

**Qing Gao, China**



## **Transfer of Collective Owned Construction Land in China: Causes, Consequences and Options to Deal with It**

China is characterized by a dual land tenure system: state property in urban areas and collectively owned land in rural areas. With economic development and urbanization land demand is increasing. Urban land reform and urban (lease) market began to emerge about 10 years ago and have now developed into a mature situation. But, there still is no regulation and law for the transfer of collectively owned construction land though informal transfer is taking place since long ago.

Due to the lack of legal recognition and consequently a lack of rules and regulations for the transfer of collectively owned land, many problems have emerged regarding the present transfer of collectively owned construction land. Problems such as violation of the land use plan, agricultural land conversion into construction land, existence of the black land market, uncontrolled land prices, illegal/semi-legal expropriations of farmers, enrichment of corrupt individuals etc. are prominent.

Through a case study approach causes behind all the existing problems have been identified. Problems like lack of clear land tenure system, lack of cultivated land protection management, no formal land market, missing regulations on reasonable land income system, etc. are identified. These problems lead not only to informal transfer of collectively owned construction land, but made it more and more popular. It is not a good solution to simply stop such a transfer because it has already been shown impossible. The best way to deal with the present problem is to set up related regulations and laws, formulate a detailed land valuation system as well as income distribution system, and standardize the land market. Only then, can the transfer of collectively owned construction land develop in the right way.

**Key words:** land tenure, land market, illegal land transactions, land conflicts, expropriation, collectively owned construction land, dual land market, China.