in that region. We explain this finding from investments in land quality improvement made by rural households in the Gansu case study region, the larger per capita land resources in that region, and the limited social security provided by off-farm employment.

© 2014 Elsevier Ltd. All rights reserved.

Introduction

The prevailing system of rural land tenure in a region can be an important factor in agricultural growth and farmers' welfare in that region. The available literature on rural land tenure has mainly focused on the impact of land tenure security on (1) land-related investments (e.g. Wen, 1995; Jacoby et al., 2002; Deininger and Jin, 2003), and (2) land rental market participation (Deininger and Jin, 2005; Holden and Ghebru, 2005; Holden et al., 2007; Jin and Deininger, 2009), and consequently on (3) productivity and efficiency in agriculture (e.g. Li et al., 2000; Ahmed et al., 2002; Jacoby et al., 2002). Empirical tests of the impact of land tenure security on investment, land rental market participation and productivity have provided mixed results. Among others, different concepts and measures of tenure security play an important role in explaining these mixed empirical results (e.g. Besley, 1995; Fenske, 2010; Arnot et al., 2011).

It the recent literature (e.g. Van Gelder, 2009, 2010; Fenske, 2010; Arnot et al., 2011), it is increasingly recognized that a re-recognition should be made about what constitutes tenure security

and how to measure tenure security in empirical analysis. Van Gelder (2010) proposes a tripartite view in which tenure security is viewed as a composite concept with three constituent elements: legal (*de jure*) tenure security, actual (*de facto*) tenure security and perceived tenure security. The legal tenure security approach sees tenure security as a legal construct. It equates formal property rights with tenure security. Full legal tenure reduces uncertainty regarding ownership and allows for the invocation of the coercive hand of the state when rights are being violated. The *de facto* tenure security is based on the actual control of property, regardless of the legal status in which it is held. It is often related to such factors as the length of time of occupation, the level and cohesion of community organization, and third-party support. Perceived tenure security refers to household perceptions of tenure security. It generally takes the form of household probability estimates of the chance of eviction by the state or landowner and other factors that may cause involuntary relocation (Van Gelder, 2010: 451).

Although Van Gelder's tripartite view on tenure security was developed for analyzing urban land tenure security and settlement development in the developing world, the approach seems equally relevant for analyzing land tenure security and agricultural development in developing countries. In developed countries, the facts on the ground may largely be in accordance with the existing formal laws and regulations, and the three elements of the tripartite view may be highly related. In developing countries, where

* Corresponding author at: No. 6, Tongwei Road, Nanjing, Jiangsu 210095, China. Tel.: +86 02584395078.

E-mail addresses: xiaopings1@gmail.com, serena2@njau.edu.cn (X. Shi).

formal, customary, religious and other legitimate bases for claiming property rights frequently coexist and the state capacity in implementing the rule of law is often limited, there is no necessary connection between the three elements. The extent to which the three elements are related may vary from situation to situation and is ultimately an empirical question (Van Gelder, 2009: 130–131).

The recent literature on tenure security focuses on differences in the definitions and measurement of tenure security, the relationship between different elements of tenure, and the implications for linking tenure security with economic behavior (e.g. Bouquet, 2009; Van Gelder, 2009, 2010; Fenske, 2010; Arnot et al., 2011). A study measuring and comparing the three different views of tenure security and explaining the observed differences between them, is lacking so far to our knowledge. China offers an interesting case for performing such a study. Since 1998, the Chinese government has implemented a series of legal land tenure reforms which aim to improve legal tenure security and transferability of farmland. Given its vast rural area and the limited implementation of the rule of law, important location-specific differences are likely to exist between legal, actual and perceived tenure security.

The objective of this paper is to compare the magnitudes of legal security, actual security and perceived security of farmland tenure in China, and to investigate the causes of currently prevailing land tenure insecurity. Available information obtained through two farm household surveys conducted in Minle County, Gansu province in 2010 and Yujiang, Guixi and Yanshan County, Jiangxi province in 2011 is used to fulfill this objective.

This paper contributes to the debate in the literature about what constitutes tenure security. It extends Van Gelder's (2010) theoretical analysis of a tripartite view of tenure security by providing quantitative estimates of legal security, actual security and perceived security and exploring the causes of prevailing farmland tenure insecurity in China. The paper also intends to provide a basis for the future study of the effects of land tenure security on agricultural development in China by integrating legal security, actual security and perceived security into a coherent framework with links to the recent land tenure reforms and to household economic behavior.

The paper is organized as follows. The following section discusses the farmland tenure system and its recent market-oriented reforms in China, with a focus on the consequences for legal tenure security. Section "An integrated conceptual framework" reviews the literature about land tenure security and presents an integrated conceptual framework for analyzing the relationship between land tenure reforms, the three views of tenure security and rural household economic behavior in China. Section "Methodology" and section "Results" examine the different magnitudes of existing legal, actual and perceived tenure security and discusses possible causes of existing discrepancies between them. The method of data collection in the two case study areas are introduced in section "Methodology", and is followed by discussion of the results in section "Results". The paper ends with concluding remarks in "Conclusions" section.

Farmland tenure system reform in China

Legal land tenure security in rural China is determined to a large extent by the formal land tenure reforms that have been implemented since 1978. Two main stages can be distinguished, namely the establishment of individual farmland use rights based on egalitarian principles under the household responsibility system (HRS), and the market-oriented land right reforms which are intended to increase tenure security and land transferability.

Legal tenure security and the HRS

In the spring of 1979 a trial was started in Xiaogang Village, Fengyang County, Anhui Province, which allocated collective land resources to individual farm households according to equalitarian principles. Farmers were given land use rights and the right to obtain a portion of the income derived from the land. It closely linked farmers' income to their labor and land output. The central government affirmed the trial, called it the HRS, and implemented it across the country from 1981 onwards. By the end of 1984, 99% of the production teams of People's Communes across the country had adopted the HRS. The implementation of the HRS improved labor monitoring efficiency and gave farmers greater production incentives, leading to a sharp growth in land productivity (McMillan et al., 1989; Lin, 1992).

Land use rights were assigned to rural households under the HRS for a period of 15 years, while land ownership remained with the collective (Tan et al., 2011). Using Demsetz' (1967) "bundle of rights" concept, the HRS assigned to rural households the right to use the land for a specified period, the right to decide about land utilization for agricultural purposes (including forestry, animal husbandry and fishery) after meeting pre-specified quota obligations, the right to obtain the residual income derived from the land, and the right to sublease the land within the collective for agricultural purposes. It denied to rural households the right to mortgage the land, the right to use the land for non-agricultural purposes, and the right to sublease the land to individuals or units outside the village collective.

Qu et al. (1995) argue that there exist two major ambiguities in the land rights definitions under the HRS: (1) Property rights to rural land were transferred to the collectives, but it is not clear which specific collective organization – the village branch of the Communist Party of China, the village committee that functions as an extension of the national bureaucratic system, or the village economic cooperative – should be regarded as the real owner of the land. (2) The specific content of land property rights is not precisely defined by law. In fact the village collective has no rights other than the distribution and adjustment of land use rights. And although households are allowed to transfer their use rights to other households within the village, the conditions and transfer modes for doing so are not specified.

The size of the land assigned by village collectives to the households within a village under the HRS was determined by the household size, the number of laborers in a household, or a combination of both (Tan, 2006). The egalitarian principles underlying this system of land allocation had two important impacts on land tenure insecurity.

Firstly, administrative reallocations of land were used by village officials to address demographic changes that occurred within a village. These land reallocations could either be full-scale or partial. Under full-scale reallocations, all farmland in the village was given back to the collective and, after subtracting proportional shares of land needed for other purposes, redistributed among village households. Under partial reallocations only the land of those households who experienced demographic changes (birth, death, marriage, migration) was reallocated among these households while leaving the rest of the land unaffected (Deininger and Jin, 2009; Wang et al., 2011). The practice of frequent reallocations in response to changes in household sizes or composition, with households typically not being compensated for investments that they made in the land, is generally believed to contribute to tenure insecurity (Lohmar et al., 2001, 2003; Wang et al., 2011).

Secondly, the HRS regulations stipulated that land can only be allocated to households residing within a village. Consequently, the land use rights granted to a farm household could be dispossessed by its village when that household moved out of a village. Farmers

Download English Version:

<https://daneshyari.com/en/article/6548399>

Download Persian Version:

<https://daneshyari.com/article/6548399>

[Daneshyari.com](https://daneshyari.com)