Ambiguous Rights: Land Reform and the Problem of Minor Property Rights Housing

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On 25 May 2012, Shenzhen announced the Comprehensive Plan to reform the Special Economic Zone’s land administration system (Shenzhen shi tudi guanli zhidu gaige zongti fang’an in Shenzhen marking the “first land reform” in post-socialist China. Subsequently, the Special Economic Zone has taken the lead in experimenting with new land-related policies. The spotlight of the municipal government’s latest announcement falls on the prevalent problem of minor property rights housing (xiao chanquan fang s” (cun chanquan zheng uld get a 100-square-meter apartment at the same location)

The living environment is not necessarily poorer. An investigative report by Nanfeng Chuang magazine shows that minor property rights neighbourhoods in Shenzhen are almost indistinguishable in appearance from commercial residential areas, while offering apartments at half the price. Many people are therefore willing to trade formal rights for more comfortable living.

Minor property rights housing has also been fulfilling the important function of providing shelter for those in the lower strata of society. Housing need is aggravated by problems encumbering government-subsidised housing projects launched by the state. The central government has announced plans to build 3.6 million units of guaranteed housing for the urban poor, but a study conducted by Caixin last year revealed that subsidised housing is still too expensive for the least well-off in large metropolises such as Beijing, Shanghai, Chongqing, and Shenzhen. New complexes completed under the rubric of targeted affordable housing have instead been sold to groups holding privileged status within the government and to high-income earners, remaining out of reach for the intended low-income group.

Why is minor property rights housing cheaper? According to formal pro-

5. Ibid, p. 264.
6. Li Qian, art. cit., p. 264.
cedures, township governments and village committees are required to pay a substantial land transfer fee (*churang jin*)
In the shadow of the law

The rampant development of minor property rights presents a difficult governing challenge to the central state. The centre has ample cause to ban the development of minor property rights housing. One reason is the worryingly rapid loss of farmland and the concern for safeguarding national food security, as many illegal developments are built from farmland conversion. In the first six years of the 1990s, 4.85 million hectares (3.6 percent) of cultivated land had already been lost to urban development, most noticeably in East and Central China. The State Council and the Central Committee announced a one-year moratorium on arable land conversion in May 1997, which was subsequently extended to 1999, but tighter regulations did not prevent a new round of the land enclosure movement (xin quandi yundong).