Land System Reform in Practice of China’s Urban-rural Integration Development — A Case of Chongqing and Chengdu

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1 Background

1.1 Coordinated Urban-rural Development: the requirement of China’ Social and Economic Development transition

some important social changes occurred in the same era. Economic and social development is facing many challenges, of which the most prominent is the various socio-economic problems due to the urban-rural dual structure.
The large gap is in the urban-rural development.
The report of 18th CPC National Congress has confirmed that the meaning of urban-rural integration, that is to narrow the gap between urban and rural and the direction of urbanization is also to realize urban-rural integration.

• It is necessary to building a New Relationship Between Urban and Rural Areas in China

Resolving issues relating to agriculture, rural areas and farmers is the number one priority in China, and integrating urban and rural development provides the fundamental solution to these issues.

The report of 18th CPC National Congress has confirmed that the meaning of urban-rural integration, that is to narrow the gap between urban and rural and the direction of urbanization is also to realize urban-rural integration.
1.2 Why Chengdu-Chongqing Region was selected as the comprehensive reform testing area of urban-rural integration?

Chengdu-Chongqing region is located in the southwest of China, and it play very important role of implementing the “large-scale development of the western region” strategy. It both have developed urban areas and broad rural areas which economic and social development is lagging behind, which make it as a typical area of China‘s urban-rural dual structure and a ideal place for comprehensive reform testing of urban-rural integration development.
Fig. 2 The location of Chongqing City and Chengdu
1.3 Why rural land system reform is the key issue to urban-rural integration development?

(1) The coexistence of scarcity of urban construction land and extensive utilization of rural construction land

-- the demand of land plan development index is 3.73 ten thousand hectare

-- which is 4.5 times the amount of the new construction land of State actually issued to.
With the accelerated speed of urbanization and industrialization, dynamic adjustment of the proportion of the population in the urban and rural areas, the development of secondary and tertiary industries become the driving force of economic development, the shortages of urban land restrict the further development of the local economy.

With urbanization and industrialization more and more rural residents rush into the city.
Due to the large number of population outflow and industrial decline. As a result, there is caused a fearful problem that countryside homestead, the buildings of rural enterprises and development zone are vacant, a plentiful rural land has been desolated, wasted and willfully invaded.
Rural per capita Residential Land

The proportion of total population of rural residents

Fig. 3 Chongqing rural residential land-use change
(3) It is urgent and necessary to establish a set of a development mechanism

How to get a balance of the difference of the urban-rural duality economy structure of China? It means we must emphasize the urban-rural integration development planning, especially to establish a set of a development mechanism in order to assure the direction of rural land system reform in China, which should play the three aspects of urban and rural area as a whole:

- Resources
- Assets
- Population (labor)
Fig. 4 Urban and Rural Land System Reform Channels in Chongqing and Chengdu

- **Upstream Link**: Reformation of Land Expropriation System
- **Midstream Link**: Construction Land Index Exchange or Transfer
- **Downstream Link**: Convert Index to Land
  - **Increase Supply of Urban Construction Land**

**Resources Overall Planning Channel**
- **Non-agricultural Income**

**Urban Assets**
- **Urban Development**
- **Information Feedback**

**Rural Development**
- **Assets Overall Planning Channel**
  - **Collective Assets**
    - Peasant Personal Assets
    - "Three Rights" Mortgage
    - Cultivated Land Protection Fund
    - Food Security for City Development
  - **Collective Assets**
    - Integrate Rural Assets into City Development
    - Farmer Become "Shareholders"
    - Increase Land Assets of Urban & Rural

**Labor Overall Planning Channel**
- **Non-agricultural Income**
- **Comprehensive Improvement of Rural Land**
- **Withdrawal Mechanism of Rural Land**
- **Population Shift From Rural to Urban**
- **Demographic Dividend for Urban construction**
Fig. 5 Geographic Distribution of Greater Chengdu: the three tiers
2.1 Coordinated use of construction land in urban-rural area

(1) “Collective construction land construct industrial parks”, use flexible lease instead of disposable land expropriation.
(2) Land comprehensive consolidation: space for space program

The policy of “pothook of urban construction land increase and rural residential land decrease” is to make rural construction land and urban construction land development together to be project areas where pull down old buildings and build new buildings.

Chengdu took pothook project and land consolidation project which is to balance of arable land together to be land comprehensive consolidation project, and made land planning and implement in the whole Chengdu area. the space for space project can be made significant function on a larger scale.
(3) Expansion of pothook radius of urban-rural construction land

Fig. 7 Expansion of the Radius of "Increase-decrease Pothook" in Chengdu
In order to raise households’ assets benefit and realize the goal of national arable land protection, Chengdu had established Arable Land Protection Fund which specially used for households, who are obligated to protect arable land since 2008.

- For capital farmland is 6000 yuan per hectare, while common arable land is 4500 yuan per hectare
- The finance of fund by city and county two level government with apportionment on a 50:50 basis.
- The asset of the fund is mainly including part of land-transferring benefit, land use charges for the newly added construction land, and tax on arable land occupation.
3 Land system reform in practice of Chongqing’s urban-rural integration development

Fig. 8 Geographic Distribution of Chongqing: Lap wings
3.1 Urban-rural construction land integration use: **Space for space.**

To build Chongqing Rural Land Exchange Institute as an exchange platform for the transfer of households’ land asset right and rural construction land index.

**What is “land ticket”?**

“Land ticket” refers to rural collective construction land, including rural homestead land and its affiliated facilities, is reclaimed into arable land, and then it can be regarded as new construction land index to replaced with urban construction land index.
The operating principle of “land ticket” system

In essence, **land ticket** is credit note for index pothook of urban construction land increase and rural residential land decrease.
Space for space project

- Land reclaimation
- Transfer the spare construction land index
- Share of the construction land index

Urban area

Rural area
Rural residential land owners get money to improve production and living conditions.
• To share urbanization benefit by households

By “land ticket” exchange, the asset value of construction land can be fully reflected.

Chongqing has “land ticket” program and rural land comprehensive consolidation project as a whole, and make collective construction land reclaimed and construct densely populated area based on the planning of land comprehensive consolidation. On one hand, protect arable land, especially arable land; on the other hand, develop the level of collective construction land intensive use.
Fig. 10 Transaction Flow of Land Tickets in Chongqing
3.2 To establish rural land use right withdrawal mechanism and effectively promote urbanization construction

Based on the unmatched situation of population urbanization and spatial urbanization, Chongqing has launched the reform of household registration system in 2010. Many comprehensive supporting measures to employment, social security, housing, education, health care were included in Chongqing’ reform of household registration system. And at the same time, on the basis of voluntary and compensated, encourage households, who have stable income or stable residence, give up rural land including dwelling and arable land. And the households who have give up rural land can apply for urban public rental housing.
4 Summary

- Resolving issue of urban-rural integration development is the number one priority in China’s recent development phrase, and integration urban-rural land use is the number one priority in urban-rural integration development.

- Both land ticks system and “pothook” policy are through space for space program, TDRs-like instrument, need other Public policies

- The space for space project only started a few years ago, it’s factions is need to test.
THANKS for Your Attention