

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

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Abstract. China is undergoing a rural land system reform called Three Rights Division (TRD) which promotes the transformation of land management right and guarantees the security of land contract right. In this paper, we study the impacts of rural land system on migration under market (the ability to rent land) and government (land expropriation) mechanism. We employ the Probit model with robustness and endogenous checks to identify whether rent behavior and land insecurity have impacts on migration. Results show that the rent behavior has a positive impact on migration while land insecurity is negative, indicating that the reform of TRD promotes the probability to migrate both through market and government mechanism.

Keywords: Land property right, Migration, Market, Appropriation.

1. Background

1.1 China's land system

1.1.1 China land system: urban and rural

In the era of state socialism under Mao, land in China was treated as a means of production and was allocated administratively by the state free of charge. To accommodate the interests of foreign investors without violating the socialist principle

of public ownership, the Chinese state has, since the 1980s, separated land use rights from land ownership and opened up a new market track for the conveyance of land use rights to commercial users. The result has been a distinct dual-track land system in the new political economy, characterized by significant asymmetry for arbitrage. Discrepancy between the state's intention and actual outcome has been a consequence of the internal diversity of power relations concerning land development. Our data analysis reveals that the loss of farmland to non agricultural developments has slowed down in recent years, that the state's intention to increase land use efficiency has been severely compromised by the socialist legacy, and that illegal activities are pervasive. The Chinese socialist state is better seen as a dynamic, complex, heterogeneous, and nonfluctuating institutional ensemble in and through which the forces and interests of different levels of the state are contested, negotiated, and mediated.

China's unique agricultural land system is a public property rights system with "shared rights": the current rights structure of China's agricultural land system is divided, and all aspects of agricultural land rights (the right to use, the right to benefit and the right to dispose of) belong to the land. The formation of distribution is essentially the choice of limited subjects under the market framework. , the rational evaluation of the farmland performance system, the behavior of farmers, etc., are all directly related to the above system).

1.1.2 HRS land property right characteristics

Land property right refers to the sum of all rights related to land property. It is generally described by "right bundle". Land property rights include a series of distinctive rights, which can be owned separately. When aggregated, they represent a "right bundle", including land ownership and various related and relatively independent rights, such as land ownership, land use right, land lease right, land mortgage, land inheritance right, easement, etc.

1.2 Migration

1.2.1 The profits of migration

China's economic boom has drawn rural Chinese to cities in search of higher incomes. The rural migrant worker population has expanded significantly, increasing from roughly 30 million in 1989 to more than 140 million in 2008, according to China's National Bureau of Statistics (Boxun). The massive influx of rural residents into cities was initially facilitated by important reforms in the 1980s. Li Shi, a professor at Beijing Normal University, observes that when China relaxed its restrictive policies on labor migration, the large surplus labor force created by agricultural decollectivization was finally able to find work away from home. Throughout the early 1990s, a stream of peasants left their farmland and took up non-agricultural vocations, sending remittances home to family members remaining in the village. During the late 1990s, local government concerns about social instability stemming from high rates of urban unemployment led many cities to set restrictions on jobs available to rural migrants. Most migrants could only find employment in dirty or dangerous sectors shunned by locals.

2. Literature

2.1 Property right

It is true that immigration can alleviate the economic pressure of rural population, because the income in cities is completely different from that in rural areas. The income in cities is much higher than that in rural areas, and people will live in a better environment. They can buy many things that cannot be bought in rural areas, and they will have more entertainment projects. However, they also face many problems. They do not have urban Hukou, so they cannot settle down in cities and enjoy various kinds of urban insurance. At the same time, they have to face the problem that they cannot settle down in cities when they retire

2.2 The mechanism of land property right impacting migration

First, It is true that immigration can alleviate the economic pressure of rural population, because the income in cities is completely different from that in rural areas. The income in cities is much higher than that in rural areas, and people will live in a better environment. They can buy many things that cannot be bought in rural areas, and they will have more entertainment projects. However, they also face many problems. They do not have urban Hukou, so they cannot settle down in cities and enjoy various kinds of urban insurance. At the same time, they have to face the problem that they cannot settle down in cities when they retire

Second, The second aspect of land tenure that may affect migration

decisions is whether households have the rights to rent land, in other words, whether they hold land transfer rights. If land cannot be rented, the loss of labor through migration results in a decline in the return to household land. This represents the opportunity cost of migration. However, if land can be rented out, the marginal productivity of land will always be equalized to the land rental rate, while the marginal productivity of labor will be equalized to the off-farm wage rate. As rights to rent land are increased, the opportunity cost of migration is reduced, resulting in higher rates of migration.

3. Empirical Analysis

3.1 Data

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.

Table 1. Data Description. This table gives an explanation of the variable's meaning along with the mean value and the standard derivation.

Variable	Description	Mean	S.D.
migration	Explained Variable. The decision of migration. 1 migration, otherwise 0.	0.5774	0.4940
chuzubi	Key Variable. The land rented/the total land allocated. Market mechanism indicator.	0.0970	0.2749
zhengdi_dum	Key Variable. The land is expropriated marked as 1, otherwise 0. Government mechanism indicator.	0.1346	0.3413
age	The age of respondents.	58.8334	10.9195
regender	The gender of respondents. 1 male, 0 female.	0.4747	0.4994
edu	The education level of respondents. An ascending five-level classification is adopted from 1 to 5.	1.1575	0.8374
health	The health level of respondents. A descending five-level classification is adopted from 1 to 5.	3.0241	0.9782
party	Whether the Chinese Communist Party (CCP). 1 Yes, otherwise 0.	0.1080	0.3104
han	Is the Han nationality. 1 Yes, otherwise 0.	0.9233	0.2662
hukou	Current Hukou status. 1 agricultural; 2 non-agricultural; 3 unified; 4 none.	1.2473	0.4599
prov	The province of respondents.	13.3289	7.1708
logincome	The respondents' income with logarithm.	6.1686	1.3024
weight	Cross-section individual weight with household and individual nonresponse adjust.	31029.01	39903.73
siying	Household members engage in self-employed businesses.	1.9076	0.2896
hunyin	Marital status. 1 Married with spouse present; 2 Married but not living with spouse temporarily for reasons; 3 Separated; 4 Divorced; 5 Widowed; 6 Never married; 7 Cohabitated.	1.5790	1.3497
parents	Is the father living? 1 Yes, 2 No.	1.8615	0.3455

3.2 Identification strategy

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \dots + \beta_n X_n + \mu$$

What do Y and X denote? Why choose X and Y

The Y means the migration, and the X means the land property on China's Rural-urban.

3.3 Market mechanism of land property right change on migration

First, we compare land redistribution and land lease markets in terms of fairness and efficiency, respectively. The data show that the importance of the land lease market has far surpassed the administrative redistribution in terms of the size of the land transferred between farmers and the frequency of land transfers. The descriptive data and measurement results also show that both mechanisms tend to be To transfer land to farmers with higher agricultural productivity but less land ownership. This shows that the land rental market not only improves production efficiency, but also improves the fairness of land distribution. At the very least, that concern that the "land rental market may have a potential negative impact on the fairness of land allocation" seems unnecessary.

Second, we are equally concerned about whether the existing land lease market can ensure that farmers can complete all the land transactions they desire. That is to say, whether the existing land lease market is perfect. For example, due to the existence of transaction costs or too large transaction costs, some farmers who intend to participate in land sublease are either completely excluded from

the leasing market, or the actual amount of land sublease is far lower than the level of willing to sublease. In order to study this problem, we make a comparative analysis between the actual land sublease situation and the situation of farmers' willingness to sublease under hypothetical conditions. The results show that even at prevailing lease prices, allocation still accounts for a significant proportion, because the amount of land farmers are willing to sublease is much higher than it actually occurs. Non-parametric regression results show that there is a significant gap between the number of willing transactions in the land leasing market and the actual transactions, and this gap expands with the improvement of farmers' production capacity, which means that strengthening the land leasing market will bring about the improvement of productivity. We also performed a regression analysis of multiple factors that might influence the farmer household and village level of participation in the land lease market. The regression results show that there are no restrictions on land lease in the village, the rural economy is mainly agricultural, farmers' holding of non-agricultural assets is large, farmers have leasing experience and active village-level leasing market, which all contribute to increasing the possibility of farmers joining the land lease market. From the factor analysis of the characteristics of farmers who are unable to achieve the desired transaction (only on the supply side of the market), it can be seen from the analysis that if some barriers to entering the land leasing market can be effectively removed (for example, it is clear that villagers have the right to freely lease their land), It would make land more accessible to younger, more efficient farmers with a higher share of agricultural assets and no experience of migrant work, which would obviously increase overall productivity.

3.4 Government mechanism of land property right change on migration

Analysis based on the perspective of farmland surplus rights. This chapter mainly analyzes the reasons for Lu Yanghu land stock cooperative's success from the perspective of farmland surplus right. On the basis of introducing the variable of entrepreneur talent, combining entrepreneur talent with the allocation of residual rights, this paper investigates the influence of entrepreneur talent and governance structure on institutional performance, and analyzes the case of Lu Yanghu land stock cooperative. The results show that enterprise organization is a series of complex contractual relations. The development of entrepreneur's ability is the key to the development of enterprise. Entrepreneurs perceive different profit opportunities in the regional economic and social environment of the organization through their tacit knowledge, make pioneering and correct decisions in the face of uncertainty, mobilize and integrate resources, and strive to achieve those possible profit opportunities. In order to give full play to the entrepreneur's ability, it is necessary to endow the entrepreneur with the enterprise control right to realize the match between the enterprise control right and the entrepreneur's ability. However, as an economic man, entrepreneurs naturally have the tendency of opportunism, so it is necessary to establish a reasonable governance structure. One of the reasons for the success of Lu Yanghu land share cooperative lies in: on the one hand, the enterprise control right is endowed to the entrepreneur, and the enterprise control right is matched with the entrepreneur's ability; On the other hand, the establishment of reasonable governance structure can effectively restrain the opportunistic behavior of farmer entrepreneurs.

4. Analysis

Land market is the sum total of economic relations occurring in the course of land circulation. The main body is the land buyer and seller, the object is the land, the various interest relations between the main body constitute the market. Price is the center of the market, and the land market can also be said to be all the activities or arrangements between land supply and demand to determine the price of land exchange. Those who exchange in land market have land ownership, also have land use right, leasehold, hypotheses. The system and law of each country are different, the content of land market exchange is also different. There are five types of land market in China: the transfer market of urban state-owned land use right (also known as "primary land market"), the transfer market of urban state-

owned land use right (also known as "secondary land market"), land financial market, foreign-related land market and land intermediary service market. Land market has five systems: resource allocation, price management, income distribution, market law and land intermediary service.

The land use right traded in the land market has time limit. The land market in China includes the primary market of land and the secondary market of land. The primary market of land is mainly the allocation and transfer of the right to use construction land, and it also includes the behavior of obtaining the right to use state-owned construction land from the government in the form of leasing, investment at a fixed price or shares. The secondary market is mainly the transfer, lease and mortgage of the right to use construction land.

5. Conclusion

5.1 What we have done in this paper

I searched related materials from the Internet, added my own understanding of the topic, summarized it, and finished the article with the help of the teacher. Through the historical knowledge learned, I have learned about China's land property rights system and the understanding of land property rights to the migration rate of urban and rural population in China. I have learned a lot of new knowledge about the policies implemented in China from the Internet, and gained a new understanding of the land property rights system.

5.2 What the conclusion is

China's land property right system has experienced landlord ownership, tenancy management; Farmer-owned and self-employed; Collective ownership and collective operation; Collective ownership, household contract four major stages of development.

After the promulgation of relevant land policies, the migration rate of farmers has been greatly improved. Farmers have moved into cities on a large scale from not far before to now, and a large number of labor force has poured in, which has promoted the economic development and construction of cities.

5.3 Policy implication

Land policy is an action guideline for the development, utilization, management, protection and management of land resources stipulated by the state according to political and economic tasks in a certain period of time. It is an important adjustment means to deal with various contradictions in land relations, including land tenure policy, land finance policy and land tax policy. In addition to the contents of land ownership, possession and use system, land policy also includes policies on land management, reclamation, development, management and taxation. In terms of land management, some countries encourage land concentration and expand the scale of operation. Some countries maintain a policy of land decentralization, that is, small-scale operations. Some countries prohibit or restrict the sale, transfer, lease and pledge of land, while others practice liberal policies. In terms of reclamation and development, many countries have implemented fiscal credit support and tax reduction policies in order to expand planting and breeding. In land management, there are soil and water conservation policy, land improvement, rational use of land policy and so on.

5.4 What could be done in the future

First, it doesn't make sense in theory.

Second, in practice, it may lead to the actual decline of the living standards of land-lost farmers.

Third, land-lost farmers may be deprived of their customary benefits, leading to fierce confrontation

Fourthly, it may bring huge psychological impact to land-lost farmers.

Fifth, it may make it difficult to implement the legal compensation standard for land acquisition

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