The effects of land-rights reform on local interactions: A study of land reallocation in land consolidation and land transfers

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SUMMARY

China has undergone liberalistic land-rights reform, enhancing tenure security and transfer rights, which aims to promote agricultural industrialization and rural development. This paper investigates the impacts of land-rights reform on the behaviour of local governments and the possibility of rural collective action in land reallocation in land consolidation (LRiLC) and land transfers. By employing an evolutionary game theoretical approach alongside case studies, our study finds that land-rights reform hinders the reach of collective action in LRiLC by weakening farmers' shared beliefs in farmers' inclination to participate and in local government's enforcement, as well as undermining the mobilization incentives and ability of local governments. On the other hand, despite shirking from LRiLC in the name of respecting farmers' property rights, local governments intensively intervene in land transfers, pursuing disproportionate land-transfer benefits generated by the reform. Therefore, we provide a more comprehensive picture of the interaction between local actors in response to land rights reform by considering land transfers and LRiLC together. In contrast to recent findings that land-rights reform strengthens farmers' autonomy and reduces administrative intervention in rural land markets, our findings suggest that the reform hinders farmers' ability to act collectively and solve local problems. We believe that demarcating property boundaries between private and public entities based on a country's development stage and agricultural production demands should be the focal point in future reform, and a comprehensive legal framework combining land consolidation, land transfers, and land property rights is indispensable to achieve this goal.