Land expropriation, protest, and impunity in rural China

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Abstract: Conflicts over rural land expropriation, which have intensified over the past decade in China, pose a significant threat to the country’s social stability and the sustainability of its economic development. This article argues that such conflicts are inevitable under China’s current political and legal system. After a brief introduction of the present situation in China and an overview of China’s land regime, the article first analyzes reasons for the escalation of land conflicts, including the vague definition of public interest, the inadequate compensation, and the ambiguous nature of collective land ownership. It then argues that even the few existing rights of rural peasants under the present land regime are not adequately protected due to China’s poor law enforcement. The article further elucidates that impunity with regard to illegal land grabbing is common in China for a variety of reasons that all have roots in the Communist Party’s monopoly over Chinese society. With no fundamental reform to China’s party politics, the article concludes, there will be no effective measure to prevent further conflicts over land in the near future.

Keywords: China, conflict, party politics, rule of law, rural land expropriation

In April 2008 a violent clash between local police and villagers resisting the expropriation of their land occurred in Saixi village in the southwestern province of Yunnan (Hsiao 2008). The conflict began with villagers protesting against the insufficient compensation they had received from the Zijin Mining Corporation, one of the largest mining companies in China, which had started excavations on the contested land. Local police arrived and strived to put down the protest but instead their presence increased the tension. In the end the police opened fire on the protesters, killing one person and critically injuring several. The incident in Saixi village gained attention even in the international media—it is however only one of hundreds of uprisings taking place in present-day China related to rural land expropriation.

Forced appropriation of land and resistance against it has increased dramatically during the past ten years and appears to be accelerating (Zhu and Prosterman 2007). According to data collected by the Ministry of Land and Resources, in the first half of 2002 40 percent of the petitions received from peasants related to land acquisitions and illegal land seizures, of which 87 percent involved inadequate compensations for land and unfair resettlement subsidies (Zhang 2004).
The Ministry of Public Security disclosed that in 2005 more than 65 percent of mass incidents in rural China were reportedly the result of land expropriation (Hsiao 2008). In the first nine months of 2006, China reported a total of 17,900 cases of massive rural unrest, with at least 385,000 farmers protesting against the government. Approximately 80 percent of these incidents were related to illegal land appropriations. Land acquisition by the state has thereby become the top cause of rural grievances in China (Zhu and Prosterman 2007). In the absence of a free media and with local government trying to silence protest, it is safe to assume that there are many more incidents related to land expropriation.

In recent years such mass incidents have started to pose a significant threat to China’s social stability and economic development, as well as to the authority of the Chinese government. In order to ease the accumulating tension in rural China, the latter has made considerable efforts, including establishing new land markets, legislating new laws, tightening law enforcement, issuing stricter policies, increasing compensation standards, and punishing corrupt officials. However, those measures have not had the expected result.

This article seeks to explain why conflict over rural land expropriation is inevitable under the present political and legal regime of the party state in China. It is not that the Chinese government is not serious about the issue, but that under current conditions it is impossible for the state to solve it. Contrary to what has been the expectation of many Chinese scholars, this article argues that the forthcoming land reform will not make much difference. There will inevitably be more land expropriation-related tragedies unless fundamental political and legal reforms in pursuit of the rule of law and democratization are embarked on.

**Land expropriation under the present regime**

The main characteristic of the Chinese land regime is the prohibition of private ownership. Since 1949, the Chinese Communist Party (CCP) has gradually eradicated private land ownership through a series of political campaigns to realize its socialist ideology of a planned economy. A new land regime was established after 1956 that made all land publicly owned, either by the state or by rural collectives (see Ho 2005). The only liberalization that has taken place since is that a market has developed for the lease of contracted farmland and the transfer of farmland use rights. Ultimately, state and collective ownership however remain untouched.

According to Chinese law, urban land belongs to the state; the State Council, by means of sub-organs, exercises this right. In contrast, rural and sub-urban land, including arable land, forest, grassland, and construction land, should—unless prescribed otherwise by law—be collectively owned by farmers and be collectively administered on behalf of farmers at two levels—the administrative village and the village group. This means that only farmers’ use rights (jingyingquan) to land are recognized and protected by law. Because all urban land belongs to the state, it must be noted that land expropriation in China merely refers to rural land.

In the past two decades rapid industrialization and urbanization in China has caused an increasing demand to convert rural land for industrial, housing, infrastructural or other urban use (see Wang 2005). But a potential land user—for example a private property developer—cannot acquire rural construction land or arable land directly from a collective on the land market. Such conversion must be permitted and carried out by the Chinese government. After the potential land user has made an application for the land that is in accordance with land use plan, the government can start the procedure of land expropriation (tudi zhengyong) in the name of public interest, followed by a land transaction (tudi churang) between the government and the potential land user.

Rural land expropriation is carried out by the county government or higher level officials. Farmers who lose their land do not get compensation directly from the local government, but from a potential land user, according to statu-
tory standards based on the principle that farmers’ living standard may not be lowered due to the expropriation. Compensation is based on the original land use. It consists of three parts: a compensation for the loss of land set at six to ten times “the average annual output value,” a resettlement subsidy of four to six times the average annual output value, and a compensation for structures and standing crops. Based on the prescribed standard, each provincial government can decide its own compensation rates accordingly within its jurisdiction. However, in case the prescribed compensation is not high enough to comply with the above principle, the total compensation of the first two categories shall not exceed thirty times the average annual output value of the previous three years.

Land expropriation remains a highly controversial matter in China, partly because of legislative defects and poor law enforcement. An important issue in this regard is the ambiguity of the notion of the “public interest,” in whose name land is expropriated. There is no specific definition of the term in either case law or statutory law. In common practice, the term is interpreted extremely broadly to allow a variety of urbanizing, industrializing, and “modernizing” activities. In this way, local governments support many commercial projects to increase local revenue. It is, however, mostly certain local leaders, interest groups, and other insiders who benefit from such projects, while farmers’ interests seem to be excluded from the definition of public interest.

The most often reported reason for the high number of land-related incidents is inadequate compensation to farmers. No doubt the compensation standard set by statutory law is rather low in comparison to the market value of expropriated land, let alone farmers’ real long-term loss. The compensation only aims to uphold their present living standard, but does not ensure them an alternative means of making a living. With a maximum compensation of thirty times the average annual output value, it is up to the jurisdiction of the provincial government to determine the amount of compensation. Although the compensation de jure standard is already low in comparison to the market value, farmers are often not even given that and a considerable part of the compensation disappears into the pockets of local governments, collectives, and village cadres. Moreover, there are no stipulations in current Chinese law on the procedure to be followed where compensation fees are not paid according to the legal standard.

Also the meaning of “collective ownership” is vague and it is not clear who the actual owners of collectively owned rural land are. Scholars have suggested that rural land is ultimately owned by the state, but in reality it is in the hands of village and township party cadres. In land expropriation cases, the latter pursue their personal interests in negotiating how much is to be compensated and in deciding how much each villager may get. The overall gap between the compensation in farmers’ hands and the market value of the expropriated land is so big that landless farmers cannot but feel heavily exploited.

However, not all rural land acquisitions give rise to riots and unrests, even under the current, defective legislation. Peasants do not have high expectations because they know that they only have “use rights” to rural land. In cases where the legally prescribed compensation is paid, they are usually satisfied. In Guangzhuo City, Guangdong province—one of China’s richest areas—land requisition for urban development has for instance been successful and has triggered no apparent confrontations. Land expropriation was conducted there in accordance with the respective rules and regulations and with more transparency and public participation than in other places. Even the proper implementation of existing state law would likely reduce the intensity of the present conflicts over land.

**Economic dispossession with political impunity**

In recent years the Chinese government has become more aware of the danger of popular unrest over land expropriation and has tried to
improve the situation. It has made considerable efforts to tighten the fence and has issued new policies, established new monitoring agencies, and designed new laws. It is worth mentioning that the recently promulgated property law particularly emphasizes the protection of farmers’ land use rights and prescribes adequate compensation to be paid in case of land acquisition. Such measures nevertheless cannot effectively reduce the conflicts over land expropriation. New laws have little effect as local officials hardly comply with them. Even under strong pressure from Beijing, illegal land grabs continue in rural China. For instance, local officials of Dangshan County, Anhui province, have engaged in illegal land grabbing for many years, causing continuous conflicts between peasants and the local government. In June 2008 the Chinese Central Government issued a special regulation punishing government officials who intentionally disregard land laws. Its preamble openly admits that local officials breach the law and that China’s land administration is at a critical point. The fact that there is a widespread violation of the law in rural China despite remedies sought by the central government relates to the sharp contrast between economic reforms that have lead officials to pursue profit at all costs and an absence of any political reforms to hold officials democratically accountable and tackle their impunity.

Following the 1994 fiscal reform, the central government took away most of the revenues of local governments but did not diminish their financial responsibilities (Yang 2008). To meet local needs, a considerable proportion of local income is acquired, legally or illegally, through land expropriation. Had state law been strictly implemented, the income of township, county, and municipal governments would have decreased significantly, particularly in less developed areas of the country. With GDP growth being the priority of the Chinese government, more rural land is needed for industrial use and urbanization. In the present promotion system, officials who achieve high GDP growth are most likely to be promoted. This has two negative consequences. First, they have to attract investors by all means, even offering land at a price far below the market value (Zhou 2004). Thus, in regional economic competitions some local leaders even offer free land to companies that may contribute more to local revenue. For this reason inadequate compensation to local farmers is almost unavoidable. Second, large real estate development rather than agricultural production is promoted by local officials as the former is likely to contribute more to GDP growth.

Apart from this, there is also the fact that local officials can gain incredible interests from land expropriation and land lease. Due to the non-democratic character and hierarchical structure of the Chinese government, rent seeking is popular in local land administration. Though there are specific procedures, rules, and policies on land transfers, it is ultimately local leaders, usually party cadres, who have the last say in deciding who gets land and at what price. Local leaders, in particular those in charge of land issues, benefit directly from such land transactions by taking bribes from potential land users. In some cases, the land developers are actually companies owned by officials’ relatives, family members, and close friends. All this leads to an ever more disturbing redistribution of wealth away from farmers toward local officials and the companies to which the land is assigned.

The attractions of the promotions and profits to be made from illegal land grabbing are worsened by the lack of punishment of officials breaking the law. Poor enforcement of land laws has caused serious problems in China. Due to illegal land grabbing, China’s arable land decreases so fast that it now touches the so-called red line, endangering China’s food security. Moreover, massive land expropriation-related incidents threaten the rule of the party state. Though Beijing wants tight control over local officials on land issues, it cannot achieve the aim because land law violations at local level are hardly punished. The main reasons for this are strong local protectionism and the absence of an independent judiciary.

It is difficult for Beijing to restrict local officials due to an increasing local protectionism, a problem that results from China’s rapid eco-
nomic growth. Local governments enjoy more independence and have become the real governors of their localities. Taking into account the size of the Chinese government and the number of local officials, it seems impossible to reverse this trend. Although still appointed from above, local leaders now have absolute authority within their jurisdiction. They tend to align with each other to seek personal interests and establish larger social networks for mutual protection. This makes it easy to escape legal punishment and party disciplining. Moreover, when high-ranking officials and party leaders in Beijing become involved in corruption scandals,\textsuperscript{9} we can expect even more impunity.

Reinforcing this impunity is also the lack of judicial independence in China (Lubman 2000). Chinese courts are under the control of party cadres. Party policy, instead of state law, gets priority in decision making (Peerenboom 2002). Thus the different parties in a land-related conflict are encouraged to solve it by means of negotiations and non-legal methods. Class action lawsuits are extremely uncommon in China. Such lawsuits are rarely accepted by Chinese courts because they are regarded as threatening social stability, as was seen for instance in the recent milk adulteration scandal (Wong 2009). Local courts encounter pressure and interference from local leaders and party cadres in the name of promoting “local economic development and urbanization.” Under such circumstances, appeals from farmers to local courts against illegal land expropriation and unfair compensation have little hope of winning. Only a small portion of law violations is punished unless they threaten to seriously damage Beijing’s reputation. In this regard, Pei’s study indicates that in general the low rate of criminal investigations targeting individuals accused of corrupt activities and the negligible probability of criminal penalties make corruption a low risk and high-return activity that is extremely attractive to officials (Pei 2006: 150).

In contrast to well-protected local officials, landless farmers have to march a long way to achieve justice. As an ex-post remedy, petitions to higher governments like letters and visits are not welcome and are forwarded to the local officials in charge. Local media often keep quiet on illegal land grabbing and insufficient compensation because the party propaganda bureau forbids them to disclose such negative news so as not to endanger “social harmony.” Less than one percent of the farmers surveyed in Zhu’s (2007) study were able to file formal lawsuits to resolve their land-related grievances. Rights to public hearings and procedural justice only exist on paper. When individual lawsuits are denied and class-action lawsuit banned, farmers are forced to stage public protest and riots to draw attention from the national media and Beijing, whom they tend to consider more benign than their immediate oppressors at the local level (see Guo 2001: 436 ff.).

The dilemma

Though the CCP’s efforts to curb misbehaviours in land expropriation are impressive, the result is doomed to be far below expectation as any real solution would have to involve a fundamental political reform. Some scholars assume that it would be possible to return land to farmers but under the present conditions this means returning it to local cadres (Cai 2003). The problem is that the CCP is the landlord of all Chinese and has the ultimate authority to decide who can benefit from land use and how much—one of the reasons why Chinese dissidents tend to see private property as the solution to the lack of protection currently enjoyed by farmers against forced expropriation. Under China’s current economic policies, the state monopoly over land means that local governments and land developers, particularly those having close relationships with local leaders, gain major profits from land acquisition at the expense of farmers’ livelihoods (Zhang 2004; Zhu and Prosterman 2007).\textsuperscript{8}

The central issue is thus whether the Chinese government, or the CCP, is willing to give up its monopoly over land and give farmers a real say in what happens to the land they depend on for their livelihood. This also entails bringing the impunity to an end with which farmers’ rights
are violated by Chinese officials, which has deep roots in the CCP itself. Since the terminal crisis of international communism in the late 1980s, what glues party members together is no longer so much communist ideology but mere pursuit of individual interest. More and more people join the CCP for social advancement instead of for commitment to any political ideology. As Peer-enbom points out, “party control and discipline have been largely weakened by further corruption and the prevailing ethos of self-interested materialism” (2002: 210). After the amendment of the party charter in 2002, it has basically become an association of nouveau riche, bureaucrats—the majority of which are party cadres, and some intellectual elites. It has moreover come to the point that not only are mafia members joining the CCP but local cadres are even collecting wealth in ways that are no different from those of the mafia (He 2006, 2007).

In a sense the CCP is more united than ever before, even if without any ideological commitment and with diversified interests. On the one hand, local officials and cadres rely on the Party’s authority and protection to seek personal goals. Even though they are number one within their own territory, they have to comply with the officials above them who are responsible for their promotion. As long as the officials dominating key positions of local government continue to be assigned by those above them and selected within the CCP rather than democratically elected, it is safe to assume that the protection of peasants’ land rights will not be a true priority. On the other hand, at national level, the central party needs support from local leaders and cadres to maintain its party monopoly. China’s new generation of leaders do not have the same authority over local leaders as Mao and Deng once had. To retain power, they have to win loyalty by allowing local leaders to pursue their own interests, sometimes even illegally. Consequently, the aforementioned separation of local and central governments, though apparent, is not fundamental; they are more interdependent on each other.

In this regard, the suppression of human rights such as the right to free expression, association and a free media, to procedural justice, and especially to direct local elections, is testimony to this interdependence. Realization of such rights is undoubtedly a threat to the party state as well as to the interests of party cadres. Although human rights violations by local officials are common in China, only those seriously damaging CCP’s legitimacy and international reputation will be tackled. At the local level, law violations by officials seem to be an “open secret.” To meet the quota set by higher officials in population control, local officials in Shangdong province for instance quite openly took illegal measures trampling human rights (Watts 2005).

Such interdependence, however, does not simplify the central-local relation and drive away possible clashes. To understand the complex relation, one has to bear two things in mind. First, the CCP has both a benevolent and a malevolent face simultaneously. To retain its grip on power despite increasing economic injustice, it deploys heavy-handed suppression. On the other hand, it cannot rely solely on coercion and must deploy a benevolent face to gain legitimacy. Thus cases annoying the public and damaging the party’s reputation have to be punished to show its determination in curbing corruption and in serving the interest of Chinese. Second, as Lü (2000) argued, deviations from party policies and misconducts in pursuit of personal interest cannot be eradicated due to the “organizational involution” of the CCP. The party state has never succeeded in modernizing its organizations by integrating relations of legal-rational authority in the Weberian sense. Instead it has been captured by its own agents who distort policies and resist control from above. In this regard, it is not so much that the central government is “unwilling” to fight against the misconduct of its members and sub-organizations, but it is incapable to do so.

Because the CCP cannot really fight itself, illegal land grabbing and corruption can only be brought to a halt through democratization and judicial independence. In China village elections began in the late 1980s and have been popularly regarded as a good means toward responsive local leadership. As it turns out, village leaders elected in fair elections are willing to protect
farmers’ interest against illegal land acquisitions and unfair compensations (Cai 2003). Although it is probably only still a minority of village elections that are conducted democratically and though there are many “fake elections,” it is still observed that even poorly conducted or corruptible elections provide leaders with a motivation to act in the interests of their constituents (Brandt and Turner 2000). So far there has been no sign from Beijing of extending these elections to the township level or higher. The CCP becomes very cautious when encountering challenges against its political monopoly.

Neither is judicial independence possible in China right now. It is well recognized that independent judges can bring justice to a society by keeping a rein on the power of executive officials. With judicial independence, there could at least be better law enforcement in China, countering illegal land grabbing. However, though proclaiming that the rule of law is China’s future, the CCP hardly makes any substantive move toward judiciary independence. Even the firmest supporters of gradual judicial reform have lost confidence after observing so many years of “slow progress” (He 2008).

One may object that countries with judicial independence and formal democracy, such as India still show many cases of violent land expropriation and that thus the expectations of what democracy and rule of law can do should not be too high. In this regard, the best counterargument resides in what is now happening in Taiwan, which has more similarities with Mainland China, both culturally and socially, than India. Thanks to judiciary independence and democratic governance, forced evictions and illegal land takings are seldom reported. Former president Suibian Chen has been formally accused of misconducts during his presidency. Taiwan’s case at least proves that democracy and judicial independence can remove officials from the protection of party politics and hold them responsible for past misconducts. This is why many Chinese believe that China’s real future may lie in that small island.

In addition, it is important to mention the increasing rights consciousness among Chinese people, which seems to be a by-product of the propagation of “socialist rule of law” by the CCP. As Gallagher (2005) observed with regard to labour law, Chinese citizens have accepted the Western legal concepts and now use the law as a weapon to press their own rights and interests. Whether such rights-based fights can lead to much result is doubtful as long as local courts are still under the control of cadres who may have various interests in land expropriations. Nevertheless, this is no doubt the strongest push toward the rule of law that we have seen in China’s recent history.

The CCP is fully aware that judicial independence, democratization, and increasing rights-based resistance eventually will remove its monopoly over Chinese society, a path however not acceptable to the party. With the example of the coloured revolutions in Eastern Europe, the CCP knows that gradual political reform puts it in danger of losing power altogether. True democracy and judicial independence will also endanger leaders by removing their impunity. So here comes the dilemma: on the one hand, illegal land grabbing and unfair compensation in land expropriations endanger the CCP’s legitimacy and authority and it is therefore forced to take the problem seriously. On the other hand, the final resolution depends on a fundamental political reform that is unbearable for the CCP.

**Conclusion**

The real source of the numerous social conflicts related to land expropriation is the CCP’s monopoly on Chinese society. In the near future, the present situation will not change much, if the CCP continues to maintain the monopoly and allows no real political reform. Ideally speaking, the more the CCP gives up its monopoly on land issues, including the return of ownership of land, the more rights and interests peasants may have, the less discretionary power local cadres can wield against peasants, consequently the less land expropriation-related mass incidents. Whether peasants can benefit from such a retreat also depends on political development.
introducing more democracy and judicial independence. Otherwise, the rights awarded to peasants might be taken away again by local cadres, of which strict control from Beijing seems impossible under the present circumstances.

In line with this, observers should not be too optimistic that the Third Plenary Session of the Seventeenth Central Committee of the CCP held in October 2008 signals any fundamental reform in the near future. According to its proclamation, no significant reform is promised so far; only measures to tighten up the already loose fence are adopted. For example, the proclamation accepts popular experimental practices, though illegal before, such as transfer of use rights of arable land; emphasizes more strict land acquisition regulations and explicitly assures peasants of full compensation in land acquisition; and it promises to separate public interest from non-public interest. With a new round of policy makings and law amendments, I believe these measures will somehow help. However, as long as there is no proper law enforcement and democratization in China, the old question remains: how much?

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Notes

1. Chinese Constitutional Law, article 10; Land Administration Law (LAL) of China (1998), article 8, and article 4, paragraph 2.
2. This term refers to the average annual output value in the three years before expropriation.
3. LAL, article 47.
4. For instance, Guo (2001) calculated that county-township government received between 60 and 70 percent of the total land market value, village collectives 25 to 30 percent, and farmers only between 5 and 10 percent. The circumstance has not improved much since Guo’s research. As Zhu (2007) revealed, land losing farmers typically receive 10–20 percent of total land sales.
5. Chinese Property Law (2007), article 42, 125, 126, and article 154.
8. According to Forbes magazine ranking of wealthiest Chinese (2007), six of top ten are private estate developers.
9. For example, at the time of this writing, vice president of the Chinese Supreme Court Songyou Huang is under investigation for misconducts in interfering with local court’s judgment in Guangdong province.
10. Luo Gan, China’s top law and order official, warned of the danger of Western enemy forces trying to use China’s legal system to Westernize and divide the country. He demanded that legal departments should stand with the CCP (Kahn 2007).

References


