

Hu Jintao's Land Reform: Ambition, Ambiguity, and Anxiety

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Amid the global financial crisis and its strong impact on the Chinese economy, the Party leadership has embarked on another land reform plan. This ambitious development plan promises to give farmers more rights and market incentives that will encourage them to subcontract and transfer land. It will also give incentives for surplus rural laborers to move to urban areas. What is the impetus behind this new round of land reform? What are the principal objectives and policy initiatives? How well are China's leaders going to be able to handle a socioeconomic transformation of this magnitude? What are the possible negative consequences of this reform? What kind of leadership division might occur? What sorts of local versus national fissures might this new development strategy open? Will this land reform be able to significantly reduce the economic disparity in the country, thus increasing domestic demand in China's vast rural areas? This preliminary study of the launch of Hu Jintao's land reform aims to shed light on these timely and important questions.

It may well be the judgment of future historians that the Third Plenary Session of the 17th Central Committee of the Chinese Communist Party (CCP), which was held in October 2008, was a landmark event in contemporary China.¹ Approximately 500 high-ranking officials and experts on rural affairs, including 368 members and alternates of the Central Committee, attended the meeting, and they passed the "Resolution of the CCP Central Committee on Some Major Issues in Rural Reform and Development" (hereafter referred to as the Resolution). The Resolution not only endorsed the plan for new land reform that aims to boost agricultural productivity and peasants' income, but also signified a strategic shift toward ending China's century-long dual economy—what distinguished scholars such as John King Fairbank and Fei Xiaotong called the segregation between "rural China" and "urban China."²

By design, this plenary session coincided with the 30th anniversary of the previous land reform plan enacted by Deng Xiaoping at the Third Plenary Session of the 11th Central Committee in 1978. It was in this previous plenary session that the Chinese leadership initiated China's market reforms and "opening up" to the outside world. These changes have contributed profoundly to China's unprecedented economic growth over the past three decades. The official Chinese media have often stated, both explicitly and implicitly, that the strategic decision made at this recent third plenary session in the fall of 2008 will have as far-reaching an impact on the transformation of the country's socioeconomic landscape as the previous historical meeting 30 years ago.³

Contending Views on Hu Jintao's Land Reform Plan

Analysts both in China and abroad have vastly different opinions as to the motivation, likely policy implementation, socioeconomic and political consequences, and historical significance of the new land reform plan. Some optimists believe that the CCP's new policy to enhance Chinese farmers' land-use rights and redistribute rural land will encourage the inflow of capital to the agricultural sector, reduce the income gap between rural workers and urban dwellers in the country, and ultimately stimulate domestic demand.⁴ A substantial increase in consumption by the vast rural population in China would change the country's long-standing mode of export-led development and contribute to the recovery of the global economy. The significance of this new land reform, therefore, goes far beyond China's own national borders. Some pessimists, however, argue that the proposed policy on transfer of land will inevitably lead to a monopoly of vast land resources in the hands of a small number of landlords and to widespread urban slums; and it may, in fact, worsen rather than narrow the nation's enormous economic disparity.⁵ Millions of landless farmers, according to the pessimists, will make China's daunting challenge in urban unemployment even more acute, thus causing serious sociopolitical crises in the country.

Whatever the final outcome of China's new land reform, it seems certain that Hu Jintao is determined to make this populist rural agenda (*huinong zhengce*) the most important socioeconomic legacy of his administration.⁶ The success or failure of this new land reform will likely be a crucial factor in the assessment of his leadership. Ten days before the Third Plenary Session, Hu Jintao paid a widely publicized visit to Xiaogang Village in Anhui Province.⁷ Xiaogang is considered to be the "cradle village" of China's rural reforms. In 1978, 18 villagers "risked their lives to sign a secret agreement, which divided communally owned farmland into individual pieces."⁸ Endorsed by Deng Xiaoping and such other veteran leaders as Wan Li, the individual ownership system that originated in Xiaogang Village was soon adopted throughout the country. Thirty years later, Hu Jintao urged the villagers there to "pursue deepened rural reforms."⁹ In particular, Hu explained that the Party leadership will adopt new land reform policies to make rural China more prosperous through various forms of "transfer of land" (*liuzhuan tudi*).¹⁰ According to the official Chinese media, the Third Plenary Session of the 17th Central Committee, along with Hu's symbolic visit to Xiaogang, marked the "beginning of a new and ambitious round of China's rural reforms."¹¹

However, the CCP leadership's decision to launch the new land reforms and the important events related to this strategic move did not receive the attention they deserved in overseas China-watching communities. With some exceptions, foreign-based media outlets have tended to undermine the significance of the Resolution. Many journalists, including some Chinese reporters in the People's Republic of China (PRC), have described the new land reform in oversimplified terms. A journalist from *China Free Press*, for example, characterized Hu Jintao's proposed new land reforms as "aborted." According to the author, the "abortion of Hu Jintao's 'new land reform' shows that his personal influence is in further decline, and the crisis in the senior Chinese leadership is

speeding up.”¹² The British magazine *Economist* also downplayed the importance of the meeting, stating that “much of the ‘breakthrough’ is already common practice and the toughest issues are skirted. The actual reform is rather minor.”¹³ Some other respected media outlets, including the *New York Times*, Hong Kong-based *Sing Tao Daily*, and Singapore-based *United Morning News* all made an issue of the fact that the communiqué, which was released immediately after the meeting, avoided the notion of transfer of land.¹⁴ The *New York Times*, for example, said that the communiqué “made no mention of land reform, fueling speculation that opponents may have derailed the plan.”¹⁵ But, in fact, the full report of the Resolution, which was made to the public a few days after the meeting, does highlight the central notion of the transfer of land in order to promote rural development.¹⁶

Cynical views of the new land reform plan are understandable because its policy details have not been made known to the public. But it is also premature to assume, as some observers have already claimed, that Hu’s land reform will be doomed to failure. Given how important this reform is for the continued legitimacy of the CCP in general, and for Hu Jintao’s legacy in particular, a “hard landing” in this area is something that the Chinese leadership will make every effort to avoid. The impact of this reform on China’s vast rural population and on the country’s next phase of economic growth can hardly be exaggerated if the Chinese leadership is to achieve its main objectives.

The Impetus of Hu’s Land Reform

China’s economic reforms, launched by Deng Xiaoping in 1978, began in the rural areas. Chinese farmers were among the earliest social groups that benefited from the drastic policy change in post-Mao China. The material incentives to enhance agricultural productivity, which came with the adoption of the household contract responsibility system, significantly contributed to the increase of farmers’ income. Consequently, the income gap between urban and rural areas dropped from a ratio of 2.5 to 1 in 1978 to 1.8 to 1 in 1984.¹⁷ During the past three decades, the poverty rate in rural China continuously reduced, from 30.7 percent in 1978 to 1.6 percent in 2007.¹⁸ The total number of the rural population in poverty decreased from 250 million in 1978 to 14 million in 2007. The annual net income per capita in rural areas increased from 134 yuan in 1978 to 4,140 yuan in 2007.¹⁹

Since the mid-1980s, however, the emphasis of China’s economic reforms shifted to urban areas. According to the official Chinese sources, the income gap between rural and urban areas, which was remarkably narrowed in the first six years of reform, increased again in the mid-1980s and throughout the 1990s. It further rose to 2.9 times in 2001, 3.11 times in 2002, 3.23 in 2003, and 3.33 in 2007.²⁰ Given the fact that rural residents usually were not entitled to any social welfare benefits, the real income gap should be even larger. According to a recent study by the Chinese Academy of Social Sciences (CASS), the annual per capita net income difference between the rural and urban areas was as much as 9,600 yuan in 2007.²¹

To a great extent, the growing economic gap between the rural and urban areas was a result of the favorable policy toward major cities under Jiang Zemin's leadership from the early 1990s to 2002. Despite rapid economic growth and the remarkable coming-of-age of cosmopolitan cities such as Beijing, Shanghai, and Shenzhen, economic disparity in the country became phenomenal. Within a generation, China has transformed from one of the most equitable countries in the world in terms of income distribution to one of the least equitable, particularly notable for the contrast between increasingly prosperous cities and underdeveloped rural areas. Jiang's famous theory of "three represents," which broadens the CCP's power base by recruiting entrepreneurs, or capitalists, into the Party, was often regarded by the public as a ploy by the ruling Party that represented only the rich and powerful. The state investment in the rural infrastructural development accounted for only 2.8 percent of the total investment in the eighth five-year plan (1991–95). The 60 billion yuan worth of state bonds issued in 1999, for example, had zero spending on agriculture.²²

Hu Jintao and Wen Jiabao have been far more concerned about the underdevelopment of China's vast rural areas than their predecessors. In each and every year during the past six years, the Chinese government launched a set of major policy initiatives to advance the interests of Chinese farmers and migrant workers. In 2002, soon after Hu and Wen took power from Jiang Zemin and the so-called third generation of leaders at the 16th Party Congress, they proposed a more balanced development strategy. Their populist policy agenda profoundly reversed their predecessors' elitist developmental model that favored the coastal region and the entrepreneurial class.²³ In 2003, Hu and Wen explicitly stated that the issues regarding agricultural development, rural affairs, and peasants' wellbeing, the so-called *sannong wenti* in Chinese, should be considered the top priority for their administration to address. In 2004, Hu and Wen called for a significant increase in income for peasants. In the following year, the country launched a comprehensive plan to "build new countryside" (*xin nongcun jianshe*), allocating more resources for the infrastructural and cultural development of rural areas. In 2006, the Chinese government abolished the agricultural taxes upon Chinese farmers, a policy decision that was considered truly extraordinary in China's long history. Meanwhile, the State Council issued directives that responded to the main problems of migrant workers, including employment, work safety, education, housing, health care, and social welfare. In 2007, the Chinese government put forth a new concept for developing modern agriculture (*fazhan xiandai nongye*), which emphasizes the use of modern science, technology, management, market mechanisms, and equipment to enhance agricultural productivity.

The resolution passed at the Third Plenary Session of the 17th Party Congress in the fall of 2008 was undoubtedly the most ambitious policy decision on rural reforms since 1978. This 16,000-Chinese-word document describes a long list of problems that exist in China's rural development, including deep-rooted problems of the urban-rural dual economic structure; inefficient agricultural productivity; a poor rural service system; inadequate state support for the rural social welfare system; backwardness in terms of rural infrastructure, facilities, and equipments; an alarming quick loss of the country's arable land; regional economic disparity; the growing income gap; the low consumption among villagers; the pressure of grain or food security; loose rural management; and so

on. To deal with these daunting problems in a more systemic way, the Hu leadership proposed this comprehensive resolution to transform China's long-standing dual economy and the segregation between urban and rural areas. With the goal to double the per capita disposable income of farmers by the year 2020, the Hu-Wen government is preparing as many as 77 policy measures for this new phase of China's rural reform.²⁴ The Resolution states bluntly that "agriculture is a strategic industry" that is crucial for the Party to gain the popular support of the mass population and maintain sociopolitical stability in the country. The Resolution also argues that "China will never become a modernized country without agricultural modernization."²⁵

Principal Objectives of Hu's Land Reform: Three Proposed Moves

An analysis of the CCP resolution on the new land reform and other related documents, including official media coverage of the Third Plenary Session of the 17th Central Committee, suggests that the Hu administration aims to achieve three interrelated objectives. One may refer to these three objectives as the "three moves" (*liu*): first, allowing the land-use rights to *move* from one farmer to another; second, helping rural surplus laborers *move* to cities where they can obtain jobs, housing, and other benefits as regular urban dwellers; and third, encouraging financial loans and investment to *move* into rural areas. According to some Chinese scholars, the transfer of land rights, the outflow of rural laborers, and inflow of capital to the countryside should be the three "breakthroughs" (*tupuo*) of this new land reform.²⁶ The Chinese authorities hope that these three policy initiatives will profoundly change China's socioeconomic landscape.

Land Move

According to the PRC Constitution, China's land is categorized into two types: urban and rural. The urban land belongs to the state and the rural land belongs to the "collective" (*jiti*). The rural land is further divided into three subtypes: farmland (*gengdi*), collective construction land (*jiti jianshe yongdi*) and nonagricultural land and housing property (*zhaijidi*). Although urban dwellers do not own any urban land, they can have ownership of the dwelling built on a piece of land. As a result of urban housing reforms in the 1990s, city dwellers can obtain a mortgage from banks, and thus can sell or lease their homes in the market. The home-ownership in urban areas, as an *Economist* article observed, "has been a huge factor in the emergence of a prosperous middle class."²⁷ Rural villagers, in contrast, are neither entitled to receive a mortgage for their nonagricultural land and housing, nor do they have the ownership rights to sell the farmland assigned to them through the household contract responsibility system. This means that rural villagers' properties cannot be value-added through the market.

Furthermore, during the reform era, local governments at various levels, especially officials at the township level in rural areas, often ordered villagers to give up their land to the local governments (in the name of the "collective"). Local governments then sold land to developers for commercial or industrial uses. As described by Yu Jianrong, a leading expert on China's rural issues at the CASS, "the state often used very

low price to collect the land from farmers and then sold it to developers with a much higher market price, and farmers were completely out of the negotiation process.”²⁸ According to one official Chinese source, between 1990 and 2002, approximately 66.3 million farmers nationwide lost their land as a result of the collective’s “collection of land” (*zhengdi*).²⁹ *China Youth Daily* reported that in some areas located near large and mid-sized cities, the local government’s compensation to farmers for the collection of their land or property accounted for only 3–6 percent of the regular compensation rate for the land collection by state construction projects.³⁰ This explains why almost half of the mass protests in rural China in the past several years were related to the “collection of land.”

The primary objective of the new land reform is to warrant farmers’ land-use rights and to give more material incentives for various forms of transfer of such rights. More specifically, the Resolution states that the Chinese government now allows farmers to subcontract (*zhuanbao*), lease (*chuzu*), exchange (*huhuan*), and swap (*zhuanrang*) their land-use rights, or to be engaged in joint stock ownership methods (*gufen hezuo*). Although these various forms of transfer of land-use rights do not mean privatization of land, they give back to Chinese farmers the rights that they have long been denied. In the words of Lu Xueyi, a distinguished Chinese sociologist and president of the Association of Sociological Studies of Rural China, “the Chinese farmers have finally received the “admission ticket to market economy.”³¹

To a certain extent, the transfer of land-use rights has been taking place in rural China for many years. According to Huang Xiaofu, an official with the Chinese Land Association, approximately 30 to 40 percent of farmland in China’s east coastal region is presently run by nonnative subcontracted farmers.³² But until now, these subcontracts for land use have not legally been permitted. Chen Xiwen, the office director of the CCP Central Leading Group for Rural Work, recently told the media that the Chinese decision-makers have now taken a less ideological approach by shifting the focus from land ownership to land-use rights in rural reforms.³³ Chen, who was the principal drafter of the Resolution, claims that these new policies will not only reduce local government’s authority to collect rural land from farmers, but will also legally enhance both the land transfer in rural China and the income of Chinese rural residents. According to Chen, these more flexible policies on rural land reform will also further contribute to China’s ongoing—and unprecedented—large-scale urbanization as migrant laborers will receive better accommodation in their settlement in cities.

Labor Move

The migration from rural to urban areas has been a phenomenal trend in Chinese socioeconomic life in the reform era, owing to the rapid economic growth in cities. In fact, since at least the 19th century, Chinese rulers have been concerned about the lack of arable land and the flow of surplus rural laborers. China accounts for 22 percent of the world’s population, but has only 7 percent of the world’s arable land. Throughout the Mao era, the Chinese authorities used an urban household registration system, known as *hukou* in Chinese, to strictly restrain the urban-rural migration. But the market reforms in

post-Mao China, especially the fast-growing private sector and the “construction fever” in urban areas, have pulled a large number of rural laborers into cities. To a certain extent, the *hukou* system today has become far less important or effective than in the first three decades of the PRC.³⁴

According to Chen Xiwen, China today has a total of 750 million laborers, including 503 million rural laborers (primarily based on their rural *hukou*).³⁵ Among these rural laborers, 226 million have already left rural areas and now work in cities on either a temporary or permanent basis. This means that 45 percent of the total rural laborers have already moved to urban areas in the reform era.³⁶ They are often called migrant workers, a unique socioeconomic group in the Chinese context—they are considered “workers in occupation” but still “farmers in identity.” Another 150 million laborers presently work in township and village enterprises (TVEs), which are located in rural areas, but are largely engaged in manufacturing or service work. Only 127 million laborers have remained to work in the agricultural sector.³⁷

To a great extent, the main issue for China’s internal migration is not so much whether the government allows surplus rural laborers to move to the cities, as whether the migrants can receive equal “citizen treatment” (*guomin daiyu*).³⁸ Like all citizens, migrant workers want to have a decent salary, a safe work environment, basic social welfare rights, education for their children, and respect from society. But in reality, they often get hardly any of these.³⁹ They are second-, or even third-class citizens in the PRC given their disadvantage in obtaining urban employment, housing, and social welfare.⁴⁰

The ultimate goal of the new land reform is to abolish the *hukou* system. According to a recent press release made by the Ministry of Public Security, 13 of 31 of China’s province-level administrations (Hebei, Liaoning, Jiangsu, Zhejiang, Fujian, Shandong, Hubei, Hunan, Guangxi, Chongqing, Sichuan, Shaanxi, and Yunnan) have already issued reform measures to end the distinction between agricultural *hukou* and nonagricultural *hukou* in their jurisdictions.⁴¹ The Chinese government particularly encourages surplus rural laborers to settle in small and medium-size cities. The Resolution specifies that “the county-level urban cities should play a pivotal role in the integration between rural and urban areas.”⁴²

One important policy measure to absorb migrant workers is to further encourage the development of the service sector in China’s economy. The service sector, also called the tertiary industry, accounted for 31.4 percent of China’s total labor force in 2005.⁴³ A comparative study of employed workers in tertiary industries in various countries shows that the percentage of employed laborers working in the service sector out of the total workforce in the early 1990s was 18.9 percent in the PRC, 47 percent in Taiwan, 58.7 percent in Japan and 71.6 percent in the United States.⁴⁴ It seems that China has much potential to create jobs in the service sector.

China’s major cities also need to be more accommodating in absorbing migrant laborers into their satellite cities and urban-rural junctions. The Tianjin municipal government, for example, began a policy experiment in 2005, encouraging villagers to

“trade their land and housing property for a city housing unit” (*zhaijidi huanfang*) in newly constructed urban areas. Meanwhile, aging villagers may also receive pensions if they settle down in cities.⁴⁵ In the past two years, 150,000 rural villagers have moved into their new residences in urban areas under the jurisdiction of Tianjin. The metropolis is expected to build 11 new satellite cities, 30 commercial-centered towns, and 70 residence towns in the near future.

Chongqing, China’s largest city, with a total population of 31 million, established the first rural land trading center in the country in the fall of 2008, aiming to make China’s rural land tradable in the stock market.⁴⁶ More specifically, farmers can trade their contracted land for the ownership of stock share and then receive dividends annually. Those rural villagers can use the income from the leasing, exchanging, or subcontracting of their land to buy or rent an affordable housing unit in urban areas instead of becoming part of the urban ghettos. The executive vice mayor of Chongqing, Huang Qifan, was a chief designer for the Chongqing Rural Land Trading Center. He believes that the urban-rural migration and marketization of rural land will increase, rather than reduce, China’s precious arable land.⁴⁷ This reform should ultimately pull a relatively small number of specialized farmers to be engaged in agricultural work and thus lead to the creation of larger, more efficient farms, replacing the traditional and fragmented family farms. Meanwhile, Chinese decision-makers believe that this reform will reverse the trend of the previous two decades that saw only older and less capable villagers staying in the countryside for agricultural work while younger, more able, and better-educated farmers migrate to cities.⁴⁸

Capital Move

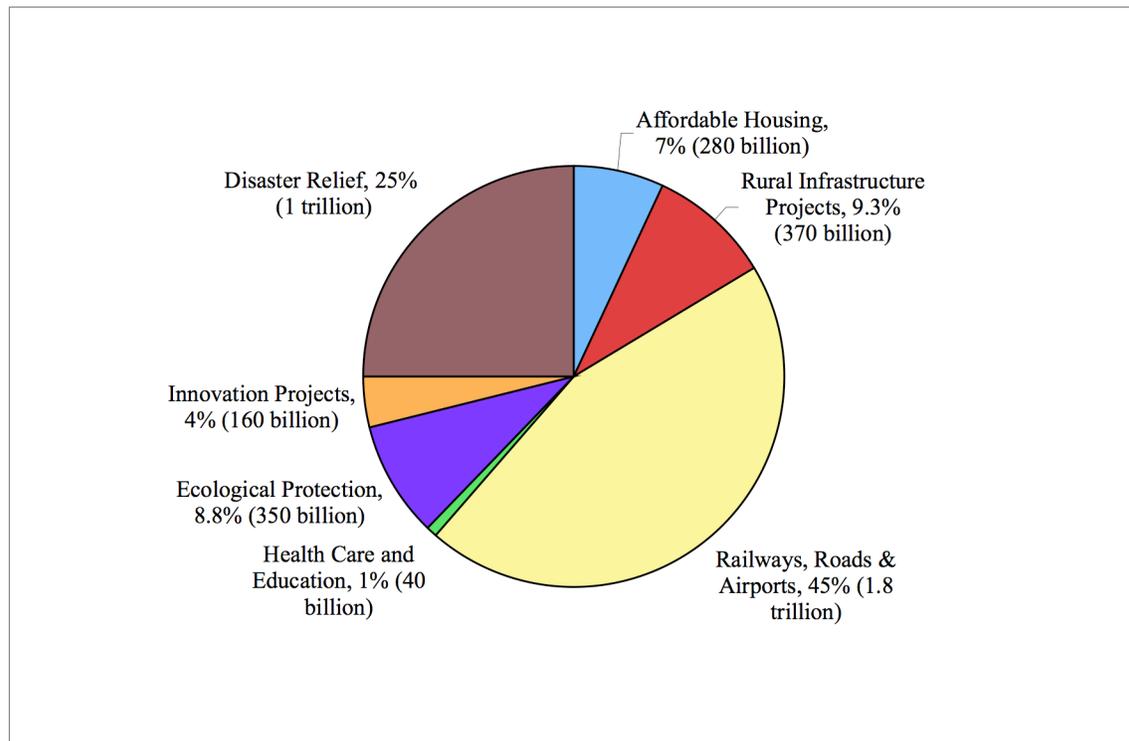
Another crucial component of the new land reform is the reallocation of financial resources to support rural development. The Resolution specifies that one should expect that a large amount of capital will flow into rural areas through commercial, cooperative, and policy means. Loans for the agricultural sector and investment for rural infrastructure projects are expected to drastically increase in the next few years. To prepare for the new financial initiatives, the State Council ordered Chinese banking regulators to establish 40 more rural banking institutions in the fall of 2008.⁴⁹ The Chinese government also called for the establishment of new and more creative methods to finance rural development. For instance, the county-level financial institutions are now required to use bank deposits as the primary source of loans and credit to rural areas in the same county.⁵⁰

China’s stimulus plan in the wake of the global financial crisis also heavily focuses on the rural areas. Figure 1 shows the budget distribution of the 4 trillion yuan (US\$586 billion) stimulus plan for 2008–2010. The largest portion (45 percent) will be used in the transportation sector, including railways, roads, and airports. China’s vast rural areas will greatly benefit from this unprecedented huge investment in the sector, especially in ground transportation.⁵¹ According to Lu Chunfang, vice minister of railways, currently a total of 150 railways are under construction with a total of 1.2 trillion yuan investment. Within the last two months of 2008, a total of 11 new railways began construction, including Beijing-Shijiazhuang, Shijiazhuang-Wuhan, Nanning-

Guangzhou, and Tianjin-Qinhuangdao. The Nanning-Guangzhou Railway, for example, will have 577 miles of double tracks and 23 new railway stations, connecting previously underdeveloped agricultural counties.⁵² The completion of this railway will help bring agricultural products such as sweet corn and jasmine tea to market centers in southern China. Some other main areas of spending in the stimulus plan, for example, disaster relief and ecological protection, are also primarily related to rural developments. About 370 billion yuan (9.3 percent) will be directly used in rural infrastructure projects.

Figure 1

2008–2010 Budget Distribution of China’s Stimulus Plan (yuan)



Note: Total budget = 4 trillion yuan (US\$586 billion)

Source: <http://www.xinhuanet.com>, 9 December 2008

The ongoing global financial crisis has driven the Chinese leadership to change its emphasis on economic development from export-led growth to the stimulus of domestic demands, which centers on rural demands. The lack of consumption in part of China’s rural population has long been a daunting problem in the Chinese economy. As the Chinese authorities recognized, in the so-called world’s largest market, with 1.3 billion people, only about 200 to 300 million people, mostly urban residents, have the capacity for middle-class-style consumption.⁵³ In 2007, China’s total retail sale value of consumer goods was 8.921 trillion yuan while the retail sale value in the rural areas (including county and township centers) accounted for only 1.415 trillion yuan.⁵⁴

The key to promoting China’s domestic demand, therefore, is to increase the income of China’s rural population. Based on this new strategic thinking, the State

Council's executive meeting in November 2008 decided 10 emergency measures to stimulate domestic demand in the wake of the drastic decline of China's exports. Most of these measures were related to rural developments. The two top measures on the list were: first, the construction of affordable housing for migrant workers in urban centers and the renovation of substandard housing in rural areas; and second, rural infrastructure projects such as water, gas, electricity, and roads.⁵⁵

In addition, the Chinese government has adopted many new policies and programs in accordance with the strategic shift. For example, a program called "Electronic appliances go to the countryside" (*jiadian xiexiang*) aims to enhance the sales of electronic products such as refrigerators, television sets, washers, and cell phones in rural areas. Instead of offering export companies the state subsidies or export tax rebates, which were common practices before, the government now gives Chinese rural consumers a subsidy of at least 13 percent of the sale price, with 80 percent of the subsidy coming from the central government and 20 percent from the provincial government.⁵⁶ This program was popular both for Chinese manufactures, who could clear the backlog in their warehouses, and for rural consumers, who could get affordable products. The total value of this promotion of sales is expected to reach 30 billion yuan by the end of 2008.⁵⁷ The Chinese government plans to add personal computers to the promotion list in 2009.

All these efforts by the Chinese government to stimulate rural demand have a potentially strong and positive implication to the recovery of the global economy. In a widely publicized webcast interview by the Xinhua News Agency in November 2008, Wang Yiming, a leading scholar on the Chinese economy and vice president of the Macroeconomic Research Institute of the National Development and Reform Commission (NDRC), gave a comprehensive assessment of China's economic situation.⁵⁸ He believes that China's strength in the wake of the global financial crisis is the fact that the country has a huge domestic rural market. In Wang's view, the new land reform and the stimulus plan that targets rural development give reason for optimism for the future. As reporters of the *Washington Post* recently observed, in 2007 China accounted for 27 percent of global growth, more than any other nation. At the time of the worldwide shrinking of spending, China's increase in domestic consumption "could help the international market."⁵⁹

Policy Ambiguity and Political Obstacles

It is understandable that a strategic development plan of this magnitude may be ambiguous on some legal and policy details. To a great extent, the new land reform constitutes a profound redistribution of wealth and power. Political opposition from certain interest groups to the new land reform is arguably inevitable. The leadership consensus may take some time to develop, which explains the ambiguities of the reform plan.

It has been widely noted that the Resolution did not privatize agricultural land,

which remains collective property. What has been now transferred or circulated is not the ownership of the land, but the management right of the land. In a way, this is similar to urban homeowners in China who own their dwellings, but not the land on which they stand, which legally belongs to the state. Urban residents can mortgage and sell their dwellings in the market. In contrast, the new land reform plan still does not lift the legal ban on rural residents to mortgage their land-use rights and houses, “partly for fear of making a near-reality of private landownership,” as some foreign analysts noted.⁶⁰ Some well-known Chinese scholars on rural affairs, such as Yu Jianrong and Dang Guoying (both senior fellows at the CASS), called for a lift of this ban prior to the third plenary meeting, but their proposals were not accepted.⁶¹

The Resolution also does not specify the length of the land-use rights. Instead, it ambiguously states that farmers will be able to retain their land-use rights for a long time. In contrast, the previous household contract responsibility system had a tenure of 30 years. However, the principal drafter of the Resolution, Chen Xiwen, explained that the length of land-use rights should be decided by the National People’s Congress (NPC) with an amendment to the PRC Constitution. Chen said to the Chinese media that he could guarantee that “the new policy for the land-use rights would be surely longer than thirty years and most likely be longer than seventy years (as many had speculated).”⁶²

One of the most daunting challenges for China’s new land reform lies in the need to change the function of rural grassroots administrative organizations. China presently has 620,000 administrative villages and 30,000 township governments. According to the Chinese government’s plan, by 2013 these grassroots administrative organizations need to change their government function to become more rural community service-oriented and their budgets should come from the public revenues in the same locality.⁶³ Many of them will be merged and the number of village and township level officials is expected to reduce substantially.

Not surprisingly, rural officials at various levels (e.g. village, township, and county) have serious reservations about the land reform. In the past decade or so, land leasing for commercial and industrial uses has been the main revenue for local officials in both urban and rural areas. *China Newsweek*, an official media outlet, recently reported that many local officials at the county and municipality levels spend most of their energy on “managing land” (*jingying tudi*), and some have been brought up on corruption charges.⁶⁴ The strong local interest in leasing land for commercial and industrial development in the past decade was related to the substantial change of the ratio of revenues between central and local governments: from 38:62 in 1990, to 52:48 in 2000, and to 55:45 in 2004.⁶⁵ This also explains why some local governments have constantly resisted the directives of the central government and violated national laws and regulations regarding land lease and peasants’ rights in the past decade. Some Chinese analysts used the term “policies decided at Zhongnanhai [the headquarters of the Chinese government] not making it out of Zhongnanhai” to characterize this prevalent phenomenon of local resistance to the directives of the central government.⁶⁶ One can expect that the new land reform will intensify the tensions between farmers and grassroots officials on one hand and deepen local versus national fissures on the other.

The new land reform also requires peasants' associations (*nonghui*) to take a far more important role in protecting villagers' interests. Since the NPC issued the Peasants' Association Law in 1998, 85 percent of villages in the country have established peasants' associations and 90 percent of villages have instituted transparent financial accounting systems, according to the sources of the Ministry of Civil Affairs.⁶⁷ But in reality, the role of peasants' associations has been marginal in China's rural affairs. In most places, peasants' associations exist in name only. It remains to be seen whether the peasants' associations will enhance their status in China's vast rural regions, and play some sort of safeguard role for the large number of otherwise poorly organized villagers. It was reported in the Chinese media that Deng Xiaoping considered promoting peasants' associations in rural reforms, but he never did it largely due to the worry that it might undermine the CCP rule in the countryside.⁶⁸

Meanwhile, the proposed reform of the *hukou* system in urban areas will also undermine the interests of some government institutions, urban officials, and city dwellers. The privileges presently enjoyed by urban residents in the areas of employment, education, social welfare, and health care will likely be reduced in the future. Given the fact that resources are very limited in present-day China, it will not be easy to abolish the *hukou* system. Local officials in urban areas might join their counterparts in the countryside for another set of reasons, and become the main obstacle to the new land reform.

An intriguing question for students of Chinese elite politics is whether the national leadership has been divided on the new land reform. There is no evidence thus far to suggest that there was serious controversy in the top leadership about the necessity and feasibility of such a reform. It is clear that Hu and Wen have been the driving force for the adoption of the populist development strategy that gives top priority to rural development. The Resolution's passing at the Third Plenary Session of the 17th Central Committee indicates that Hu and Wen have set the populist platform for the next phase of China's economic development.

Other senior leaders, including those who have been associated with Jiang Zemin's elitist development strategy that favored entrepreneurs and the urban middle class in coastal cities, seem to support Hu's new land reform initiatives. Although they may disagree in terms of the pace and effects of the reform as well as the assessment of the political obstacles involved, very few would doubt the need to reduce the economic disparity between urban and rural areas in the country. Populists and elitists alike seem to be enthusiastic about the potential of the new land reform to stimulate domestic demand, especially at a time when China's export suffers enormously from the ongoing global financial crisis. For some leaders with a strong pro-market perspective, Hu Jintao's land reform plan is an important step toward privatization of land, and thus a major break with the so-called "left intellectuals."⁶⁹

A review of the composition of the current Central Leading Group for Rural Work shows the strong presence of Jiang Zemin's camp (see table 1, next page). The
(text continues on page 14)

Table 1
Central Leading Group for Rural Work (As of December 2008)

<i>Post</i>	<i>Name</i>	<i>Year Born</i>	<i>Tenure Since</i>	<i>Concurrent Key Government Position</i>	<i>Concurrent Party CC Post</i>	<i>Previous Main Posts</i>	<i>Factional Ties</i>
Head	Hui Liangyu	1944	2003	Vice-premier	Politburo Member	Party Secretary of Jiangsu and Party Secretary of Anhui	
Deputy Head	Tian Chengping	1945	2008	None	Full Member of CC	Minister of Labor and Social Security	Princeling
Member	Sun Zhengcai	1963	2006	Minister of Agriculture	Full Member of CC	Secretary General of CCP Beijing Municipal Committee	Jia Qinglin's chief of staff
Member & Office Dir.	Chen Xiwen	1950	2003	Deputy Office Dir. of Central Financial & Econ. Leading Group	None	Deputy Dir., Development Research Ctr. of State Council	Protégé of Zhu Rongji & Wang Qishan
Member	Chen Lei	1954	2003	Minister of Water Resources	Full Member of CC	Vice Governor of Xinjiang	
Member	Zhou Shengtao	1944	2003	Vice Chair of All-China Fed. of Supply and Marketing Cooperatives	None	Deputy Party Secretary of Xinjiang	
Member	Zhang Yong	1955?	2003	Deputy Secretary General of the State Council	None	Bureau Head of No. 2 <i>Mishu</i> Bureau at the State Council	Hui Liangyu's chief of staff
Member	Du Ying	1952	2003	Vice Minister of NDRC	None	Division Head of the Agriculture Dept. of NDRC	
Member	Jia Zhibang	1946	2003	Director of the State Forestry Administration	Full Member of CC	Governor of Shaanxi	
Member	Fan Xiaojian	1953	2003	Vice Head of the State Council's Poverty Alleviation Office	None	Vice Minister of Agriculture	
Office Deputy Dir.	Tang Renjian	1957?	2003	Deputy Office Dir. of Central Financial & Econ. Leading Group	None	Director of Rural Affairs of Ministry of Agriculture	

Note: CC = Central Committee; Dept. = Department; Dir. = Director; Econ. = Economic; Fed. = Federation; NDRC = National Development and Reform Commission; Sec. = Secretary.

(continued from page 12)

Central Leading Group for Rural Work has long been the most important decision-making body on rural affairs in the country. Premier Zhu Rongji and Premier Wen Jiabao both served as the chairperson of the group. Currently headed by vice-premier and Politburo member Hui Liangyu, the group has a total of 11 members, including former Minister of Human Resources and Social Security Tian Chengping, Minister of Agriculture Sun Zhengcai, Minister of Water Resources Chen Lei, and Director of the State Forestry Administration Jia Zhubang. All of these four leaders currently serve as full members of the 17th Central Committee.

Hui Liangyu has worked in the agricultural sector for about three decades and also served previously as a top provincial leader in Jilin, Hubei, Anhui, and Jiangsu. Unlike most of his colleagues in the Politburo, who either belong to Hu's Chinese Communist Youth League faction or Jiang's faction, Hui does not have a strong factional affiliation. In contrast, Tian Chengping and Sun Zhengcai are often identified as prominent members of the Jiang camp. Like many of Jiang's protégés, Tian was born in a high-ranking official's family, making him a *princeling*, in Chinese terminology. Tian was often seen by many analysts as a friend of Zeng Qinghong, the most important power broker of the Jiang camp. Both Tian and Zeng closely worked in the oil industry in the early 1980s. Minister of Agriculture Sun Zhengcai was born in 1963 and holds a doctoral degree in agronomy. He is a rising star in the so-called sixth generation of Chinese leaders. Sun is presently one of the only four full ministers/governors in the country who were born in the 1960s. Sun advanced his career exclusively in Beijing and he served as chief of staff for Jia Qinglin when Jia was Party chief in the city, from 1996 to 2002. Jia is presently a Politburo Standing Committee member and he apparently played a crucial role in Sun's extraordinarily fast career advancement.⁷⁰

Arguably the most influential member of the Central Leading Group for Rural Work at present is Chen Xiwen, who also concurrently serves as the office director of this group and deputy office director of the Central Financial and Economic Leading Group. Born in Shanghai in 1950, Chen grew up during the Cultural Revolution. At the age of 18, Chen was sent to Heilongjiang where he worked in a collective farm for 10 years. He passed the national examination for college admission in 1978 and studied agricultural economy at the People's University in Beijing. After graduation, Chen worked first at the Institute of Agricultural Economy of the CASS and then at the State Council's Rural Development Research Center, where he closely worked with then center director and now Vice Premier Wang Qishan, a heavyweight political leader in Jiang's camp. Chen succeeded Wang as director of the center in 1988. Both Wang and Chen worked closely under Zhu Rongji in the early 1990s when Zhu was in charge of rural and financial affairs. Chen was considered as a protégé of both Zhu and Wang.

The strong presence of leaders who come from Jiang's camp in this most important decision-making body for rural affairs seems to suggest that Hu's new land reform plan has received broad support in the national leadership. What has shaped the rural development policy at present is probably political compromise and consensus-

building rather than the zero-sum factional infightings. But consensus may not last long, because local officials in both rural and urban areas whose interests are undermined by the new land reform may more consciously seek their representatives in the national leadership. Furthermore, it is reasonable to expect that some of the negative impacts of the land reform will cause more political controversy in the leadership.

Possible Negative Consequences

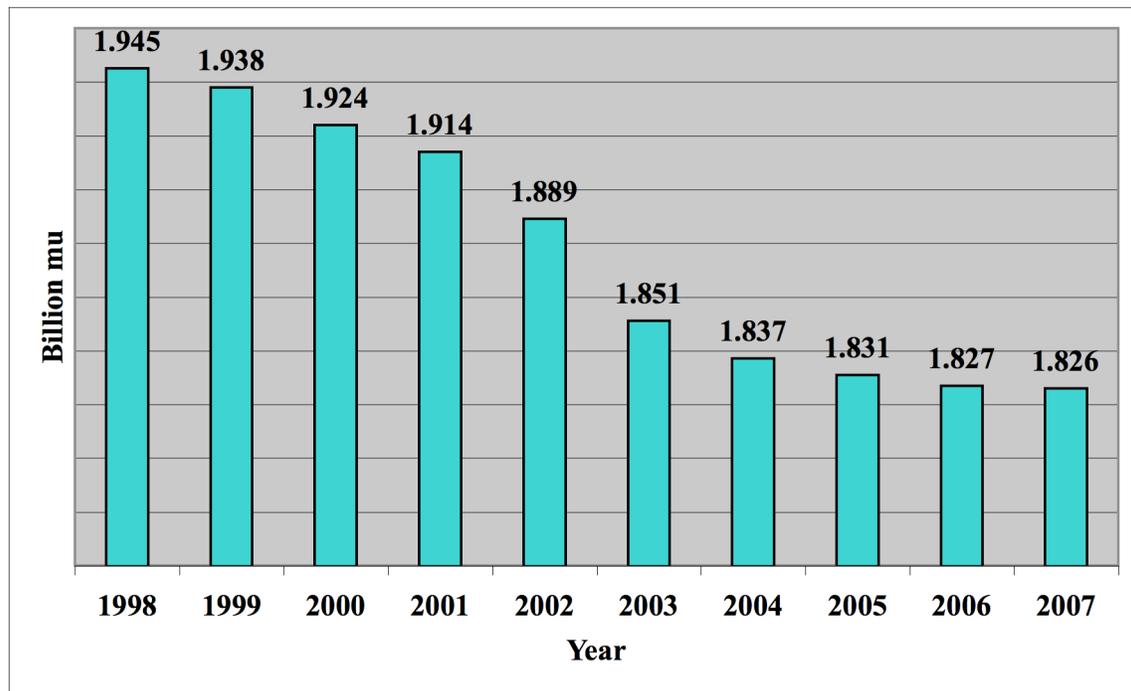
Of all the possible negative ramifications of the land reform, three are particularly dangerous in the mind of the critics. They are: 1) the accelerated disappearance of arable land in the country; 2) the monopoly of land resources in the hands of a small number of landlords and the consequential widening of economic disparity; and 3) the spread of urban slums and the rapid rise of urban unemployment. These negative possibilities are not just sensational pessimistic scenarios described by critics, but are genuinely valid issues that should be seriously tackled. In fact, Chinese leaders and the general public are also anxiously concerned about the unintended negative effects of the new land reform.

The Loss of Arable Land

The lack of arable land has been a principal concern for the Chinese for centuries. During the past three decades, China's arable land has disappeared at an alarmingly fast rate, due to various factors such as the spread of TVEs, the land lease for commercial and industrial uses, environmental pollution and deforestation, urban-rural migration, and urbanization. In the 36 years between 1952 and 1988, the area under cultivation in China decreased from 1.5 billion *mu* to 1.4 billion *mu* (one *mu* is about 670 square meters).⁷¹ But according to a report released by the Ministry of Land and Resources, in the nine years between 1996 and 2005, China lost 120 million *mu* of cultivable land, accounting for 6.6 percent of the total arable land of the country.⁷² According to Chen Xiwen, this number exceeded the total arable land of Henan Province, which is China's largest agricultural province.⁷³

Figure 2 (next page) shows the decline of China's arable land during the past decade. The scale and speed of the land loss in the last five years, however, have significantly lessened. This was partly related to the Hu-Wen administration's more restrictive policy on the rural land lease for commercial and industrial uses. In 2005, the Chinese government reinforced that 1.8 billion *mu* (120 million hectares) of arable land should be the minimum farmland set line and urged local authorities to firmly safeguard the country's grain security.⁷⁴ Minister of Land and Resources Xu Shaoshi recently stated in a conference-call attended by all provincial leaders that the transfer of land-use rights should not include any use for real estate property, golf courses, and industrial projects.⁷⁵

Figure 2
Decrease in China's Arable Land (1998-2007)



Source: *Renmin ribao* (People's Daily), 27 October 2008. Originally based on the website of the Ministry of Land Resources, the People's Republic of China.

The Monopoly of Rural Land Resources

The critics of China's new land reform often cited the economic polarization caused by the land reforms in some Asian and Latin American countries (for example, the Philippines) as a reason for caution. Some China experts in both the PRC and abroad were particularly critical of the views and activities of the two American institutions—the Rural Development Institute at the University of Washington in Seattle and the Cato Institute in Washington, D.C. These two research institutions are well known for their pioneering roles in promoting privatization of rural land worldwide in the age of economic globalization.⁷⁶

The critics believe that Hu Jintao's new land reform will likely lead a large number of Chinese farmers to abandon their farmland and houses for immediate monetary rewards or other short-term benefits. Consequently, China's vast rural land will be quickly monopolized by a small number of landlords. According to this pessimistic view, China's economic disparity will be far worse in the future than it is today as a result of the new land reform. In the words of Luke Erickson, a left-wing American scholar, "millions of farmers all over the world are the most vulnerable losers in the era of economic globalization, and Chinese farmers are no exception."⁷⁷

Scholars in support of the land reform argue, however, that based on experiences in many other parts of the world, while free trade of land may not guarantee an egalitarian society, it may not necessarily lead to the monopoly of land resources either. The degree of land monopoly, according to this view, will decrease, rather than increase, as a result of adoption of free trade of rural land in a given country. Qin Hui, a leading scholar on rural affairs and a historian at Tsinghua University in Beijing, believes that the real significance of China's new land reform is not to achieve an egalitarian utopia, but to prevent the abuse of power on the part of local officials. To give the land-use rights back to farmers will prevent rural officials from collecting land from farmers without just compensation.⁷⁸

Urban Slums and Urban Unemployment

For some critics, the question of China's rural problems is not so much whether land is privatized, but whether the urban areas can create enough jobs for migrant laborers.⁷⁹ The fact that China's urban areas have serious unemployment at present makes critics more cynical about any positive impact of the "labor move" as a result of the new land reform. Distinguished experts in rural affairs such as Li Changping, Wen Tiejun, and He Xuefeng, for example, argue that China's urban areas are simply not ready to absorb such a large inflow of surplus rural laborers.⁸⁰ In fact, China presently has a total of 40 million landless farmers and each year about 3 million more rural laborers are added to this "troop of landless farmers." The upcoming wave of rural-urban migration caused by the new land reform, in the view of some critics, will be the worst nightmare for China, as such a huge "floating population" will inevitably lead to the spread of urban slums, and a drastic increase in urban unemployment and crime.

In the wake of recent large-scale layoffs in the export factories in China's coastal regions and the consequent reverse migration (migrant workers returning to their native areas), some Chinese analysts argue that at least these migrant laborers now still have their plots of land and houses. It would have been devastating for these migrant laborers if they had already sold their houses and land-use rights, which are the "last straws of their existence and livelihood." They would be completely cut off from their lifeline.⁸¹

Supporters of the land reform believe that this pessimistic perspective misses the broad trends in Chinese society and economy. According to Dang Guoying, China's urban capacity to absorb surplus rural laborers has often been underestimated.⁸² If the Chinese government adopts more accommodating policies to help migrant laborers to integrate into urban areas, their occupational transition will be less difficult. In its pronounced objectives, if not in reality, Hu Jintao's land reform plan places much emphasis on the importance of such a rural-urban integration.

Concluding Thoughts

China's newly announced land reform is a paradox of hope and fear. With its ambitious plan to give land-use rights back to Chinese farmers and to allow them to trade these

rights in various forms, China will soon witness three interrelated profound changes—or what some Chinese scholars call the “land move,” the “labor move,” and the “capital move.” This new development strategy aims to increase the income of Chinese farmers, reduce economic disparity, promote sustainable urbanization, and ultimately end the country’s dual economic structure—the century-long segregation between rural China and urban China. This new land reform has the potential to create a rural middle class, similar to what has happened in urban areas as a result of the privatization of urban housing in the past decade. Optimists certainly hope that this land reform, along with the huge stimulus plan that also favors rural infrastructure development, will greatly enhance the country’s domestic demand, thus contributing to the worldwide recovery from the recent financial tsunami.

This optimistic view, however, should be balanced by an understanding of the fear, anxiety, and uncertainty about the land reform plan. The grim scenario of quick monopoly of land in the hands of a small number of landlords and the exodus of landless farmers to cities is probably the worst fear of the world’s most populous nation. Although Hu Jintao’s populist vision for China’s next phase of socioeconomic development has been endorsed by the CCP leadership, the elite consensus has limitations. Without a doubt, the new land reform policies will undermine the interests and privileges of some social groups, especially local officials. Some Chinese policymakers and public intellectuals are anxious—rightly so—about the political ramifications and possible negative consequences of Hu’s policy initiatives. It remains uncertain whether China’s urban areas are able to accommodate such a large number of migrants and what social, political, and environmental costs the country will have to pay in the future.

To a great extent, China’s internal migration and urbanization have already had an overwhelming impact on all aspects of the Chinese society and economy during the past three decades. This development is inevitable, partially because of the logic of the market and mainly because of some demographic imperatives. In retrospect, the launch of Deng Xiaoping’s land reform 30 years ago could be seen as the right policy move in accordance with the inevitable trends in the country. One can also argue that the new land reform has been driven by the similar recognition on the part of Hu Jintao that his administration has to make such a move. By making the new land reform the platform of the Third Plenary Session of the 17th Central Committee, Hu is apparently determined to leave a lasting impact on this aspect of China’s transformation. Because of its tremendously large scale and scope, the proposed new land reform and related issues of rural-urban migration will perplex China for many years, if not many decades, to come. The country’s economic growth, political stability, and social development will largely depend on how the new land reform proceeds.

Foreign observers often see China as a boat sailing on an uncharted sea. People in China often liken the large-scale movement of farmers to a tidal wave. In a recently held press conference in Beijing, Premier Wen Jiabao cited a well-known Chinese proverb, “A tidal wave can either carry the boat or capsize it.”⁸³ Probably at no time in contemporary Chinese history has this axiom been more relevant to the country than at present.

Notes

¹ The author is indebted to Laura Gross, Yinsheng Li, and Callie Wang for their research assistance. The author also thanks Sally Carman, Christina Culver, Joseph Fewsmith and Henry Fung for suggesting ways in which to clarify the article.

² John King Fairbank, *The United States and China*, (4th edition). Cambridge, MA: Harvard University Press, 1983, pp. 1–52; and Fei Xiaotong, *Xiangtu Zhongguo (Rural China)*. Beijing: Shenghuo, dushu xinzhi sanlian shudian, 1985.

³ The Xinhua News Agency, for example, has listed all of the third plenary sessions of the CCP Central Committee since 1978. See http://news.xinhuanet.com/politics/2008-10/06/content_10152195.htm.

⁴ Some observers believe that this proposed land reform “is possibly one of the most important policy changes in the 59-year history of the People’s Republic of China, a horn that signals the start of a new round of overall reforms.” Zhang Hong, “Back to the land—again,” *The Guardian* (online), (27 October 2008); and <http://www.guardian.co.uk/commentisfree/2008/oct/27/china-economy>. Also see Edward Wong, “China Announces Land Policy Aimed at Promoting Income Growth in Countryside,” *New York Times*, 12 October 2008.

⁵ For an excellent summary of criticism of the new land reform policy, see Jiang Xun, “*Zhongguo xintukai: weihuo gongshi qibu jiannan*” [China’s new land reform: No consensus and a hard beginning]. *Yazhou zhoukan* (Asia Weekly), 16 October 2008.

⁶ As Peter Ford, a Beijing-based foreign correspondent, observed, “Hu Jintao has made improvements in rural living standards a key goal of his administration.” See Peter Ford, “China’s land reform aims to revolutionize 750 million lives,” *Christian Science Monitor*, 27 October 2008, p. 1.

⁷ For more discussion of Hu Jintao’s visit in Xiaogang, see Joseph Fewsmith, “Tackling the Land Issue—Carefully,” *China Leadership Monitor*, No. 27, Winter 2009.

⁸ Zhang Hong, “Back to the land—again,” *The Guardian* (online), 27 October 2008. Also see <http://www.guardian.co.uk/commentisfree/2008/oct/27/china-economy>.

⁹ See <http://ah.anhuinews.com/system/2008/10/05/002129358.shtml>, 5 October 2008.

¹⁰ *Renmin ribao* (People’s Daily), 1 October 2008, p. 1.

¹¹ *Nanfang ribao* (Southern Daily), 9 October 2008. Also see <http://internal.northeast.cn/system/2008/10/09/051536449.shtml>.

¹² Liang Jing “Aborted land reform and leadership crisis,” China Free Press Online, 20 October 2008. See http://www.chinafreepress.org/publish/Othernews/Aborted_land_reform_and_leadership_crisis.shtml.

¹³ “Still not to the tiller,” *Economist*, 25 October 2008, p. 16.

¹⁴ Jim Yardley and Huang Yuanxi, “China Enacts Major Land-Use Reform for Farmers,” *New York Times*, p. A-6, 20 October 2008. See <http://www.nytimes.com/2008/10/20/world/asia/20china.html>. Also see Ya Siming, “*Weixian de gaike*” [Dangerous reforms], *Xingdao Daily*, 17 October 2008, http://www.stnn.cc/ed_china/200810/t20081017_880690.html; and Yu Zeyuan, “*Tudi liuzhuan zhuandedong?*” *Lianhe zaobao* (United Morning News), 16 October 2008, http://www.stnn.cc/ed_china/200810/t20081016_880018.html.

¹⁵ Yardley and Huang, “China Enacts Major Land-Use Reform for Farmers,” p. A-6.

¹⁶ For the whole report, see <http://cpc.people.com.cn/GB/64093/64094/8194418.html>, 20 October 2008.

¹⁷ Yuan Jian, *Qiji de huanghun* [The Dusk of the Miracle]. Unpublished book manuscript, 2008, p. 54.

¹⁸ Wang Xinli, “*Zhuanjia cheng Zhongguo sanshinian nongcun gaige fazhan qude bada chengjiu*” [Experts believe that China’s rural reform has made eight main achievements during the past three decades] China News Net, 7 December 2008. http://news.xinhuanet.com/politics/2008-12/07/content_10467048.htm.

¹⁹ *Shijie ribao* (World Journal), 18 December 2008, p. A1.

²⁰ Quoted from Shi Xiaofu, *Zhongguo nongcun de weilai* [The future of China’s rural areas]. See <http://www.tecn.cn/data/detail.php?id=17290>, 10 January 2008; and *Nanfang ribao* (Southern Daily), 23 October 2008, p. 1.

²¹ See the website of China’s Law for Rural Land, <http://www.rurallandlaw.cn/Html/shidaiqianyan/1580909.htm>. 22 October 2008.

²² In contrast, the state investment in the rural areas in the fifth five-year plan was 10 percent and that of the seventh five-year plan was 3.6 percent. See Shi, *Zhongguo nongcun de weilai*.

²³ For a more detailed discussion of the strategic shift under Hu and Wen, see Cheng Li, “Hu’s Policy Shift and the Tuanpai’s Coming-of-Age,” *China Leadership Monitor*, No. 15, Summer 2005; and Barry

Naughton, "China's Left Tilt: Pendulum Swing or Midcourse Correction?" in Cheng Li, ed., *China's Changing Political Landscape: Prospects for Democracy*, Washington DC: The Brookings Institution Press, 2008, pp. 142–58.

²⁴ Based on an interview with a high-ranking Chinese official who is in charge of rural reforms. Beijing, November 2008.

²⁵ See <http://cpc.people.com.cn/GB/64093/64094/8194418.html>. 20 October 2008.

²⁶ Based on the interview with Diqing Jiang, a researcher on Chinese rural reforms at the Cato Institute, November 2008. Also see <http://www.chinesenewsnet.com> 9 October 2008.

²⁷ "Still not to the tiller," *Economist*, 25 October 2008, p. 16.

²⁸ Jiang, "Zhongguo xintukai."

²⁹ See <http://www.rurallandlaw.cn/Html/shidaiqianyan/904775.htm>, 20 October 2008.

³⁰ *Zhongguo qingnian bao* (China Youth Daily), 23 October 2008. Also see <http://www.sachina.edu.cn/Htmldata/news/2008/10/4003.html>.

³¹ Shen Jianli, "Shekeyuan Lu Xueyi: Rang nongmin huode shichang jingji de ruchangquan" [Let farmers receive the admission ticket to market economy]. *Ershiyi shiji jingji daobao* (21st Century Economic News), 11 October 2008; <http://news.hexun.com/2008-10-11/109735969.html>.

³² *Zhongguo qingnian bao* (China Youth Daily), 23 October 2008, p. 1.

³³ Li Ping, "Zhongyang nongcun gongzuo lingdao xiaozu zhuren Chen Xiwen shiyi tudi xinzheng" [Office Director of the CCP Central Leading Group for Rural Work explains the new land reform]. See <http://finance.jrj.com.cn/people/2008/11/0720192637752.shtml>, 7 November 2008.

³⁴ For a further discussion of the push factors and pull factors for China's internal migration, see Cheng Li, "Surplus Rural Laborers in China: Current Status and Future Prospects," *Asian Survey*, vol. 36, no. 11 (November 1996), pp. 1122–1145.

³⁵ Li Ping, "Chen Xiwen: Quanguo jinyou 1.27 yi laodong congshi nongye shengchan" [Chen Xiwen says that China has 127 million laborers engaged in rural work], 7 November 2008; see <http://finance.jrj.com.cn/people/2008/11/0720192637752.shtml>.

³⁶ Han Jun, director of the Rural Economic Studies Department of the State Council's Development Research Center, recently told the Chinese media that during the reform era, altogether over 200 million laborers moved from rural areas to urban areas, accounting for 45 percent of the total rural laborers. China News Press Net, 7 December 2008. See http://news.xinhuanet.com/politics/2008-12/07/content_10467048.htm.

³⁷ Li, "Chen Xiwen."

³⁸ Some Chinese leaders and scholars, for example, Du Runsheng, the former office director of Rural Policy Research of the Secretariat of the CCP Central Committee, and Hu Xingdou, a leading scholar on rural economic development and professor at Beijing University of Science and Technology, have used this new term to call for the rights of migrant workers. See Jia Lijun, "Zhongguo zhishi fenzi de 'bainian xianglian'" [Chinese intellectuals' century-long concern about the country's rural development]. *Zhongguo hezuo jingji* (China's Cooperative Economy), no. 9 (October 2008): 7; see also http://www.stnn.cc/ed_china/200810/t20081016_879751.html.

³⁹ *Zhongguo xinwen zhouban* (China News Weekly), 28 December 2004, p. 1.

⁴⁰ www.chinesenewsnet.com. Accessed on 28 December 2004.

⁴¹ *Guangzhou ribao* (Guangzhou Daily), 10 December 2008, p. 1. Also see China Newspaper Digest Web, <http://www.chnd.net.cn/HTML/2008/zhyw200801/200825275.html>, 12 December 2008.

⁴² See <http://cpc.people.com.cn/GB/64093/64094/8194418.html>, 20 October 2008. For the official Chinese comments on the resolution on the county-level development, see *Renmin ribao*, 27 October 2008, p. 1.

⁴³ China Labor Market Website, http://www.lm.gov.cn/gb/news/2007-05/25/content_179186.htm, 25 May 2007.

⁴⁴ Zhuang Jian, "Zhongguo disan chanye de fazhan yu wenti" [The status and problems of the development of China's tertiary industry]. *Zhongguo disan chanye nianjian* (Almanac of China's tertiary industry). Beijing: Nianjian chubanshe, 1993, p. 991.

⁴⁵ Ma Yuzhong, Wang Yong, Li Shanshan, Liu Keyan, "Xinnongcun, xinbiange: liushengshi nongdi liuzhuan xianzhuang diaocha" [New countryside, new reform: The survey of the transfer of land in six provinces]. *Zhongguo jingji zhouban* (China's Economic Weekly), 8 December 2008.

⁴⁶ Wang Weibo, "Nongcun tudi shichang de Chongqing tansuo" [Chongqing's experiments of marketization of rural land]. *Zhongguo xinwen zhouban* (China Newsweek), 8 September 2008, pp. 42–43.

⁴⁷ Ibid.

⁴⁸ According to a report released in 2008 by the Organization Department of the CCP Central Committee, altogether about 100,000 college graduates are expected to move to rural villages where they can serve as village officials in the next five years. Jia, “*Zhongguo zhishi fenzi de ‘bainian xianglian,’*” p. 14. In 2008 alone, however, about 78,000 college graduates applied for village official jobs; http://news.xinhuanet.com/newscenter/2008-12/23/content_10544761_1.htm, 23 December 2008.

⁴⁹ Yardley and Huang, “China Enacts Major Land-Use Reform for Farmers,” p. A6.

⁵⁰ *Nanfang ribao* (Southern Daily), 23 October 2008, p. 1. Also see

<http://www.sachina.edu.cn/Htmldata/news/2008/10/3998.html>.

⁵¹ The selection of the location for new or expanded airports under the stimulus plan also favors the heavily agricultural regions, for example, Kunming, Nanning, Chengdu, Xi’an, Yan’an, Luliang, Hechi (Guangxi), Tengchong (Yunnan), Huai’an. *Beijing Qingnian bao* (Beijing Youth Daily), 13 November 2008, p. B1.

⁵² Chinese News Net, 9 November 2008. Also see

http://www.dwnews.com/gb/Consumer/finance/zxs_2008_11_09_9_0_8_648.html.

⁵³ Fang Zhou, “*Sanda nanti zhikun: Nonggai cheng Zhongguo gaige xin luxiang*” [Three daunting challenges: Rural reforms set the new direction for China’s reforms]. *Yazhou zhouban* (Asia Weekly), 19 October 2008.

⁵⁴ *Nanfang dushi bao* (Southern Metropolis), 17 October 2008, p. 1.

⁵⁵ China News Net, 9 November 2008. Also see <http://www.chinanews.com.cn/cj/kong/news/2008/11-09/1442627.shtml>.

⁵⁶ A new website exclusively on this program has been established. See <http://www.zgjdxx.com>.

⁵⁷ See BBC Chinese web,

http://news.bbc.co.uk/chinese/simp/hi/newsid_7710000/newsid_7714700/7714715.stm, 7 November 2008.

⁵⁸ Wang Yiming, “*Zhongguo jingji ‘fengjing zhebian duhao,’ fengxian yexu jinshen*” [China’s economic situation is uniquely good, but still needs to be cautious]. See http://news.xinhuanet.com/fortune/2008-11/07/content_10323650.htm, 7 November 2008.

⁵⁹ Ariana Eun-june Cha and Maureen Fan, “China Unveils \$586 billion Stimulus Plan,” *Washington Post*, 10 November 2008, p. A12.

⁶⁰ “Still not to the tiller,” *Economist*, 25 October 2008, p. 16.

⁶¹ Jiang, “*Zhongguo xintukai,*” and Dang Guiying, “*Shixing yongbaozhi shenhua nongcun tudi gaige buyi tuoyan*” [It should not be delayed to deepen rural land reform and implement permanent household contract responsibility system]. *Xinjing bao* (New Beijing Daily), 23 October 2008. Also see

<http://www.sachina.edu.cn/Htmldata/news/2008/10/4002.html>.

⁶² Li, “*Zhongyang nongcun gongzuo lingdao xiaozu zhuren Chen Xiwen shiyi tudi xinzheng.*”

⁶³ *Diyi caijing ribao* (First Economic and Financial Daily), 19 October 2008, p. 1.

⁶⁴ Qiu Feng, “*Zhongguo tudi gaige linjiedian*” [The critical point of China’s land reform], *Zhongguo xinwen zhouban* (China Newsweek), 28 December 2008. Also see <http://news.sina.com.cn/c/2007-12-28/094114621507.shtml>.

⁶⁵ He Haifeng, “*Zhuanfang sannong wenti zhuanjie Zhang Xiaoshan*” [Interview with rural expert Zhang Xiaoshan], *Juece* (Decision-making), 5 January 2007. Also see <http://www.sachina.edu.cn/Htmldata/news/2007/01/3121.html>.

⁶⁶ Tan Xiongwei, “Why do the policies of the central government sometimes fail to make it out of Zhongnanhai?” *Zhongguo qingnian bao* (China Youth Daily), 17 November 2005. Quoted from <http://www.zonaeuropa.com>, 10 February 2006. For more discussion on local resistance to the central government’s initiatives, see Cheng Li, “Think National, Blame Local: Central-Provincial Dynamics in the Hu Era.” *China Leadership Monitor*, No. 17 (Winter 2006).

⁶⁷ China News Net, 4 November 2008.

⁶⁸ Southern News Net, 29 February 2007, see also <http://www.sachina.edu.cn/Htmldata/news/2007/02/3351.html>.

⁶⁹ *Mingbao*, 2 October 2008, p. 1. Wei Wei, a well-known Chinese writer who recently passed away, was one of the leading old left intellectuals in the past decade. On his deathbed, Wei called for the return to Mao’s socialism. Wei also accused Jiang Zemin’s theory of “three represents” that justified the recruitment of entrepreneurs into the CCP as the betrayal of Mao’s revolutionary causes. Wei was also critical about the proposed new land reform under Hu’s leadership. Xu Qingquan, “*Wei Wei: yipian wenzhang he yiben zazhi de yichan*” [Wei Wei: The legacy of an article and a journal], *Zhongguo xinwen zhouban* (China

Newsweek), 8 September 2008, pp. 72–74.

⁷⁰ See http://www.aboluowang.com/news/data/2006/1211/article_12677.html, 11 December 2006.

⁷¹ George P. Brown, “Arable Land Loss in Rural China: Policy and Implication in Jiangsu Province,” *Asian Survey*, vol. 35, no. 10 (October 1995): 922.

⁷² *Ershiyi shiji jingji daobao*, 1 February 2007, p. 2. Also see <http://www.sachina.edu.cn/Htmldata/news/2007/02/3313.html>.

⁷³ New Century Net, 4 November 2008. See <http://www.xenw.com/ShowNewsId.aspx?Id=633613958652098750>.

⁷⁴ Yang Zhongxu, “*Zhongyang xiuding shibayimu hongxian de beihou*” [Behind the decision of the central government to reinforce 1.8 billion mu as the minimum farmland set line], 28 December 2007. See <http://news.sina.com.cn/c/2007-12-28/094314621520.shtml>.

⁷⁵ Xinhua News Net, 1 November 2008. See http://news.xinhuanet.com/comments/2008-11/01/content_10286214.htm.

⁷⁶ For more information about the missions and agendas of these two institutes, see their websites: <http://www.rdiland.org/OURWORK/OurWork.html>; and <http://www.cato.org/about.php>.

⁷⁷ Luke Erickson’s article on the critique of China’s new land reform was translated into Chinese and has been widely reprinted or cited in the Chinese magazines, newspapers, and online journals. See <http://www.sachina.edu.cn/Htmldata/news/2008/10/4020.html>, 23 October 2008.

⁷⁸ Qin Hui, “*Shizi lukou de Zhongguo tudi zhidu kaige*” [China’s land reform at the crossroads], *Nanfang dushi bao*, 7 October 2008. Also see http://www.nfdaily.cn/opinion/opinionlist/content/2008-10/07/content_4631419.htm.

⁷⁹ Zhang Qian and Du Qiang, “*Zhongguo nongcun tudi de bianyububian*” {Change and continuity of China’s rural land ownership}. *Lianhe zaobao*, 16 October 2008. Also see http://www.stnn.cc/ed_china/200810/t20081016_880244.html.

⁸⁰ Ya Siming, “*Weixian de gaike*.”

⁸¹ Xiao Lu, “*Nongcun tudi liuzhuan lungyao ‘mozhe shitou guohe*” [The transfer of rural land-use rights should still follow the method of “crossing the river by touching the stone”]. *Liaowang xinwen zhoukan* (Outlook News Weekly), 23 October 2008. See also <http://www.sachina.edu.cn/Htmldata/news/2008/10/4009.html>.

⁸² Dang, “*Shixing yongbaozhi shenhua nongcun tudi gaige buyi tuoyan*.”

⁸³ “*Shuining zaizhou yengeng fuzhou*.” For Wen’s use of this idiom, see Xinhuanet, 16 March 2007. http://news.xinhuanet.com/misc/2007-03/16/content_5858271.htm.