Article

Restructuring the State: Policy Transition of Construction Land Supply in Urban and Rural China

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Abstract: Encountering the articulation of the strongness of local authorities and market forces in China’s development, attention has been paid to the changing central state which recentralised the regulation capability of localities which has more discretional power on resources utilisation, land for example, in the post-reform era. Yet it is still not clear-cut what drives the state rescaling in terms of land governance and by what ways. After dissecting the evolving policies and practices of construction land supply in China with the focus on the roles of state, we draw two main conclusions. First, the policy trajectory of construction land supply entails a complicated reconfiguration of state functions, which is driven by three interwoven relations: land–capital relation, peasant–state relation and rural–urban relation. Second, state rescaling in terms of the governance of construction land provision works via four important approaches: limited decentralism, horizontal integralism, local experimentalism and political mobilisationism. By reviewing the institutional arrangements of construction land provision and the state rescaling process behind them, this article offers a nuanced perspective to the state (re)building that goes beyond the simplified (vertical or horizontal) transition of state functions.

Keywords: state rescaling; state power; urbanisation; construction land supply; land-use policy; land reform; China

1. Introduction

Land-use policy, especially institutional arrangements relating to construction land supply, is a critical tool to harness regional development. In China, it is more than complicated due to the dichotomy of land ownership inferring to the fact that rural land is owned by rural collectives, while urban land is owned by (urban) states [1]. This land-tenure roots many tricky issues in China’s rapid urbanisation, including an increasing gap of development between cities and countryside. The post-reform era has witnessed China’s unprecedented urban transformation and the increasing encroachment of rural land by land expropriation [2]. To protect farmland and rural stability, an avalanche of construction land-use policies including “Linking the Decrease in Rural Construction Land with the Increase in Urban Construction Land” (chengxiang jianshe yongdi zengjian guagou, Linkage policy hereinafter) and “Requisition-compensation balance of farmland” (gengdi zhanbu pingheng, RCBF policy hereinafter) have flourished since the 2000s [3]. Starting from 2015, a new round of rural land reform aiming at exploring and standardising the land market in rural China has complicated the land-use system.

The existing studies on land-use policy in China have shed light on its intimate relationship with state function. Land market building [4], land-related institution change [5] and land governance [6] have to do with the state. Yet, less attention has been paid to
the state’s role on choreographing the institutional apparatus of construction land supply, facing evolutionary policies have been issued to address the extra-legal transfer of rural land in China. In other words, we need to understand why and how the transitions of the land-use policies and state reconfiguration connect in a more systematic manner, which entails us to understand the urban and rural transformation in China better.

To this end, this paper traces the subtle state restructure process to harness land governance via construction land supply policies, with a focus on the post time of the reform and opening-up since 1978. Joining the debates of state rescaling, we conducted policy analysis mainly using secondary sources. They consisted of policy documents and official statistics from various levels of government, news articles, published records, reports, and academic research articles. We argue that the transition of construction land-use policies provides a scaffold for us to see the state rearticulating its irreversibility in land governance. This piece concerns two contributions. The first is to identify the main drivers of state rescaling relating to construction land provision: land–capital relation, peasant–state relation and rural–urban relation. The second is to generalize four strategies of state rescaling: limited decentralism, horizontal integralism, local experimentalism and political mobilisationism. By so doing, we can get a more comprehensive understanding of the relationship between the state and land governance.

The remainder of the paper is organised as follows. After an overview of theoretical debates on state rescaling followed by a discussion on Chinese state reassembling, this paper reviews the main policy transition in terms of construction land supply and tries to interrogate the state reordering behind the policy transition before drawing some concluding remarks.

2. Literature Review

2.1. Theorising State Rescaling

While a nation state’s role as a territorial power container has been highlighted [7] in the Fordist–Keynesian period, with the collapse of this accumulation regime, the rise of post-Fordism regimes has witnessed a restructuring process of state functions [8]. State and state functions are in the foci position of accumulation. Jessop [9] stressed the role of national space for economic development and centrally regulatory arrangements that favour production and consumption in cities, followed by his examination on the reconstitution of national territorial space when the Fordist–Keynesian accumulation was doomed to what he called “Schumpeterian competition state” [6]. Concomitantly, this regime witnessed a restructure of state space, allowing to develop the localities’ competence and more flexible labour markets [8].

The emerging restructure of state territory space should not be understood as an ebb of state. Rather, it entails a resurgence of statehood. Jessop [9] provided two propositions to grasp the nature of state function under capitalism: (1) due to the incapability of self-regulating of the market, the state needs regulatory arrangements to recalibrate it; (2) the process of state rescaling itself is confronted with various changes, including globalisation [8]. So, again, decentralised institutionalisation and new supranational and subnational regulatory arrangements [10,11] should not be equal with a retreat of the nation-state [12].

Based on Jessop’s seminal thesis of state space, especially the strategy-relational approach to state theory, Jones and Brenner added more insights on it. Jones [13] introduced the notion of “spatial selectivity” to understand the dynamics of local governance comprehensively by virtue of state intentionally tending to privilege particular places through accumulation strategies, state projects and hegemonic projects. This selectivity process changes geographies both materially and ideologically, resulting in uneven development [14] determined by the interactions between concatenation of spatial selectivity and historically and geographically context [13].

Brenner [15] expanded the conceptualisation of state spatial selectivity. He first introduced two senses—narrow and integral—to understand state spatiality (state space). The former stresses the changing configuration of state territoriality and borders, while the
latter refers to the evolving geographies of state interference into socioeconomic life. Then, building upon on Jessop’s thesis on the strategic–relational approach to state theory, Brenner developed the state spatial process under capitalism, which is an insightful framework to understand the changing state space. He proposed this strategic-relational–spatial framework of state spatial selectivity via elaborating state spatial projects and state spatial strategies in (re-)forming of state space [15].

Against the basis, extensive debates on state rescaling were interwoven with theoretical thought of state reterritorialisation, rebordering, the politics of place-making [16], which he described as “the first wave” reworking of state rescaling. He further suggested a research agenda: it should decipher a fuller sense of the sophisticated relationship between rescaled state institutions and governance through three dimensions: logics of explanation, comparison and periodisation. Under these directions, more empirical studies are linked with the discussion of state rescaling, such as the making of city-regions [17], regionalisation [18,19] and broader policy [20]. All of them show the validity of state rescaling as a theoretical perspective to examine the state function reconfiguration.

2.2. Understanding State Restructuring in China

While the burly volume of literature has examined the state rescaling in Anglo-American contexts, there is an emerging trend of study applying this debate to a broader non-Western discourse [21]. Under the background of reform and opening-up policy and flooding accumulation globally, China state has been experiencing great restructuring, resulting from at least three reasons [22]. First, a series of reform initials led to a power decentralisation underpinning the localities’ power of resource control, including land, enterprises, energy and raw materials, even down to the municipal and township governments [23]. While provinces pertain to the central government in theory, they enable great discretionary power on resources allocation in the post-reform era [6]. Second, the reconfiguration tax-sharing has triggered regional governments’ eagerness accumulation in a land-centralised approach since 1994 [24]. Finally, the stratified but enigmatic official evaluation system instigates local high-ups with political ambitions to badger economic development with waves of construction investment [22], causing substantial financial burden in many places.

To decode these institutional arrangements under China’s socioeconomic conditions, Wu et al. [25] stressed cities’ roles as a means to overcome the constraint of accumulation accompanying the reorganisation of the state. Inspired by Harvey’s [26] conception of the transformation of urban governance from managerialism to entrepreneurialism in western economies, urban entrepreneurism, Wu [27] coined “state entrepreneurism” to capture the proactive Chinese state’s engagement within the market operation. Seeing the state as a positive entrepreneur-like involver in economic development, we can see many examples of reorganisation and rearrangement of state functions. By establishing the urban land market and housing market [25], the logic of market takes root in the urbanisation within various accumulation regimes at subnational scales (e.g., provincial, municipal, county level). Chinese cities are witnessing an avalanche of complicated state space reorganisation when states themselves involve the emerging market as players and regulators [25,28].

While these arguments seem to depict that China is under a decentralised trend of economic power and an ascent of market forces and strong territorial governments, it should not be equated with a total retreat of the state. Rather, the interweaved institutional reconfiguration in much socioeconomic life provides room for the state to rescale. Plainly, there has been a revitalisation of state regulatory constellation en route to a trend of recentralisation and hierarchisation [8]. A broad of governmental rearrangements in China including land administration [6], regional planning [29], industrial policy [30], national new area [31], city-region governance [32], decipher the rescaling of state spatial selectivity immensely.

Interestingly, an emergent study calls for a transcend to mechanistic “upward” or “downward” reconfiguration of state rescaling to pay more attention to the institutional constellations in distinctive geographical contexts and hence various local experimentations [33].
This argument reaffirms that the Chinese policies favour gradualism and experimentalism, which entails that the central government and the localities share “reciprocal accountability” [30,34]. This approach is of profound significance in land-use policy [35]. Starting from selected regions, Linkage policy and many other land-use policies are characterised by the gradualism approach balancing risks and development opportunities.

Against these inspirations, this paper tries to investigate the policy transition of construction land supply linking the theoretical debates on state rescaling to add some insights of state spatiality configuration in the Chinese context. More specifically, this study is going to examine the intertwined interweaving of institutional arrangements regarding construction land governance, namely, land-use policies aiming to provide more construction land for (mainly urban) development. By unveiling the lately emergence of land reform in rural China via a contextually perspective of state rescaling, this study entailed a meso-level manner to combine both abstract concept and concrete evidence to understand the state’s political strategies [16].

3. The Policy Transition of Construction Land Supply in Urbanising China
3.1. Land Supply in Bulldozer Urbanism?
3.1.1. Restless Urbanization and Massive Land Conversion

Urbanisation’s speed in China is a noble one. The urban population proportion elevated up to 59.58% in 2018 from 17.92% in 1978 (Figure 1), and this figure will further reach 70% in 2050 [36]. Behind the great demographic change, it is the colossal expansion of urban areas accompanied with a large scale of new urban construction land converted from rural collective-owned land. Migration towards cities, boosted economic growth and various infrastructure investment further fuelled the widespread rural land conversion process [4]. We can see a clear increasing trend of land requisition areas after the economic reform. Since the market reform in the 1980s, China’s unprecedented urbanisation has raised a remarkably prevailing conversion of farmland to non-farming use [4].

![Figure 1. Change of urban population proportion and land expropriation areas in China (1978–2018). Data source: National Bureau of Statistics of China. The data of land expropriation areas from 1978 to 2003 are not available.](image-url)

Urbanisation and land development blend intimately interweave in China’s socio-economic transition in the post-reform era. On the one hand, “land urbanisation” has been well documented [24,37,38], articulating an increasing trend of land-central accumulation responsible for and in urban expansion [39,40]. This body of literature holds that it is the urban growth that creates the demand for newly urbanised construction land for further urban sprawl [24], shedding light on the reasons for massive arable land conversion and land expropriation. On the other hand, China’s seemingly endless urban process [41] spurred the land revenue accumulation. Local governments in China strongly favour to take over rural land for urban infrastructures, industrial parks and real estate when they realise that...
building cities using land is an excellent business in terms of economic development and official performance evaluation. Then, suburban development [25] and inner-city regeneration [27] become rosy approaches for territorial governments’ growing fiscal revenue. Thus, speedy urbanisation boosts land conversion and vice versa. Increasingly, converted land has been used as mortgage or credit guarantees to apply bank loans and issue urban investment bonds by localities, which is labelled as “land financialisation” [42].

3.1.2. Land Expropriation

The bulldozer built the cities. Due to the prohibition of urban development using non-state-owned land [43], the massive land expropriation of agricultural-use land contains a conversion of ownership transfer from a rural collective to state meanwhile (Figure 2). Local governments accumulate land leasing fees by leasing converted land to developers, grabbing a high volume of profit deriving from the vast gap between the compensation for land-loss peasants and land premiums paid by developers. The strong economic incentive simultaneously spurs a sharp eagerness of land accumulation [43], in part resulting from a more substantial financial burden to local economies [24], especially after the facsal system rearrangement in 1994.

![Figure 2. Three approaches to supply construction land.](image-url)

Consequently, the land-central accumulation regime has been triggering a massive farmland loss and rural unrest [2]. These issues raised by land expropriation urge the central state to introduce strict countermeasures. Thus, the central state fights the management of new urban construction land quota via the Land Use Master Planning and Annal Land Use Plan. Localities can only urbanise land with the “new construction land quota”. Additionally, ensuring China’s farmland is at or above the red line of 1.8 billion mu (120 million hectares) [See *The outline of the eleventh five-year plan for national economic and social development* passed in the fourth session of the tenth National People’s Congress in 2006.] became a political task for local high-ups, having influences on their political performance evaluation. Yet, the dilemma between the demand for urban development and farmland protection remains [44].
3.1.3. Requisition-Compensation Balance of Farmland and Linkage Policy

To mediate the dilemma aforementioned, the central state formulated the RCBF policy to remedy the large scale of farmland loss. It refers to those who occupy farmland for non-farming use who have to reclaim the same quantity and quality of farmland to reach an equilibrium between land loss and land adding [3]. This policy endorses an inter-territorialisation [45], a process of land quota between two areas, which favours urbanisation without bothering food security if it meets the original goals.

However, it fails for several reasons. First, there is a productivity distinction between occupied land and new-reclaimed land in reality, undermining the purpose to secure food security [3]. Second, too much farmland reclamation itself causes dysfunctions of the ecosystem and environment [46]. Finally, local authorities tend to counterfeit some unreal record of cultivated land adding or turn a blind eye on the unqualified farmland replenishment, indulging in urbanising more land for economic development. In a nutshell, RCBF does not provide enough protection to farmland.

Instead of passively making replenishment after farmland occupancy in the framework of RCBF policy, Linkage policy tends to create new construction land in a more positive manner [47,48]. The local governments believe that they can obtain as much construction land quota (Linkage quota hereinafter) as possible only if they have large enough rural construction land to reclaim. In the policy document Proposals for regulating the pilot of increasing vs. decreasing balance of urban-rural built land issued by the Ministry of Land and Resources (MLR) in 2005, the key objectives, basic implementation requirements, principles, and core content of this policy were stipulated [49]. In the design of this policy, the Linkage quota transfers from one region to another [50]. The quota is created via reclaiming rural construction land to farmland in region A, and it is sold to developers in region B, whereas the farmland loss in region B will be filled using reclaimed land with the newly claimed cultivated land in region A (Figure 2). Insofar, many territorial governments use this policy tool to circumvent the constrain of new urban construction land quota restricted by the central state to urbanise large scale regions. The original purpose of the Linkage policy is to conduct RCBF policy better, consolidating under-utilisation rural construction land to stimulate an intensive land use [51], but it becomes a pretext to accumulate urban construction land more positively and quickly. In other words, it reinforced the wicked side of land expropriation. Additionally, while the Linkage policy provides room to create urban construction land, illegal land transfers are rampant as well.

3.2. Land Reform to Put Countryside First?
3.2.1. New-Type Urbanisation and Rural Revitalisation

To understand the change of construction land supply lately, we need to have a look at the two main policy reorientations in recent development strategies nationwide. On the one hand, the New-type Urbanisation Policy 2014–2020 re-anchors people-oriented urbanisation by emphasising a more harmony relation between urban and rural areas. Measures including providing better living conditions for migrant workers in cities and rural residences in rural areas are promoted [52]. However, it is still vague about how to curb the excessively fast urbanisation resulting from local states’ dependence on land-accumulated revenue. The subsequent issue of landless peasants caused by land expropriation remains unsolved in this plan as well. On the other hand, rural revitalisation (xiangcun zhengxin), following building new socialist countryside (jianshe shehui zhuji xinnongcun), emerged to deal with the rural decline in China [53]. It is seen as an auxiliary of urbanisation as Liu [54] argued “in the process of developing new-types of urbanisation; China must focus on implementing a rural vitalisation strategy, deepening the reform of the rural land system”.

Thus, one of the important issues of integrated rural–urban development and rural redevelopment is to find a better way to coordinate the construction land use. Linkage policy and RCBF policy did play essential roles in arranging construction land quota between the rural and urban areas. However, what they do is to create an urban construction land quota; there is still a need to expropriate land to use these land quotas created by the two
policies. The problems, including farmland loss and rural unrest, will continue because the dual-track system of land tenure remains.

3.2.2. Reform of Three Pieces of Land

To grapple with these enduring land issues, the central state newly launched a series of rural land reform to harmonise urban and rural land use. This reform includes market-oriented reform of rural collective-owned commercial construction land (RCCCL), reform of land expropriation and reform of rural residential land (RRL) in 2015, which is a so-called “reform of three pieces of land” (sankuaidi gaige). First, unlike the land expropriation taking land ownership from rural villagers, the RCCCL reform enables external land investors to purchase use rights of RCCCL for non-farming use for a period of time. (Normally, the conveyance (churang) period of use for business and service and use for industry is no longer than 50 and 40 years, respectively; the period of leasing (zulin) is no longer than 20 years.) Second, the reform of land expropriation aims to narrow situations for land expropriation, to normative the procedures and to improve the compensation standards. Third, the RRL reform subdivides the property rights of RRL into ownership, qualification rights and use rights, which is seen as a precondition for the use rights transactions of RRL to secure the fairness and efficiency.

To better understand how these land administration arrangements (Here, we discuss the construction supply of three policies, namely, land expropriation, Linkage policy and RCCCL policy, because Linkage policy is a transformation of RCBF, which emphasize farmland replenishment rather than construction land creation.) evolve, it is also important to compare them from specific perspectives. Thus, we formulate three enquires. First, who controls the available land quota? The question explicitly points to the dominant actor in one certain approach of construction land supply. Land expropriation necessitates “new urban construction land quota” to urbanising rural collective-owned land, whereas the central state has the final authority of quota management. Linkage policy entails the local states (usually at the municipal level) using more discretion to produce the “Linkage quota” via transferring land development right (TDR) between regions (Figure 2), while the central state still has a national plan of “Linkage quota” surpassed, usually and surreptitiously, by local economies. RCCCL policy does not involve a quota system to control so far. Second, where is construction land from? The question sheds light on the different origins of new construction land. While new urban construction land is taken from the rural collectives in both land expropriation and Linkage policy, the former transfers the ownership from rural collective-owned to state-owned and uses it in an on-site way; the latter takes and switches rural land in one certain area with the Linkage quota (TDR) obtained from another area. RCCCL policy obtains construction land from switching the existing rural construction land (e.g., land for rural schools) to RCCCL and/or from demolishing previous villagers housings. Third, how much is construction land and who earns interests? This question points to the value-added interest allocation. Land developers should pay land premiums to get the land expropriated by governments from rural collectives. If the land is involved in a Linkage (policy) project, the local governments pocket the majority of the money in both frameworks. Within the RCCCL framework, the rural collectives own the money paid by land investors, and local government only get an adjustment fee for land appreciation (around 15% of payment). [The adjustment fee will be replaced by deed tax according to the exposure draft of Land Appreciation Law.]


To further entangle the dynamics of the policy transition of land supply in China, we need to require three scaffolding relations to understand why these policies change comprehensively: land–capital relation, peasant–state relation and urban–rural relation. The first one is the inner of the land politics in China, while the second and third are the
intermediary and external representatives of the institutional arrangements of land use in China. The following sections will detail the three relations in land-use policy.

4.1. Economic Incentive: Land Finance and the Land-Capital Relation

With the land leasing system, the state can magically switch the land taken from countryside into capital through the land-capital nexus. Thus, the relation between land and capital is the key economic incentives to land provision policy changing. From Figure 3, we could easily see a surging trend of total price of land leasing fee, and the ratio of it to the local fiscal revenue shows an uptrend with fluctuation. Before the 1990s, both the land revenue and its ratio were low. However, since the early 1990s, the ratio raised rapidly, while the whole revenue on land was still not large. When it came to the 2000s, there was a boom for both. Until now, land leasing fee is the most important source of local finance revenue.


The dependence of the local state on the land-based accumulation has fundamental triggers. One of the prominent explanations is the rearrangement of the tax-sharing relation between territory governments and the central governments in 1994 [24]. Local governments have limited sources of local finance and reckon on leasing converted land from rural areas to developers. Another provocative factor is the advancement of the commercial housing market in cities which need a great amount of urban construction land [25]. With these stimulations, the land–capital relation became the central core incentive of the policy transformation of construction land provision towards an easier and larger direction.

4.2. Administrative Approach: Land Taking and the Peasant-State Relation

Stimulated by the economic incentives, the peasant–state relation changes influenced how land is taken for land supply and development in China. The peasant–state relation is an inverted-U shape: dividing into two main phases: getting-tense and getting-lax (Figure 4). In the first stage, as the rapid urbanisation pumps up the construction land, burgeoning land conversion but without proper compensation led to a gradually tension situation [2] with several substages. In the first substage, the state expropriated peasants’ land mainly for the national construction (The Measures on Land Expropriation for National Construction issued by the Government Administration Council in 1953 stipulated that the purpose of land expropriation is national construction, for instance, the constructions for factory, mine, railway, transportation, water infrastructure and nation security. http://www.npc.gov.cn/wxzl/gongbao/2000-12/09/content_5004330.htm, accessed on 10 September 2020.) and there is no strong sense of compulsion of land acquisition and the regulations highlight the principle of fairness and reasonableness. Thus, there were no severe conflicts between the peasantry and state because of the limited quantity of land
expropriation, while the land expropriation took the land ownership from individual peasants. In the second substage, mimicking the development strategy of the Soviet Union, the state took more rural land to develop heavy industry with puny costs, resulting in more land conversion and landless peasants without reasonable resettlement. The overall relation between state and peasant, therefore, was tenser than before, but it was still controllable because the intense mobilisation in the extensive rural collectivisation transformation softened their relation. In the last substage, the state encroached much more land for urban development, in particular, in the built environment and the connotation of public interest has been blurring. The bulgy revenue of territorial government accumulating from leasing expropriated land to real estate developers squeezed the compensation for the land-loss peasants in the restless urbanisation. During this period, countless petitions and protest led to rural unrest and hence a very severe tension between state and peasants [2].

![Figure 4. The changing relation of peasant and state.](image)

In the last half phase of the peasant–state relation, due to unpleasant outcomes caused by the extensive land taking, the central state has also been offering a series of policies to alleviate the tension between governments and the peasantry. In this period, maintaining the grassroots stabilities (wéiwen) in rural areas is a crucial task for territorial governments, in which two interwoven institutional rearrangements have been implemented. On the one hand, the arrangements of land expropriation have a higher level of transparency of publicity procedures before acquisition and an improving and comprehensive compensation after land nationalisation. It lessens the protest from the landless farmers [57]. On the other hand, the spontaneous rent of rural construction land and local experimentations of rural construction land transfer [58] directly bring in part rural residents many added value of land during the urban transformation. In short, more peasants benefit either from a fairer land expropriation or from direct land transfer, compromising with the state on the issue of how to provide land for development.

4.3. Societal Outcome: Land Development and the Urban–Rural Relation

The policy transition results from the transforming socioeconomic configuration, whereas the changing rural–urban relation (Figure 5) significantly influenced the land–capital relation and peasant–state relation. We divide the trajectory of urban–rural development into 4 stages. First, from 1949 to 1978, the cities and countryside were reconstructed after the long term of war, and the state gave priority to developing agriculture. During this period, urban land was directly allocated to various work units by state, while the rural land was governed by rural collectives after a shift from private ownership conducted in the first serval years after the establishment of China; the urban/rural hukou system was used to control migrations. Second, from the reform and opening-up policy in the early 1980s to the 2000s, the urban development is in a “predatory” stage which grabs rural collective-owned land for industrial development and real estate at a relatively low cost. Since urban space become the main engine of capital accumulation [59], China chose the same way to fuel urbanisation at all costs, even by giving rural development away to some extent. A large amount of land expropriation is a clear example of China urban government’s entrepreneur role [27].
The development gap between rural areas and urban areas increased dramatically. Third, in 2002, the central state called for a strategy of coordinated socioeconomic development in urban–rural areas to encounter the uneven development between cities and countryside. (See Urban and Rural Coordination: Ten Years of Coordination and Ten Years of Leap Available online: http://www.moa.gov.cn/ztzl/nyfzhjsn/hyfzsn/201209/t20120905_2922304.htm, accessed on 10 September 2020) So scholars argue that a clearer property relation of rural land and less-constrained institutional land framework is needed to spur rural development. A series of local experimentation of land transfer (both farmland and construction land) are situated from that time which was described coordinated urban–rural development (chengxiang tongchou fazhan). Fourth and the last, without a breakthrough in balancing rural and urban development, integrated urban–rural development (chengxiang ronghe fazhan) is raised with the new policy experimentation of land, especially with RCCCL reform, which fundamentally breaks the state’s monopoly position of construction land supply. Such a periodisation of policy trajectory is also a response for Brenner’s call for further examination of spatio characteristics of state rescaling [16].


To sum up, what the three relations intertwine is an “incentive-approach-outcome” loop (Figure 6): state’s distinct hinges on land finance (land–capital relation) triggers differencing land taking and leads to a transforming peasant–state relation, and then moulds and remoulds the landscapes of land use and land development (rural–urban relation). More importantly, this loop is a spiral circle, which means that the converted rural–urban relation reshapes the land–capital relation and peasant–state relation in return.
5. Reasserting Functions of the State in the Policy Transition of Construction Land Supply

With reference to the change on construction land supply, four approaches are identified to scaffold state rescaling, namely limited decentralism, horizontal integralism, local experimentalism and political mobilisationism. These four approaches form a quadra that provides the basis, constrain, path and incentives, respectively, for state rescaling. The following subsection investigates how the central and local authorities are reshuffled by virtue of these four approaches.

5.1. Limited Decentralism: Empowerment of Localities with Hierarchisation of Land Governance

5.1.1. Decentralisation

In contemplating all the changes of construction land supply, we can identify a clear trickle-down process at two features. First, the central state grants the local governments (i.e., municipalities) legitimacy to lease land to land investors via switching cost-free administrative allocation for work unites to a system of urban land paid-use [25]. Such a sudden move goes along with the economic decentralisation. An economy boosted with unprecedented urban development since land expropriation reinforced by Linkage policy provides enormous land premiums and fees to the localities. Second, comparing with the downward governmental power of urban land, rural construction land is striding to the market-based mechanism lately. The recent use rights transactions of RCCCL legitimated by the newly amended Land Administration Law in 2020 entails an alternative of construction projects, allowing developers to lease RCCCL from rural collectives directly without land acquisition. County and township governments oversee the land deals and projects construction and rural collectives operate land deals practically.

5.1.2. Recentralisation by Setting Limitations

While market mechanism becomes an effective approach consciously used by governments [60] on land supply, it is by no means equal to a retreat of the state. Rather, faced with...
social tensions and irregularities in land leasing systems caused by the unreasonable land-central accumulation of localities, as Li and Wu [61] argued, the central state consolidated regulatory power. The state has three main approaches. First, land quota system plays a fundamental role in land provision. Either in the framework of land expropriation or in it of Linkage policy, urbanising land necessitates “new urban construction land quota” or “Linkage quota” distributed by the states in a top-down manner [62], meaning that developments in unapproved land are at illegitimate risks. Second, with reference to land quota, land approval is also a necessary process to land deals. Without official land approval, especially land conversion approval, the land in question and the future appen-dants will not get land-use certificates [25] and hence property certificates. Third, there is a distinctive nomenklatura system relating to land government. Traditionally, the land departments above have the authority to assign officials in the next lower level according to the “hierarchical land management system” [8]. This system can be instructive to partly dismiss potential risks of collusion of promoted-based-locality cadres and investor.

5.2. Horizontal Integralism: Reorganising the Bureaus and Planning

Newly established Ministry of Natural Resources (MNR) has become the unified authority of land governance and planning after a large-scale adjustment of state institutions in 2018, which is a horizontal integration of state function. Construction land supply and development control are two key mechanisms of the land management system in China [25]. The MLR and subservient departments took the responsibility for construction land control, while development control was undertaken by the city planning bureau under the Ministry of Housing and Urban-Rural Development (MOHURD hereinafter). However, during the state institutional adjustment, the MNR supersedes the MLR and partly takes duties from other ministries and departments. Specifically, because the administration of natural resources is related to not only urban land, but also rural land and broader resources like grassland, forests and wetland which previously belonged to the Ministry of Agriculture, State Forestry Bureau and other departments [63], the right of survey and registration of water, grassland, forests and wetlands are transferred to MNR. Such a horizontal reordering of state function entails the state to own a fuller authority to land and land-related resources. Additionally, MNR now supervises the urban and rural planning which belonged to the MOHURD.

Planning plays an irreplaceable role in regional development by providing spatial constraint of various aspects [64]; however, enduring inconsistency between different logics of planning undermines its function for urban–rural development [65]. Urban Planning, Land Use Master Planning and Plan for the National Economic and Social Development are the main planning tools for the state to coordinate territorial spatiality. Various types of planning result in competing goals, especially at the municipal level because of the labyrinthinely overlapped responsible bureaus and the technical norms they use for planning [66,67]. It has been argued that there is a need for a harmony alignment between urban planning and land use planning recently [68].

Thus, the initiative for integrating existing multi-planning to one, National Spatial Planning (guotu kongjian guihua NSP), reveals the state’s motive to balance the competing plans and the government branches behind them. It is not a mere mending of planning techniques. Rather, it is a veritable political centre-orientated recalibration for two implications. First, it gives priority to the state’s will. The central government has been promoting to protect the ecological system and food security and to improve intensive land use for a long time, which will be overt goals in NSP [69]. Second, NSP can relocate dispersive authoritative power among involved institutions to one department subservient to the state council, going hand in hand with the reform of state institutions. Accordingly, all tiers of these related institutions at provincial, prefectural, county levels have been transformed and re consolidated.
5.3. Local Experimentalism: Re-Inserting State in Localities

Policy experimentation enacts the state to rearticulate its fundamental functions through a conflictual, unevenly articulated and path-dependent way [15]. On the one hand, conducting cut-and-try policy in pilot regions entails examining trials and errors in a relevantly closed system, which allows that the central state has more flexibility to discard the essence and discard the dregs of experimentation [35]. It confirms the political tradition of gradualism in Chinese policy evolution [33]. On the other hand, some policy experimentations themselves are adoptions from benign local disobediences [6]. The state cannot eliminate every unconstitutionality happening in land deals, especially in the cases of local purposely intentions.

Linkage policy, for instance, shows a “gradualist” approach. First, the pilot regions are from limited regions to almost the nation. In 2005, as an experimental policy, Linkage policy was first approved to conduct in only five provinces (See The document to standardize the implementation of linking up increased urban construction land with decreased rural construction land at selected test points Available online: http://www.lcrc.org.cn/zhzsk/zcfg/gwgb/bwj/201508/t20150806_31204.html, accessed on 10 September 2020); in 2008, MLR enacted Measures for the Administration of the Trial Work of Linking the Decrease in Rural Construction Land with the Increase in Urban Construction Land and increasing the pilot provinces to 24; in 2014, the experimentation expanded its pilot regions to 30 provincial regions [49].

Second, the detailed connotation of experimental enriches over time. In the beginning, Linkage policy only has a rough TDR framework guiding the localities to conduct construction land quota transaction. Later it became an important policy for poverty alleviation in hinterland areas [53]. Both Linkage policy and RCCCL reform entail a compromise of the central state towards the enduring illegitimacy of rural construction land circulation with or without local governments’ acquiescence. In coastal China, massive rural construction land has been rented to factories since the boosts of rural industry in the 1980s. While these enterprises did spur the local economic development, the land use is not under official authorisation. To address this issue and stimulate the development in hinterland’s countryside, in 2015, the central state initialed a reform relating to RCCCL. Fifteen county-level regions were allowed to circulate rural construction land to land investors directly, and then the number of pilot regions increased to 33. Moreover, the use rights of RCCCL are allowed to apply for loans as collateral. (See Notice of the China Banking Regulatory Commission and the Ministry of Land and Resources on Issuing the Interim Measures for the Administration of Loans Secured against the Right to Use Rural Collectively-Owned Commercial Construction Land Available online: http://www.waizi.org.cn/law/11216.html, accessed on 10 September 2020) The gradual experimentalism is also a confirm of Brenner’s argument that stated that spatial restricting is not equated with a unilinear replacement of one by another [15].

5.4. Political Mobilizationism

In the party–state apparatus of China, political incentives and mobilisation are of profound significance for policy propaganda and implementation [70]. There are two main kinds of mobilisation: political task assignment in a top-down manner and state apparatus alliance in a horizontal way. The former means that the state distributes political commissions to localities and requires them to fulfil these commissions. For instance, the central state calculates that 1.8 billion mu arable land is the bottom line for Chinese food security, and then gauges the amount of new adding arable land annually as political tasks for every province. The tasks of farmland adding will be subdivided into every municipality, county and township. (See Opinions of the Central Committee of the Communist Party of China and the State Council on Strengthening the Protection of Cultivated Land and Improving the Balance Available online: http://www.gov.cn/zhengce/2017-01/23/content_5162649.htm, accessed on 10 September 2020) While Linkage policy has been seen as a “tear” of the strict policy of farmland protection, the local high-ups still have to protect farmland for their own political performance evaluation. First, the transfer from governance work to
local nomenklatura’s political workloads is, in nature, a supervision switch from resource itself to personnel and political advancement, easing the central state to control of land. The latter, however, is to address specific issues confronted with a problem in producing land for development. Regarding demolition in urban redevelopment, for instance, the entire state apparatus can be mobilised to counter the displaced without licit and moral concerns [71]. Such a mobilised strategy usually meets with success due to the fact that protesters for land unfairness in China tend to ally in a geographical constraint (e.g., a particular village) rather than build ad hoc alliance (e.g., non-government organisations) beyond specific territories [72]. So, these two mobilisations entail the state to reinforce its regulatory function ideologically and practically.

6. Concluding Remarks

This paper examines the policy transition of construction land supply and the state rescaling strategies. Bearing the insights of state recentralisation and hierarchisation, we narrative the trajectory of several main approaches of construction land supply. This nuanced interrogation of land-use policy allows us to trace two rescaling characteristics within land supply governance. First, land policy adjustment entails a reconfiguration of state functions within complicated interaction among the central authority, local economies, and peasants. This restructuring process is not fixed; rather, it is always in formation, driving by the socioeconomic context and geopolitics conditions of land–capital relation, peasant–state relation and urban–rural relation. Second, the state (re)claims the position in the governance of construction land provision by strengthening a tighter control of local authorities and releasing the land resource governance to regional governments. The policy transition of construction land supply provides a scaffold for us to see the state rearticulating its irreversibility in land governance by limited decentralism, horizontal integralism, local experimentalism and political mobilisationism to formulate bases, to delimitate constrains, to circumvent risks and to stimulate incentives, respectively.

This article offers a nuanced perspective to the state rescaling that goes beyond an oversimplified description of a downward or upward trend. By reviewing the policy change relating to construction land supply, the paper depicts a trajectory of institutional arrangements of state. In this trajectory, the state is rearticulating its profound status in regulating localities and regional development, just like the state remaking process in land politics of rural China by defining and defending the reach [73]. What is behind the trajectory is the fact that the urbanisation level in China has grown to 59.58% with an annual growth rate of 1% [3] and more than use rights of 90,000 mu rural construction land has been sold for commercial use (See The State Council’s summary report on rural land expropriation reform, rural collective-owned commercial construction land reform, and rural residential land reform Available online: http://www.npc.gov.cn/npc/c12491/201812/38215a89c4a4a9d8cd10e8e2653bdde.shtml, accessed on 18 December 2020). in the new round of rural land reform.

Thus, we call for a review of state rescaling in the Chinese context in a systematically way, combining the existing well-verified scholar debates and historically geographical subtleties. Besides land governance, many aspects of institutional arrangements resonate the reordering of state: the Belt and Road Initiative, regional zoning (e.g., National New areas, National Integrated Support Reform Support Pilot Areas, Pilot Free Trade Zone, etc.), urban–rural integration development, ranging from supernational to subnational scale. These policy practices would set up a broader arena for the state to (re)build its regulatory capacity, which draws more academic foci in the future.

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