China cautious on land reform

Analysts say it may go slow on plans for flexible land use amid global gloom

BEIJING: Each spring, farmer Wang Yuling enters into a gentleman’s pact with his neighbours: to use the latter’s land for a fee.

“Just tell me, I’m going to the city to work, you plant your potatoes and corn on my land if you want to. And I hand him 260 yuan per mu for a year. That’s it,” said Mr Wang, 55. That amount converts to $556 for the use of about 0.37ha.

The formalisation of the leasing of land-use rights to fellow farmers – already commonplace in rural China – and, more radically, to agricultural cooperatives and companies, is expected to have been key in a package of rural reforms approved by top Chinese leaders at a policy-setting meeting that ended on Sunday.

These plans aim to double rural incomes by 2020 and help narrow the growing wealth gap between the 740 million rural residents – 56 per cent of its population – and their urban counterparts.

But a day after the annual plenary session of the Chinese Communist Party’s (CCP) decision-making central committee closed, observers were left debating whether following a week of articles touting the benefits of more flexible rural land use in state media, there was any mention of the reforms in the meeting’s vaguely worded communiqué.

A commentary issued by the official Xinhua news agency on Sunday said China should give farmers “more comprehensive and secure” land rights to boost rural productivity and speed up reforms.

While rural experts are certain some measure of land reform will go ahead, some observers say the omission perhaps indicates Beijing may now take less bold or slower steps as it seeks to maintain stability in the vast countryside – in the wake of the current global economic turmoil.

While local news sites, including one run by the official People’s Daily, debated the pros and cons of land reforms yesterday, a researcher who helped draft the plans approved at the plenum sounded a cautious note.

Dampening the hype stirred by other scholars, Mr Xu Xueqin of a Cabinet-linked think-tank told the Xinhua newspaper in an interview published yesterday that the plenum decided that China’s rural land policy would not be changed in “one uniform cut”, but be adjusted according to local conditions. The status quo will largely be kept, with some innovative policies to be tested at a few existing pilot sites, he said.

Based on the reports leading up to the four-day plenum, Beijing was said to have plans to allow farmers to transfer or mortgage rights for their tiny plots to other farmers or agriculture companies, in order to re-arrange economies of scale or earn a cash wage.

The policy intention: to solve the problems with the current system, which allows individuals to till their land under 30-year government contracts. The size of a typical Chinese farm is about 0.6ha, compared to 174.9ha in the United States.

There has been much speculation that rural land leases would be lengthened to 70 years or longer, making the land more valuable. But how far the land reforms will go in the current climate and how they will work is still anyone’s guess.

As things stand, said sociologist Zhu Qibin of China Agricultural University, Beijing is unlikely to make rural land freehold, as would best suit farmers’ interests. But he said: “We still need a breakthrough on the issue of rural land. It’s at the heart of the next phase of China’s development.”