

The Impact of Land Property Right on China's Rural-urban Migration

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Abstract. China is a country which has its own unique land property system. Some suggest that the land property rights in China, particularly in rural areas, have limited its economic development, and the free labor flow. The rural to urban migration creates a labor flow, expanding in urbanization and integrating with positive economic activities. However, with blurry and unclear property right policies making it hard to process the transfer of land, lead to a heavy burden on internal migration. To solve the problem and promote more people to migrate, and as the demand of land rose, the Chinese government has thought of two main ways of land transfer in the past years. One way is through the market channel which refers to renting the land out, the other is through the government channel, in which the land is appropriated by the government authorities and converted into other ways of usage. Focusing on the survey data from the peasants who have agricultural land in their household, we compare the two mainstream land transfers in China's rural areas's influence on people's migration choice. Using probit models in this paper to observe the casual relationship between different land transfer channels and people's migration choice to provide suggestions for the future direction of China's land transfer.

Key words: Land Property right, Land tenure, Rural to urban migration, government appropriation, land rent, rural (agricultural land).

1. Introduction

China's land system binates property rights for rural and urban land. However, according to previous research, the current land system in China is creating multiple limitations and needs to be reformed (Zhou & Li & Liu, 2019). Throughout the previous years, the problematic land system has demonstrated unclear and insecure property rights in the rural areas, providing the land owners with inexact land tenure (Li & Zhang & Hayes, 2018). The land system eliminates economic activities performed by the rural population because of the confused land tenure, which creates a serious urban-rural inequality in the country. The unclear property rights make it risky to open up a land market and prevent investment, which constrains rural economic growth. China has around 40% of its population who live in rural areas. While the income inequality among rural and urban residents are significantly large, urban resident's income is approximately 2.6 times the income of rural residents (Watanabe, 2021). The rural population contains around 200 million households, and the land they own is their most valuable property. It's critical to protect their properties and improve their income for their likelihood. In addition, as the country with the fastest growing economy and being one of the biggest agricultural countries, China's agricultural production hasn't reached its most efficient. Compared with developed countries, China's farm size is much smaller, and the agricultural productivity is much lower. The possible reason for this is that the agricultural farms in China exist in small farm plots in the hands of an individual's household but not in the hands of the efficient and proficient users which is driven greatly by the land property right.

China's rural lands, unlike urban land owned by the state, are owned by rural collectives. The Household responsibility System (HRS) helps the village collectives allocate land to suitable households. HRS chooses the eligible households based on the number of people living in each household to keep the property distribution equally and fair. The household who receives the property does not have full property rights like the urban land owners. A policy called the three right policy separates the right of the land into ownership right, contract right, and use right. The village collectives have the ownership right, and the contract right and use right are passed to the household

members. The contract rights are the rights given to the individual household to ensure that they have the right to use the collective owned land. The used right is the right to use the land and the right to make profit from the product getting produced in the land, such as selling grains and agriculture products. But the individual households have no rights to sell the land, or use the land for other purposes than agriculture (Cheng et al, 2019).

The collectives have the rights to reallocate the land arrangements when the population of the household changes (Gale, 2002). This characteristic exists to keep the property equally distributed. While the frequency and the requirement for rearrangement of the land varies among the region, Gale (2002), which also introduces a problem for the rural land system in China, that there's no one union policy that covers the whole nation's land system's function. Although the HRS published the standard policy for the rural land property right during the tenure land reform in 2002. Still, a larger scale of the land renting market remained underdeveloped. The policies and rights only exist on paper, but in reality, it's hard for the peasants to exercise their right for the land's ownership due to the limited sources and services. For most regions, it's still the rural cadres who control the right to transfer land (He, 2022). The policies for the land system varied in regions, for example, some regions allowed households to rent their land, and some did not. Due to the un-union land system, extended issues like the insecure land tenure appear (Li, 2003). People owned land's property rights are not being secured. There has been no policy that successfully implemented to the public bases about the rural property rights throughout the present years (Zhou & Li & Liu, 2019).

One critical factor discussed in this paper is land transfer. Land transfer is the term to describe the transition of land through different users. Land transfer helps to raise urbanization, accelerated economic growth by implementing more economic activities, and increasing agricultural productivity. There are two ways of land-transfer that can successfully transfer the rural land from the individual household's hand to other users. The first way is through the market channel, where the use rights of the land are passed to another user through renting. The second way is through the government channel, where the land is appropriated by the government from the peasants, changing the land from collectives owned to state owned. Both ways can successfully transfer the rural land ownership, and transfer the use right to another person or organization.

China's current land system divided the rural land and urban land. The rural land is collective owned, its ownership right belongs to the rural collectives. The urban land is state owned, the property's ownership belongs to the nation. The difference between the rural and urban land further affects the ways to use the land, the rural land can only be used for agriculture needs in the hand of the peasant, the rural land can be changed into urban construction land only when the land gets appropriated by the government.

There's evidence that suggests the land tenure system in China affects free flow labor, which restricts the structure adjustment within the nation (Gale, 2002). The farmland is given out based on the household's population, which ties people inside the household and pushes away the possibilities of migrating or leaving the village. Since the land are the most valuable properties for the majority, they cannot put their land at risk. Without clear paper work and policies to tell clear usage rules, clear property rights rules, nobody can guarantee what would happen to the land if the assigned owners migrate. The restriction of land property subdued the internal migration in China, reducing economic development (Chernina & Dower & Markevich, 2014).

China, a country that is recognized as a developing country with the fastest economic growth through the past four decades, it's also important to notice that some families and regions are still left in desperate poverty (Gao and Lin, 2021). The wealth gap in China has always been severe, while the poverty population mostly comes from rural areas. For China's newest developing plan, the government announced their goals specifically focusing on decreasing the urban and rural income-gap.

Migration refers to the movement of people from one place to another, with the purpose of settling temporarily or permanently. There's several different categories of migration, such as international migration which people move across countries, and internal migration, which people move inside the

nation(Baker, 2008). Usually, Migration creates a labor flow, as the manpower gets unemployed at a different place. In General, migration from rural to urban areas inside the country brought positive economic growth for the nation and the individual. Especially for a nation like China, where there's a significant inequality gap between urban and rural, migration to urbanization can bring dramatic life change for individual households, and greatly increase the peasant's life quality. Migration increases urbanization, speeds up economic growth. Migration can help more rural populations transfer to the urban areas. As people earn more income from the cities, they have the ability to dispense poverty for themselves and their families.

Rural to urban migration is both the government and resident's desire that contributes to economic growth. However, the land tenure system in China constraints migration. Rural residents feel insecure towards the unclear land tenure system that discourages their thoughts of migrating to the cities. This paper highlights the analysis between the casual relationship of migration and land property rights. Using data to analyze to what extent, the different land transfer channels impact the people's migration choice.

2. Literature

Property rights refers to the legal ownership of properties, it contains the power and benefits associated with owning the property(Kenton, 2022). Property rights have always been a main aspect to consider when discussing migration. Migration means living and settling in another place, first of all they need to arrange their property at the previous living location. The previous literature by Chernina and Dower and Markevich(2014) find out that people's migration choices are greatly influenced by the liquidity of land. In rural China, most residents own land properties under their household. When land is liquidated, it means that households can keep most of their land assets when migrated, which is the most idealistic case. However, the land tenure system in China, has limitations towards the land liquidity, discouraging people's migration(Chernina & Dower & Markevich, 2014). Without clear property rights addressing the land to the people, the only guardians they can have for their property is surrounding it and not leaving it idle. Distributing the land to households based on their number of residential people inside it, makes it reasonable that the land will get taken away by the collectives if there are population changes under the households.

Due to the land tenure system in China, the rural population who choose to migrate to the urban areas usually planned their migration as temporary, and oftentimes only individuals choose to migrate rather than the whole family(Gale, 2002). Although migration indeed brought increasing income to their household, reduced poverty and lifted their quality of life, the immigrants are still caged by their land, caged by the property they owned. Distributing farmland property is meant to be saving peasants from poverty, but it also caged them inside poverty. Land property is to achieve national economic growth, but it also becomes an obstacle towards urbanization and resolving rural poverty.

Most immigration's concern is that their land will get appropriated, transferred through the government channel when they immigrate. This is a possible outcome, due to the unclear land tenure policies that give the peasants vulnerable protection (Zhou & Li & Liu, 2019). In fact, land appropriation has frequently happened in china. Studies show that China's arable land presents a trend of decline, from 334 million acres in 2013 to 316 million acres in 2019. The farmland is losing because of the conversion to industrial, institutional used land (Liu, 2023). Research by Guo, (2001) shows that the government has played a main part in converting farmland by expropriating the land from the rural households. Only government authorities have the power to expropriate the land from the households, to change the collective owned land into state owned land. Land developers have the power to convert the agricultural land to other use purposes only when the land is state owned. Over the past decades, when the population density and increase and urban expansion occurred, expropriation happened more frequently (He, 2022). Due to the unsecured property right system, if their land gets appropriated by the collectives with reason like the land hadn't been getting utilized enough, land owners have nothing to do with it. For a rural resident who has never been to cities

before, the property they owned in their hometown is their safeguard. If they cannot continue to live in the cities, losing their land blocks is the only retreat they have. When people question their property's safety when they are gone, they are not likely to migrate. Suggesting that the increasing possibility of land appropriation reduces the likelihood of migration.

If people can transfer their land through the market channel, renting them out through the market, they would probably have a larger chance of migrating, and are more likely to perform a long term migration. The rent fee they receive implies that their land is still being agriculturally productive and providing income when they are gone, which reduces the opportunity cost for people's migration. The rent fee they get from renting their land helps them to make up for some of the opportunity cost in migration. When the opportunity cost decreases, the migration profit becomes more appealing to them, so they are more likely to migrate.

The land transfer has made a great deal on Chinese internal immigration. It's convincing that a lot of the rural population make their immigration choice considering their land tenure. This paper will provide data and analysis on the influence land transfer had on internal migration through the market channel and the government channel. Examining the different effect the two channels had on people's migration choice.

3. Data

This research paper makes use of the data from the survey by the China health and retirement longitudinal study. The China Health and Retirement Longitudinal Study (CHARLS) aims to collect a high quality nationally representative sample of Chinese residents ages 45 and older to serve the needs of scientific research on the elderly. The baseline national wave of CHARLS is being fielded in 2011 and includes about 10,000 households and 17,500 individuals in 150 counties/districts and 450 villages/resident committees. The individuals will be followed up every two years. All data will be made public one year after the end of data collection. The data set is from the survey in the year of 2013, which had collected a total of 23,000 respondents' information.

The data set covered nearly all the related aspects of the life of each respondent, focused as their income situation, health condition, and family are partially filled with different questions. Fortunately, the data set has provided valuable information specifically for this research project, with questions targeting respondent's land ownership.

Below are two probit estimation models, the first one centered on the impact of the land's rent percentage on the possibility of people to make a choice of migration. The second one centered on the impact of land appropriation on the likelihood of people to make a choice of migration.

3.1 Regression of china's rural to urban migration on hypothesized determinants

Table 1 shows all the variables in the regression model, including the key independent variable, the control variables, and the dependent variable. The dependent variable of the model is migration, which refers to whether the peasants have made a choice to migrate to cities. The land property rights are the key independent variable for the study. There will be two models shown in the data section of this paper, each exercise for a different mechanism model version, the market mechanisms and the government mechanisms. For each of the different model versions, the key independent variable (mechanisms) changed accordingly to the change in the centralized land transfer channel. The key independent variables for the market mechanisms regression model is the percentage of the peasants' owned land being rented out. The market mechanism model is designed to show the correlation between the land rent percent and people's migration. For the government mechanism, the key independent variable is the appropriation rate of people's owned agricultural land. This model is designed to test the influence of the appropriating peasant's land on their choice of migrating.

Table 1. Variable summary

Variable	Obs	Mean	Std. dev.	Min	Max
age	20,623	58.83354	10.91945	19	146
migration	7,165	0.5773901	0.4940089	0	1
health	9,286	3.024122	0.9782006	1	5
gender	20,653	0.4747494	0.4993741	0	1
edu	20,484	1.575425	0.837429	1	5
party	18,556	0.1079974	0.3103855	0	1
han	18,519	0.923268	0.2661729	0	1
hukou	18,551	1.247318	0.4598901	1	4
appropriat~n	10,826	0.1345834	0.3412938	0	1
prov	22,983	13.3289	7.170836	1	28
logincome	10,871	6.168619	1.302449	-3.912023	12.20607
rent_per	6,402	0.0969766	0.2749459	0	1
private_busi	10,141	1.907603	0.2896001	1	2
marital	18,585	1.579069	1.349695	1	7
parents	10,712	1.861464	0.345478	1	2

$$Y = \beta_0 + \beta_1X_1 + \dots + \beta_nX_n$$

Using the data, we are going to do an empirical analysis of the relationship between the land property rights and the rural to urban migration in china. The Y variable of the formula above represents the dependent variable which is the migration decision. X denotes the independent variable, with X1 being the land property right, the key independent variable we will be looking at in this model. X2, X3...X13 are the other controlled independent variables chosen for this model regression. The twelve independent variables are age, health, gender, edu (education level), party (communism or not), han, hukou, province, marital, parents. All the variables concluded are shown on table 1 above.

The independent variables used in this study are based on the previous empirical analysis on the determinants of migrations. Conclude that male are more likely to migrate than females because of the job opportunities advantage and social influence factors(Liu, 2014). People do not migrate much when aging because it's harder for them to move and find a fit job at an old age. Cities can provide better job opportunities with more income, so people with higher income are less likely to migrate because the migration profits are not as much for them. When people are facing health problems, they are not having the physical ability to move. Communism members in the rural sector receive privilege inside the village, so their migration profits are not as large, reducing their migration possibilities. This is similar with rural populations who have a comparably higher education level to have a smaller chance of migrating than the rural populations with lower education levels. Because people receive respect and privilege inside their village if their education levels are high, while in the cities, the average education levels rise, limiting their privilege and respect received, so migration no longer has the appealing profit. People who have experience working in the private sector are more likely to move than people who have not, because they have more skills that need to be equipped for the work, and the experience of finding work other than doing agriculture labor, making it easier for them to find a job in cities. Individuals with less burden from families are more likely to migrate than those who have. Single individuals who have not been married and individuals who do not have kids or parents to take care of are more likely to move to urban areas.

The model will use a probit estimation model to run the formula above to show the relationship between the independent variables and the dependent variables. The additional independent variables are added in for control to serve the purpose of making the result more convincing and significant.

Table 2. Market mechanisms (when the land is well protected, rent out)
The probit Estimation of Market mechanism's impact on migration

Migration	(1)	(2)	(3)	(4)	(5)
rent_per	0.376*	0.401*	0.409*	0.416*	0.416*
	(-1.673)	(-1.661)	(-1.695)	(-1.719)	(-1.718)
logincome	0.088*	0.099**	0.098**	0.099**	0.099**
	(-1.953)	(-2.184)	(-2.163)	(-2.194)	(-2.181)
prov	-0.004	-0.004	-0.005	-0.005	-0.005
	(-0.485)	(-0.527)	(-0.587)	(-0.614)	(-0.570)
age	-0.038***	-0.038***	-0.042***	-0.043***	-0.042***
	(-4.794)	(-4.601)	(-4.929)	(-4.932)	(-4.756)
edu	-0.173*	-0.15	-0.134	-0.139	-0.136
	(-1.723)	(-1.513)	(-1.337)	(-1.382)	(-1.356)
gender	1.124***	1.247***	1.299***	1.303***	1.303***
	(-8.456)	(-8.601)	(-8.785)	(-8.726)	(-8.805)
health	0.027	0	0.004	0.009	0.006
	(-0.401)	(-0.007)	(-0.062)	(-0.129)	(-0.089)
party		-0.809***	-0.827***	-0.832***	-0.822***
		(-3.409)	(-3.519)	(-3.531)	(-3.486)
han		-0.171	-0.165	-0.141	-0.165
		(-0.821)	(-0.798)	(-0.676)	(-0.797)
marital			0.080*	0.078	0.081*
			(-1.731)	(-1.645)	(-1.745)
private_~i				0.194	
				(-0.881)	
parents					-0.065
					(-0.366)
_cons	1.241*	1.416**	1.477**	1.104	1.549**
	(-1.915)	(-2.049)	(-2.138)	(-1.37)	(-2.194)
N	489	487	487	486	487

t statistics in parentheses

* p<0.1, ** p<0.05, *** p<0.01

This regression model includes people's migration choice as the dependent variable, the rent percentage of the respondents's land as the key independent variable. The responses used in the model are from respondents who are below 80 years old, and only the respondents who have agriculture hukou. People with the age of 80 or older, usually do not have the physical ability to make a choice of migration individually, so they should not be considered in the data. People with the agricultural hukou are the only group of people who can use the collective owned agricultural land. People with agricultural hukou are the only one who should be considered in the model, because only this group of people own agricultural land to rent out.

There are five models included on the regression table above, with one basic regression model and four robustness check models. All of these five models include the dependent variable(migration) and the key independent variable with a few control variables. Throughout the robustness check, each

robustness model has additional independent control variables added to consider in the data. All the control variables used in the model regression are comprehensively considered.

3.2 Basic regression

The relationship between the independent variable and the dependent variable of the model represent a positive correlation. Meaning that when the rent percentage of the farmland increases, residents who own the farmland are more likely to implement migration. The coefficient of the rent percentage is positive, which is about 0.376, having a one star significant on its P value. Income, gender, health are the controlled variables that have a positive correlation relationship with migration. Province, age, education, are the control variables that have a negative correlation relationship with migration. Gender is the variable that has the most significance, with a three star significant P value. Province and health have a large P value, with no star of significance.

3.3 Robustness check

Table 3. Government mechanism (when the land is appropriated by government)
The probit estimation of government mechanism's impact on migration

Migration	m1	m2	m3	m4	m5
appropri~n	-0.192	-0.301*	-0.314*	-0.522**	-0.473**
	(-1.151)	(-1.777)	(-1.773)	(-2.231)	(-2.149)
logincome	0.118**	0.146***	0.144***	0.203***	0.180***
	-2.561	-3.056	-3.013	-3.289	-3.013
prov	-0.001	-0.001	-0.001	-0.01	-0.009
	(-0.091)	(-0.193)	(-0.163)	(-1.076)	(-0.999)
age	-0.037***	-0.036***	-0.041***	-0.038***	-0.039***
	(-5.377)	(-5.103)	(-5.415)	(-4.216)	(-4.300)
edu	-0.183**	-0.141	-0.134	-0.153	-0.188*
	(-1.996)	(-1.516)	(-1.435)	(-1.379)	(-1.698)
gender	1.292***	1.477***	1.529***	1.451***	1.341***
	-9.764	-10.005	-10.018	-7.363	-7.154
health	0.104	0.069	0.06	0.137	0.117
	-1.612	-1.038	-0.893	-1.493	-1.33
party		-1.091***	-1.127***	-1.211***	-1.119***
		(-4.718)	(-4.871)	(-4.324)	(-4.042)
han		0.133	0.181	0.261	0.139
		-0.527	-0.749	-0.831	-0.455
marital			0.084**	0.088**	0.077*
			-2.132	-2.068	-1.845
private ~i				0.354	
parents					0.22
					-1.031
cons	-1.790***	-2.052**	-2.249***	-2.894**	-2.694***
	(-2.592)	(-2.574)	(-2.797)	(-2.353)	(-2.720)
N	618	616	614	417	427

t statistics in parentheses

* p<0.1, ** p<0.05, *** p<0.01

Going through four rounds of robustness checks, the result from the probit estimation model shows to have excellent stability, having the same coefficient sign. For each of the robustness checks, more control variables are added in count. The first robustness check added the variable party and han, which indicate if the respondents are a member of the communist party or not. The variable han denotes that if the nationality of the respondents is han. The coefficient of the rent percentage still remains positive, with an amount of increase than the basic regression, from 0.376 to 0.401. The second round of robustness check added marital, which represents the respondent's marriage situation. The coefficient sign for rent percentage is still positive. The coefficient for the rent percentage is 0.409, that's very close with the previous robustness coefficient. The third round added the private business, illustrating if the respondents are working for a private business. The fourth round added parents, which is the last control variable. This variable indicates that the respondent's parents are still living. For the last two trials of robustness, the coefficient of rent percentage maintains positive, and stays at 0.416. All four of the robustness check models have a one star significance P value for the rent percentage coefficient result.

This regression model represents the government mechanism's influence on people's migration choice. The result shows a negative correlation between the two variables. The key independent variable present in the model for the government mechanism is whether the farmland has been appropriate or not. The dependent variable of the model is the possibility to make a choice of migration by the farmland owners. The control variables for the government mechanism regression model is the same with the market mechanism model, covering almost all the basic influential variables. The responses used in this regression eliminate the respondents whose age are above 80 and the respondents who did not own an agricultural hukou. Those respondents were recognized as the targeting group of people who have the ability and need to consider their agricultural land as a factor when migrating. Only the target population from the vast responses are useful for this particular research data analysis.

3.4 Basic regression

The relationship between the appropriation (Key independent variable) and migration (dependent variable) on the model above represent a negative correlation relationship. As the independent variable increases, the dependent variable decreases. The coefficient result for the land appropriation in the basic regression model is -0.192 with no significant star for its P value. The control variable province, age, education have negative correlation with migration. Income, gender, and health have a positive correlation with migration. Among all control variables in the basic regression, gender and age have the smallest P values, with three stars of significance. Province and health have the largest P values, with no star of significance.

3.5 Robustness check

There are also five models included on the table above, with one basic regression model, and four models for the robustness check. For each of the robustness models, more control variables are added in to be considered than the previous ones. This is done to test the result's stability. The sign of each number consists from models to models. It shows that the results are maintaining stability from model to model with more related variables controlled. Going through four rounds of robustness checks, the result from the probit estimation model shows to have excellent stability, having the same coefficient sign. For each of the robustness checks, more control variables are added in count. The first robustness check added the variable party and han, which indicate if the respondents are a member of the communist party or not. The variable han denotes that if the nationality of the respondents is han. The coefficient of the land appropriation still remains negative, with an amount of decrease than the basic regression, from -0.192 to -0.301. The second round of robustness check added marital, which represents the respondent's marriage situation. The coefficient sign for land appropriation is still negative. The coefficient for the rent percentage is -0.314, that's very close with the previous robustness coefficient. The first two robustness check models all have a one star P value for the

coefficient result of the land appropriation. The third round added the private business, illustrating if the respondents are working for a private business, the coefficient is -0.522, with two stars of significance. The fourth round added parents, which is the last control variable. This variable indicates that the respondent's parents are still living. For the last trial of robustness, the coefficient for land appropriation remains negative at -0.473 with two stars of P value significance.

4. Data Analysis

From the results of the two mechanism's probit estimation model, the market mechanism, when the land has been protected well and rented out, has a positive effect on China's rural to urban migration, with a positive coefficient result. The government mechanism, when the land was not well protected, and got appropriated, has a negative effect on China's rural to urban migration, with a negative coefficient result. Presenting an absolute controversial result between the two channels of land transfer. Choosing the right way to deal with the land property can make a big difference on people's migration decisions.

The rural land is owned by the rural collectives and given out to the rural household for use. The land is fairly distributed based on the number of labor in each household. The land can get reallocated when there's a population flow within the household, such as migrating, birth, death or household members finding job opportunities outside of the rural areas. Rural to Urban migration creates population flow inside rural households, when the rural population find jobs in non-rural sectors (Cheng et al, 2019). Migration causes the possibilities of appropriation to increase, startled by the risk of losing their land, people's likelihood of migrating decreased. If a household has already experienced land expropriation, their migration possibility will also get limited due to two reasons. The first reason is because of the loss of security trust, the second is because of the low value of compensation. When the peasant's land has been expropriated once, they will feel very insecure, they become more nervous and take a closer guard on their remaining property. If there is remaining land left for the household, the household members would try the best they can to protect it. Migration which increases the risk of land appropriation is not likely to happen. The second reason is because of the low value of compensation. When the government authorities appropriate the land from the rural households, they give out the compensation money to the peasants. However, due to the unclear property rights, the compensation bill given does not match the value of the land. Giving a poor amount of money to the peasant that's not sufficient for their life in urban areas. The people who lost their land property, the income they gain from the land, only with a low value compensation seen the migration opportunity cost very high. In which they are less likely to choose migration with such a high opportunity cost.

The rent percentage of the rural farmland owned by people has a positive impact on their likelihood of making a choice of migration. Renting the land frees the manpower from agriculture, so they have the time to find another job outside of the rural sector. When the land is rented out and taken care of by another user, the peasant who migrated to cities does not need to face the decision to give up the agricultural work in their land, and leave their land deserted. This decreases the migration opportunity cost, making the migration gains more appealing. Knowing that their property is well protected and taken care of, there's no need for some of the members inside the household to stay behind to look after the land. Resulting in the enhancing migration rate. Renting their land also provides the land owners with rent fee, which is a finance support for the rural populations who's moving to the cities. The support would also support people's migration choice, making them more likely to migrate.

Observing the P values of the regression table above, there's some variation among variable's P values. Some independent variables are having extremely significant P values distributed, such as gender, logincome, party, age for both of the models. Four of those variables are all common variables, party is a special variable. The four command control variables in the model are having high P values because those factors have a big impact on the dependent variable (the possibility of people's migration choice). Male are more likely to migrate to cities than women, because they can have more

opportunities to find fitable jobs in urban areas. Also, the traditional cultural custom in China arranges men to move and work outside the house, and women to stay in the house. Income has an impact on people's migration choice because people with more income already do not have as much migration profit as the low income group. So it's reasonable that income and migration have a negative correlation. The variable party also has a significant negative correlation with the migration decision, as members of the communist party tend to migrate less than people who are not part of the party. This is because communist party members can receive more privilege in the village, while they can earn more using their privilege than in the cities, this decreases their migration profit. Age is another independent variable that has a significant P-value, as the age increases, the possibility of migration decreases. Inside village's households, usually the young people migrate, leaving the elders at home to take care of their agricultural land and do farming work. Also for older people, their migration profit to cities are lesser, not so many fit jobs are offered to them, and they cannot make as much.

5. Conclusion

China's special land system has become a burden to land transfer. Over the past years, the land transfer in China has not been ideal, slowing down the improvement in agricultural productivity, economic growth and urbanization. In addition to all that, land transfer is a crucial factor that determines migration. The government who wants to help with the problem of increasing the scale of land transfer thought of two approaches: one is through the market channel, the other is through the government channel. The government intentionally promoted the two channels of land transfer through the recent few years. However, the data result in session 3 and 4 shows a completely different correlation between the two land transfer channel's relationship with migration. Renting the land through the market channel promotes migration, while land appropriation through the government channel inhibits migration.

China's rural collective owned land does not have clear land property rights. The unclear and insecure property rights cause multiple problems for rural development. Because the property rights are unclear, investors are concerned about the issues and risk when investing on the rural land. People who are worried about their property, afraid that their land will get appropriated when they are gone pushes away the possibility of migration. The investors are not coming in, the manpower are not going out, caged rural china in slow pace development and poverty. Due to the specialization of collective owned land and the state owned land, rural land is not able to be converted into urban construction land to use for commercial purposes. This is a big obstacle for rural economic upgrade, since the agricultural land earns far less from the commercial land.

As the demand of urbanization was raised, the government appropriated the collective owned land into government owned land. This strategy successfully solved the problem of not being able to convert agricultural land to other uses. Peasants whom's land gets appropriated, are not likely to migrate to cities. Their quality of life is greatly diminished, they no longer have a stable income from their property. Examining the effect, land appropriation's consequences are definitely something the government authorities need to prevent.

One way to solve the problem is to increase the compensation money given to the peasants once appropriate for their land. The value of the compensation bill must match the value of the land. The pros for the solution is that the peasants have the finance ability to move to cities and start their life over there. The cons is that if the compensation bill is worth a lot, people might lose the motivation to work and migrate to earn more.

From the data results above, transferring the land through the market channel (rent it out) increases the migration possibilities. Renting the land out when the peasants migrate to urban areas enhances the economic activities within the nation, and raises agricultural productivity. To expand the rural land rent market, the government authorities in China firstly need to clarify the land property rights. Emphasize the three right policies, and make sure to protect every person's right.

Still, due to the three rights policies of rural land, only the use rights are getting rented out to the new user, the land itself is still owned by the collective. The land still has the limitation on converting to different types of use other than agricultural. Although agricultural production will increase as the agricultural land transfers to the hand of more productive users, rural areas cannot really upgrade. In the future, researchers need to emphasize this criteria. Finding other ways that can help rural China to actually upgrade through urban expansion, decrease the urban and rural wealth gap.

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