

## SESSION I

### **Urbanization, Land Taking and Democratic Retrogression in China: Evidence from Village Elections**

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China is undergoing an urbanization process that is unprecedented in human history. Scholars have made some advancement in understanding its impact on Chinese society and economy. How rapid urbanization has affected Chinese politics is a relatively understudies topic. In this paper, we explore this aspect and argue that China's fast urbanization and land development has undermined the quality of rural democracy because local government officials faced pressure to ensure "right" cadres elected, and therefore had motivation to manipulate election rules. A panel dataset covering two rounds of elections in 2004 and 2008 is utilized to establish the causal relationship. Our findings are robust to various refinements in measurement and model specification. These findings contribute to the general literature on land and democratization as well as the debate about modernization in a comparative context.

### **Political Trust, Risk Preferences, and Land-Taking Compensation: Evidence from Survey Experiments in China**

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Land acquisition becomes a touchstone for protests and conflict during China's urbanization, driving local governments to diversify land-taking compensation from solely one-time cash payments to multiple payments, notably, in the form of pension insurance and yearly dividends. Which form of compensation do farmers prefer and why? This study establishes the importance of political trust and risk preferences on individual compensation decision-making. Political distrust induces farmers to choose traditional one-time cash payments over multiple cash payments. Both risk-averse and risk-seeking individuals prefer one-time cash payments to yearly dividends. The findings are developed using two choice experiments: We elicit individual compensation decision-making by asking farmers to state their preferences over hypothetical alternative compensation instruments; We elicit risk preferences using a lottery-choice experiment with varying probability of winning real monetary rewards. The findings are important to understand to what extent the government efforts in innovative compensation designs are effective at quelling rural anger.

## SESSION II

### **Turning Farmers into Landlords: Land Commercialization and Its Social Impacts in Rural China**

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China's unique land system features collective ownership and individualized land use rights. In order to consolidate fragmented land holdings and modernize agricultural production, the Chinese government has been promoting the transfer of land-use rights in recent years. The sanction from the state has ushered in a wave of land-use rights transfers in China's rural areas. How was the reform implemented on the ground? What are the social impacts of land commercialization on small farmers? My in-depth case study of two Chinese villages yields three major findings. First, land commercialization in China exhibited distinct dualism—informal and short-term land transfers among villagers, as well as formal and long-term land transfers from villagers to big agribusinesses. Second, local officials played crucial mediating roles in large-scale land transfers from villages to big agribusinesses. Local officials at different levels were involved in “land grab” on behalf of powerful agribusiness. Third, land commercialization has increased social stratification in China's countryside. Small farmers have retreated into subsistence farming or petty commodity production, marginalized by the power of agrarian capital and government policies favoring big farmers. Meanwhile, the fate of landless farmers increasingly hinges on their access to non-farming jobs. China's land system fails to protect villagers from domination, exploitation and dispossession by outside capital. The expansion of agrarian capitalism in China provided a pathway for agribusinesses towards capital accumulation instead of a pathway for rural communities towards more sustainable development.

### **Public Sector Governance and the Quality of Private Property Rights**

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Private property rights are the economic institutions most closely associated with prosperity. However, relatively few countries have a long history of private property rights, and many efforts to establish them fail. In this paper, we consider how the context of public sector governance might explain why private property rights are not as common as one might expect, and why efforts to establish them often fail to deliver on their promise. We theorize that the quality of private property rights depends on the following features of public sector governance: administrative capacity, political constraints, inclusive political institutions, and a legal system that facilitates resolution of conflict over ownership. Historical evidence from the development of property rights in Western Europe, the United States, and China illustrates the link between public sector governance and the origins of private property rights. The experience with legal titling and land redistribution in the current developing world further illustrates why governance context influences the ability to establish private property rights. More generally, good governance makes good economic institutions possible even when those economic institutions initially arise spontaneously.

## SESSION III

### **Business Interests, The State, and The Politics of Land Policy in India**

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This chapter examines the relationship between business interests and the Indian state through the lens of land-related policy issues. It focuses on the legal framework governing the state's authority to forcibly acquire land for "public purposes," including certain privately owned industrial and commercial facilities. Recent contestation over land acquisition policy reveals fundamental ambiguities in the nature of the Indian state. On the one hand, in 2013 India's government enacted – over the objections of India's business community – sweeping new land acquisition legislation that enhanced the rights of landowners and local communities facing dispossession. The business-friendly government that took office in 2014 could neither repeal the new land legislation, nor enact disabling amendments. The inability of business interests to prevent the adoption of (or subsequently to repeal) costly regulations is striking, especially given the increasingly close nexus between business and the Indian state. On the other hand, India's land-acquisition policy story demonstrates the continued capacity of business interests to shape policy through other means: in this case, business interests adapted to the political impasse in New Delhi by influencing a series of state-level legislative reforms that will dampen the effect of the national land-acquisition law.

### **India's Land Acquisition Policy Paradoxes: A Bargaining Perspective**

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The scope and focus of much of the institutional analyses of land institutions are predicated, even if implicitly, on the takings clause of the fifth amendment of the U.S. constitution: "Private property shall not be taken for a public use, without just compensation." As a result, the focus is on the compensation for involuntary land takings. Simultaneously, most analyses along this line assume either fully defined private property rights or collective rights that are reducible to an aggregation of private stakes. While these assumptions approximate the context in some developing countries, land property institutions in most of the world are significantly more complex – they often entail a plurality of private and collective stakes mediated via a full spectrum of institutional arrangements that range from freehold titles to legal, semi-legal, and extra-legal land rights in lands under various types of *de jure* government controls. Equally important, the endowments of social groups and actors invested in each of these different types of institutional configurations vary significantly, thereby creating fundamental asymmetries of institutional access.

Such composite understanding of the complexity of land institutions contributes two types of insights vis-à-vis bargaining over land acquisition: First, it enables a discriminatory analysis of citizens' influence in comparison to the power of elected leaders, officials, and

corporations that wield significant discretion in negotiating land takings. Second, following the fundamental tenets of institutional analysis, it is easy to see that discretion in the hands of politicians and bureaucrats influences the way in which land owners and land claimants respond to proposals for land takings. A full understanding of the architecture of land institutions is, therefore, a pre-requisite for understanding the contours of, and the complex effects of, land takings in a country. Such an understanding is even more important for conducting comparative cross-national analyses of land takings. This paper presents a contextually informed view of land institutions in India, which is missing in the present scholarship. Two, it links this view of land institutions to the political economy of land acquisition in India. Three, it makes preliminary arguments to build a case for systematizing the bargaining perspective of institutional analysis outlined here.