Reconsidering the Controversial Land Use Policy of “Linking the Decrease in Rural Construction Land with the Increase in Urban Construction Land”: A Local Government Perspective*

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Abstract

The recent land use policy of “Linking the Decrease in Rural Construction Land with the Increase in Urban Construction Land” is an attempt...
of the government to address the tensions between protecting arable land and providing land for construction by means of more intensive use of land. Nevertheless, the implementation of the policy has triggered much controversy, in particular about predominant dependence upon rural residential land use consolidation and the pursuit of rural-urban construction land quota transfer. Although local governments often take the blame for these issues, the case study of the comprehensive land consolidation project in Guli reveals the type of dilemma with which they are confronted. It is shown that the potential for land consolidation is limited, whereby local governments have to turn to rural residential land consolidation to achieve the targets set by the central government for land consolidation. Furthermore, the displacement and resettlement of rural dwellers puts tremendous financial pressure upon the local government, and it would be impossible to implement the central government mandate to build a new socialist countryside without selling land at a higher price. This article discusses the possibilities for a market-led land consolidation process and concludes that the targets of land consolidation and the implementation of the linking policy should vary from region to region to match local levels of economic development and specificities of the rural economy.

1. Introduction

Owing to the rapid industrialization and urbanization, China has been confronted with the dilemma of safeguarding cultivated land resources to feed a growing population and converting agricultural land to nonagricultural use to meet the rapidly growing demand for construction land. Broadly speaking, two countermeasures have been implemented to ease the resulting tension. One is rural land consolidation (農用地整治 nongyongdi zhengzhi, or 土地開發整理 tudi kaifa zhengli), which aims to increase cultivated land area through land reclamation and more intensive land use. The other is the principal policy of “keeping the dynamic balance of arable land” (保持耕地動態平衡 baochi gengdi dongtai pingheng), which is geared to govern farmland conversion. It requires all provinces, autonomous regions, and municipalities to be directly administered under the central government to maintain a dynamic balance of arable land at the provincial level, which means the same amount of land should be reclaimed for arable use as was occupied for construction and development within the provincial unit. The policy is also known as “cultivated land requisition-compensation balance” (佔補平衡 zhanbu pingheng).