China’s New Agricultural Land Policies from the 3rd Plenary Session of the 18th CPC Central Committee

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“The Decision on Major Issues Concerning Comprehensively Deepening Reforms” was adopted at the close of the Third Plenary Session of the 18th CPC Central Committee on Nov. 12th 2013. The following is an excerpt of the document. The new land policies are mainly presented in Section VI.

I—Significance and principles
II—Basic economic system
5. Complete the property rights protection system.
6. Actively develop a diversified ownership economy.
III—Modern market system
11. Form a construction-land market that unifies urban and rural areas. Allow the sale, leasing and demutualization of rural, collectively owned buildable land under the premise that it conforms to planning. Enlarge the area in which State-owned land can be leased. Reduce land allocation that does not promote public welfare.
IV—Government’s role
The government must effectively shift its role by building itself into a service-type government that bases its functions on the law.
V—Fiscal and tax system
The fiscal and taxation system is an important guarantee of State governance.
VI—Urban-rural development
The existing urban-rural dual structure is a main obstacle to integrated development. Efforts must be made to allow farmers to participate in China’s modernization.

20. Accelerate the building of a new agricultural-operation system based on a mix of family, collective, cooperative and enterprise operations. Land-contracting rights will be protected. Farmers are allowed to become shareholders in the agriculture-industrialization via their land-contracting rights. Private capital is encouraged to invest in a modern planting and breeding industry, and for introducing modern production and management methods.

21. Farmers will be given more property rights. They are encouraged to develop a shareholding system
from which they can realize benefits. Meanwhile, they can also sell a share or take it as collateral or warranty. They also have the right of succession. Moreover, the homestead system in rural areas will be improved, and farmers’ usufruct rights of homestead will be ensured. A pilot program will be carried out in some areas to discover other channels for improving farmers’ income. A rural property-rights trading market will be established.

22. A more balanced allocation of public resources between urban and rural areas will be promoted. Migrant workers should get the same pay for the same job. Farmers should receive a fair share of the profits from land-value appreciation. Deposits in rural financial institutions should be mainly used to finance the development of agriculture and rural areas. The agricultural subsidiary system and insurance system will be improved. Social-capital investment is encouraged for construction in rural areas.

23. Build a healthy urbanization that puts people at the center. Reform of the hukou (or household registration) system will be accelerated to help farmers become urban residents. The country will relax overall control of farmers settling in towns and small cities, and relax restrictions on settling in medium-sized cities in an orderly manner. China should set reasonable requirements for rural residents to obtain hukou in large cities, and strictly control the size of population in megacities. Efforts should be made to make basic urban public services available to all permanent residents in cities, including all rural residents. This includes the affordable-housing system and the social security network.

VII—Further opening-up
Efforts are to be made to facilitate overseas companies’ entry to China and Chinese companies’ expansion abroad.

VIII—Political system
IX—Rule of law
X—Supervision of power
XI—Cultural system
XII—Social services
Reform is to be accelerated to allow more benefits from the development to be more equally shared by all people.

XIII—Social governance
Efforts are to be made to promote harmony and vitality of society and to maintain State security.