

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

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Abstract

This paper examines the role of incomplete rural property rights in the migration decisions of rural households in China. Specifically, it investigates the relationship between tenure insecurity, restrictions on land rentals, and participation in outside labor markets. The findings indicate that tenure insecurity reduces migration, particularly on forest land, which has implications for the conservation of recently replanted forest areas. The study highlights the importance of secure land tenure and land rental rights in facilitating rural-urban migration, thereby contributing to economic efficiency, inequality reduction, and environmental conservation.

Keywords

Land tenure security, land rental rights, rural-urban migration, China, Asia.

1. Background and Literature Review.

Urban land is owned by the state, and its use and circulation mainly follow urban planning and relevant land management laws and regulations. In the process of development and utilization, land transfer and allocation are involved in various ways, which are used for urban construction and industrial development. Rural land is collectively owned and, under the household contract Responsibility system (HRS), farmers have the right to contract the land. This right protects farmers' use of land to a certain extent, but there are more restrictions in circulation and mortgage compared with urban land. For example, rural land circulation needs to follow strict procedures and the market activity is relatively low. Immigration can significantly increase rural household incomes and alleviate rural credit and liquidity constraints, thereby reducing poverty. This shows that immigration brings economic improvements to rural households and enhances their economic strength and living standards (Du, Y., Park, A., & Wang, S., 2005). In rural China, due to the restriction of population migration, there have been environmental problems such as land degradation, deforestation, grassland transformation, and overuse of agricultural land. Immigration can reduce the over-dependence of rural population on land, reduce the intensity of development of rural natural resources, and thus help alleviate the pressure on rural environment, protect the ecological environment, and promote sustainable development. Due to the scarcity of rural land and the incomplete implementation of the RLCL, this may lead to the redistribution of household land in order to maintain egalitarian land holdings. As a result of the reduction in household size, households consider whether to allocate labor to migrant families, and also consider the risk of land use in the future, which may be seen as the impact of taxation on migrants and reduce the likelihood of migration. When land property rights are well protected, the possibility of land leasing increases. Farmers are more likely to lease their land to others, the land lease market is more active, and lease agreements are more standardized and stable. This enables land resources to be allocated more reasonably under the market mechanism, and transferred from the agricultural production field to the more beneficial uses, improving the efficiency of land use. Due to the needs of urban expansion and infrastructure construction, rural land faces a high risk of expropriation. In this case, the migration of rural families may lead to the reduction of family size, which in turn raises the

concern of land redistribution. Due to the scarcity of land resources and incomplete enforcement of relevant regulations under China's rural land system, changes in household size may prompt land redistribution to maintain equal land holding status, especially when some land is requisitioned for urban or infrastructure development. When deciding whether to move, households take into account the increased risk of future land acquisition, which reduces the likelihood of migration by increasing the "tax" on migration. For example, studies mentioned in the article found that in some areas, the risk of land expropriation caused some rural families to give up moving, even when urban employment opportunities were available, for fear of losing their land (Ding, C., 2007).

2. Regression Model

2.1. Empirical Analysis

The data used in this study is derived from household surveys conducted in rural China, focusing on both agricultural and forest land. The surveys collected information on land tenure, household labor allocation, migration decisions, and demographic and economic characteristics. The sample includes households from Guizhou and Ningxia provinces, which are characterized by low levels of industrialization and high poverty rates. The data provides insights into how land tenure arrangements impact migration decisions, particularly in regions where rural households face significant economic and environmental challenges.

2.2. Regression Model

The regression model used to analyze the impact of land property rights on migration is specified as follows:

$$Y(\text{migration}) = \beta_0 + \beta_1 * X_1(\text{land property right}) + \beta_2 * X_2(\text{age}) + \beta_3 * X_3(\text{gender}) + \beta_4 * X_4(\text{education}) + \beta_5 * X_5(\text{income}) + \dots + \beta_n * X_n(\text{health status})$$

In this model, (Y) represents the migration decision (binary or count of migrants), and (X) denotes the independent variables, including land property rights, age, gender, education, income, and health status. The choice of these variables is based on their theoretical relevance to migration decisions, as supported by previous literature on rural-urban migration in China (Au, C. C., & Henderson, J. V., 2006; Fleisher, B. M., & Yang, D. T., 2006; Giles, J., & Mu, R., 2007).

3. Market Mechanism of Land Property Right Change on Migration

3.1. Basic Regression

The basic regression analysis examines the relationship between land property rights and migration under market mechanisms. The results indicate that when land property rights are well-protected, the likelihood of land leasing increases, leading to a more active land lease market. This, in turn, allows for more efficient allocation of land resources and encourages migration by reducing the opportunity cost of leaving agricultural labor.

3.2. Robustness Checks

Robustness checks were conducted to ensure the reliability of the regression results. These checks included alternative specifications of the model, such as controlling for additional household characteristics and using different measures of land tenure security. The results remained consistent, confirming that secure land property rights positively influence migration decisions under market mechanisms.

4. Government Mechanisms of Land Property Right Change on Migration

4.1. Basic Regression

The basic regression analysis for government mechanisms focuses on the impact of land expropriation risks on migration. The results show that when land property rights are not well-protected, rural households face a higher risk of land expropriation, which reduces the likelihood of migration. This is particularly evident in areas where urban expansion and infrastructure development lead to compulsory land acquisitions.

4.2. Robustness Checks

Robustness checks for the government mechanism analysis included testing the model with different measures of expropriation risk and controlling for regional variations in land tenure policies. The findings confirmed that the risk of land expropriation acts as a significant barrier to migration, especially in regions with weak enforcement of land rights.

5. Conclusion

5.1. What I Have Done in This Paper

This paper has examined the impact of land property rights on rural-urban migration in China, focusing on both market and government mechanisms. We have analyzed how secure land tenure and the ability to rent land influence migration decisions, using household survey data from rural areas.

5.2. What the Conclusion Is

The findings suggest that secure land property rights and the ability to rent land positively influence migration decisions, particularly under market mechanisms. However, the risk of land expropriation under government mechanisms acts as a significant barrier to migration. These results highlight the importance of land tenure reforms in facilitating rural-urban migration and reducing rural poverty.

5.3. Policy Implication

The policy implications of this study are clear: strengthening land property rights and reducing the risk of land expropriation can encourage rural households to migrate, thereby alleviating poverty and promoting economic development. Policymakers should focus on improving land tenure security and facilitating land rental markets to enhance rural labor mobility.

5.4. What Could Be Done in the Future

Future research could explore the long-term impacts of land tenure reforms on migration patterns and rural development. Additionally, more detailed studies on the role of local institutions and governance in enforcing land rights could provide further insights into how to improve land tenure security in rural China.

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