The transformation of land consolidation models from the incentive perspective of public goods supply

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Outline of Content

• Background
• Theory Review
• Hypothesis
• Results
• Discussion and conclusion
Backgroud: China's Land consolidation and Farmland Protection

• The quota system for preserving cultivated land in china
  – Four main quotas to define
• the transformation of land consolidation models
• The project-based of land consolidation
  – Special fund for land consolidation
The administrative structure

- Central
- Ministry of Land
- Local People’s government
- Local
- Other sectors
  - Local water authority
- Local land authority
Theory about public goods supply

• Two views on the supply incentives of local public goods in China
  • One view is based on the logic of politics and believes that local “decentralization” in China can promote the supply of public goods.
  • Another view, starting from the logic of the economy, is that capitalization utility can generate incentives for the supply of public goods.

• Therefore, to examine the incentives between China's land remediation and public goods supply, we start from two aspects: the distribution of control rights and the promotion of preferences.
Hypothesis

• Two factors:
  • The incentive of Control rights
    – The shifts of control right in “vertical” or “Blocks” exert different impact on the more public goods supply of implementation of land consolidation projects
      • Control right in “the Vertical”, Weak incentive of public goods supply.
      • Control right in “the Blocks”, Strong incentive of public goods supply.
  • The incentive of Promotion Preference
    – “economic preference incentives” and “people's livelihood preference incentives”.


Outcome of comparison

- The vertical
- Economic interests
- Single-model
- The Blocks
- Preference Promotion
- People’s livelihood
- Comprehensive -model
- Control Right
- Economic interests
Discussion and Conclusion

• The shifts of “control rights” in local governments and “promotion preference” set by the central government exert a positive impact on the more public goods supply of implementation of land consolidation projects, where the local governments are apt to have higher efficiency of project implementation, more autonomy and less financial constraints.

• Reasons
  -- efficiency
  -- autonomy
  -- financial constraints

• Fault
  -- Off the Trail
Thank you for your attention! Welcome comments!