A consideration about collective ownership of land in China

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In China, rural and urban areas are divided by the household registration (hukou) system, exhibiting a high level of income disparity between the two, and “three agriculture-related problems” (farmers, rural areas, and agriculture) in rural areas. How to solve these problems, is an important issue for the turning point in China’s economic development.

Land ownership is divided into two categories: state land and collective land. The dual land system has been enhanced and strengthened by the legal system. For example: “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.” (Art. 10, PRC Constitution, 1982). “Owners of immovables or movables shall be entitled to possess, use, benefit from and dispose of the immovables or movables according to law.” (Art. 39, PRC Property Law, 2007).

Thus, collective ownership is accepted by both constitution and property law. However, contrary to Chinese law there has been frequent infringement collective ownership by land expropriation due to so-called “public interest” reasons and for “commercial purpose” which has occurred frequently in various places. Is collective ownership a “Modern land-ownership” system or is it simply “a tool” to be em-
ployed at this point in china’s economic development.

This paper first provides an overview of the history of the land ownership system in China. Then, the subject and character of collective ownership will be discussed. Finally, the problematical aspects of Collective ownership will be analyzed, and the fact that equal protections of three types of the property rights are just virtual images will be portrayed.