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**ВЛИЯНИИ ИЗМЕНЕНИЙ В ЗЕМЕЛЬНОЙ СИСТЕМЕ КИТАЯ НА  
СТРУКТУРУ ПРОМЫШЛЕННОСТИ**

**THE IMPACT OF CHANGES IN THE LAND SYSTEM OF CHINA ON  
THE STRUCTURE OF INDUSTRY**



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**Аннотация.** В данной статье рассматриваются и подводятся итоги развития и структурных преобразований в экономике Китая за последние 40 лет. Важными элементами являются изменения в земельной системе Китая. Реформа системы сельских земель в начале 1980-х годов ознаменовала собой начало реформ Китая, способствовавших преобразованию сельских районов и переходу к экономике. Изменения в системе городских земель с конца 1990-х годов способствовали историческому переходу Китая от сельской страны к городско-сельскому обществу. Автор считает, что экономическое чудо Китая сопровождается кардинальными изменениями в его экономической структуре, для которой особенно характерен продолжающийся процесс перехода от традиционной аграрной экономики к

стране с высоким промышленным производством, от индустриализации к урбанизации и от плановой экономики к рыночная экономика.

**Abstract.** This article discusses and summarizes the development and structural transformations in the Chinese economy over the past 40 years. Important elements are changes in China's land system. The reform of the rural land system in the early 1980s marked the beginning of China's reforms that contributed to the transformation of rural areas and the transition to an economy. Changes in the urban land system since the late 1990s have contributed to China's historic transition from a rural country to an urban-rural society. The author believes that China's economic miracle is accompanied by dramatic changes in its economic structure, which is especially characterized by the ongoing process of transition from a traditional agrarian economy to a country with high industrial production, from industrialization to urbanization, and from a planned economy to a market economy.

**Ключевые слова:** земельная система, Китай, реформы, структура промышленности, аграрная страна, преобразования

**Key words:** land system, China, reforms, industrial structure, agricultural country, transformations

### **Introduction**

Over the past 40 years, China's rapid economic growth has been accompanied by rapid industrialization and urbanization. From 2003 to 2020, 11.6 million hectares of agricultural land were converted into non-agricultural land for rural and urban construction. The change of ownership was achieved both by transformation by the collective and by expropriation by the government [8].

### **Literature Review**

From the beginning of the rural reform until the revision of the Law on Land Management in 1998, the channel for converting agricultural land into land for collective construction was opened. In the early 1980s, as a result of agricultural

reforms, large unemployment arose in the country, a large number of workers were released from work, and the government encouraged farmers to use collective land to create urban and rural enterprises (hereinafter TVs). As a result, the number of land plots for rural development has increased rapidly. The area of land used by TVs in China was estimated at 15,700 hectares in 1978 and about 56,300 hectares in 1985. From 1981 to 1985, on average, more than 600 million square meters per year were used for the construction of new farmhouses [15].

Until 1987, when the Law on Land Management was first put into effect, there were three channels for converting rural land into non-agricultural land.

Firstly, as long as the construction corresponded to the settlement construction plan and the approval of the district government was obtained, it was possible to carry out the construction of rural residential buildings, the construction of TVs, urban public facilities, the construction of public welfare facilities and other urban construction [18].

Secondly, if a collective agricultural economic organization needed land to organize joint ventures with enterprises of national or collective ownership, the seizure of land was allowed in accordance with the provisions on state construction requisitions. An agricultural collective economic organization could also, according to the contract, use land use rights as its contribution to a joint cause.

Thirdly, residents registered in non-agricultural households can use the land that is in collective ownership for housing construction with the permission of the district government [11].

Land requisition was the main tool for transferring agricultural land to non-agricultural use. In particular, after the land conversion channel for collective construction was closed, expropriation became the only legal way to transform land. The 1982 Constitution of China supported the principles of the 1954 Constitution, according to which the State can requisition land in the public interest, but it was also the first time the idea was put forward that urban land

would belong to the state, while rural land would belong to collectives. This idea established a dual system of land ownership [7]. The Land Management Act, passed in 1987, required that land conversion be based on the public interest. The definition of public interests is broad: the State can requisition land for economic, cultural, national defense and social and public events. Compensation was based on the principle of initial use. The amount of compensation and subsidies for resettlement were increased by no more than 20 times compared to the average annual production volume for three years before the land requisition. The job and the status of "hukou" were given to the peasants from whom the land was taken away [2].

Prior to this reform, China had a system of free and indefinite access to land. The law adopted in 1987 on land management provided for two types of land use: administrative distribution and paid transfer. The institutions that regulated the use of urban land after the transition to state ownership not only ensured the safety of land for rapid industrialization and urbanization, but also were the main source of financing for urban construction [5].

Since 2008, the change in the land system has had a serious impact on China's economic growth. Agricultural land reform contributed to the growth of agricultural production and freed up a significant part of the population from the villages, providing a micro-basis for economic transformation in China [6].

### **Analysis of the Influence of Land System on Industrial Structure**

Despite the fact that strict control over agricultural land was introduced, more land offers in regions with development opportunities contributed to high economic growth. Local governments used distorted prices for industrial land to attract investment in order to create an infrastructure of industrial parks, which contributed to rapid industrialization and turned China into a world-scale manufacturing factory. The capitalization and financing of land provided a

significant portion of the capital for China's urban development and contributed to rapid urbanization [13].

China's traditional development model relies on high growth rates and high investment. Since municipal and district authorities are real landowners, land has become the main tool for local authorities to stimulate investment and economic growth. Over the past 40 years, the earth has had two main tasks [17]:

- ensure national food security;
- maintain high growth rates.

To ensure the growth of gross domestic product (GDP), a sufficient supply of land was required for expansion of activities. In the period from 2008 to 2020, the total annual volume of land plots that were in state ownership increased from 286,400 hectares to 690,400 hectares, which is an average annual increase of 10.3%. The value of land increases when economic growth slows down (Fig. 1) [20].

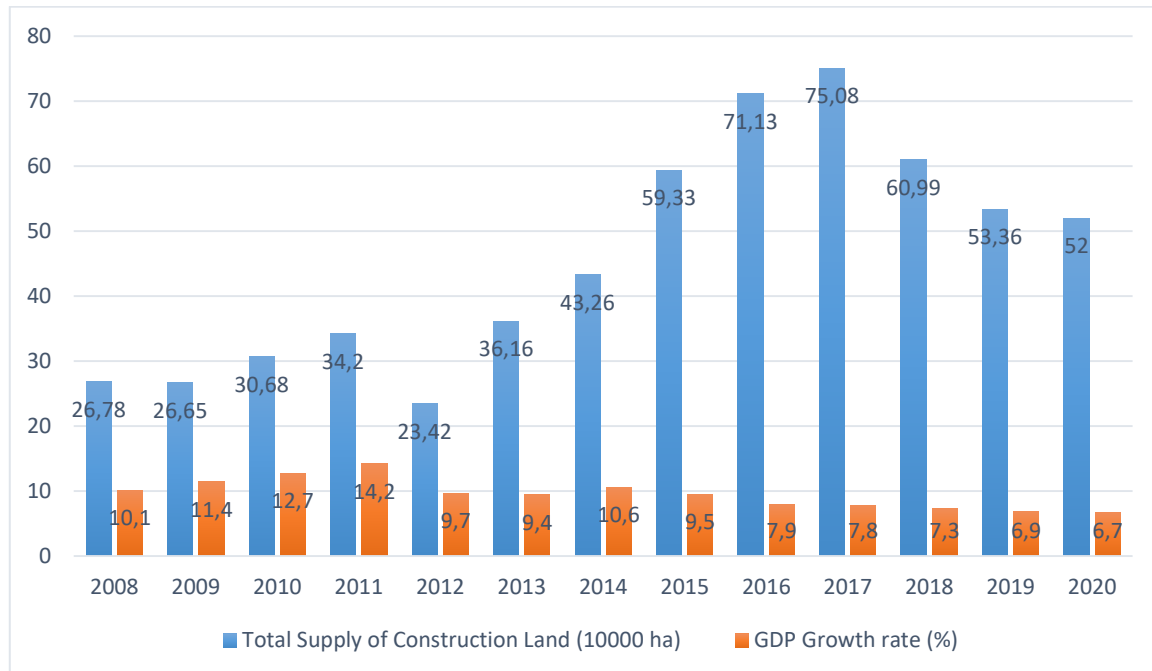


Figure 1 - Supply of construction land versus GDP growth rate [20]

Regional policy in the field of providing land to the population contributes to the economic growth of the country. Prior to the Global Financial Crisis (GFC),

coastal regions with high demand for land saw a rapid increase in land prices in areas with rapid economic growth. According to the annual plan, scarce local land quotas for construction were used mainly for the development of metropolitan cities and large development zones. Flexible land prices for construction provided high economic growth [23].

Over the past 40 years, there has been a need to create a stable and effective institution of sweeping, which has become a prerequisite for the emergence of general reform and structural changes. Land reform in rural areas increased the efficiency of land use in the direction of clarifying property rights, but also allowed structural changes to begin in rural areas [24].

Firstly, a system of household responsibility was created and maintained in agriculture, which became the basis of China's agricultural growth. This system has been generalized since 1984. In 2020, despite the growth of new types of agriculture, family contract lands still accounted for 99.4% of the total cultivated area. The production of food crops in 2020 increased from 407.3 million tons in 1984 to 616.2 million tons. tons., which can be explained by the progress of agricultural technologies, the increase in modern investments and the stability of the family management system [28].

Secondly, the restoration of man's connection with the earth contributed to structural transformations. In traditional rural China, farmers were tied to the land. During the period of state industrialization, they were excluded from the industrialization process and were collectively owned. After the introduction of the family contract system, peasants were able to participate in the local industrialization of rural areas, and then leave their villages to participate in the industrialization of other areas, becoming the main force that contributed to the structural revolution in China [30].

Institutional reform and structural changes in rural areas have contributed to the transformation of the agricultural development model. The transfer of

agricultural land increased in 2020, reaching 36%. The balance of agricultural costs has shifted from labor to machinery. The emphasis in the development of agriculture has shifted from increasing land productivity to increasing labor productivity (Table 1).

Table 1 - The land system in comparison with the transformation of agriculture [21]

Year	2015	2016	2017	2018	2019	2020
Proportion of rural household contracting (%)	94.1	94.4	96.89	98.1	98.4	99.4
Farmland transfer rate (%)	14.7	17.8	21.25	25.7	30.3	33.3
Proportion of rural residents going out (%)	58.3	59.5	59.87	61.6	63.2	63.7
Proportion of agricultural net income (%)	29.1	27.2	26.6	26.5	25.7	25.1
Total power of agricultural machinery (million kWh)	927.8	977.3	1,025.6	1,039.1	1,080.6	1,117.3
Land productivity (kg/ha)	4,973.6	5,156.9	5,301.8	5,376.6	5,385.1	5,984.0
Labour productivity (kg/person)	1,960.1	2,075.2	2,168.0	2,260.9	2,316.9	2,410.3

After the reforms, China embarked on a new path of industrialization. This included the industrialization of collectively owned land in rural areas from the 1980s to the mid-1990s and the creation of industrial parks since the 1990s. This new model of industrialization has led to China becoming a global factory, and its unique method of supplying industrial land has played a significant role in this.

Unemployment, after agricultural land reforms, contributed to the industrialization of rural areas after the mid-1980s. The strictness of the urban land use system and restrictions on the entry of rural workers meant that the government could only allow peasants to build enterprises on land owned collectively. To do this, it was necessary to allow the withdrawal of lands that are

collectively owned to the non-agricultural land market. Prior to the revision of the Land Administration Act of 1998 in rural areas there were two main forms of land use for construction [19]: peasants who built houses on the incomes they received after the reform, and those who built settlement enterprises on land owned collectively. In the period from 1993 to 1998, the area of land not intended for agricultural construction increased from 224,824 hectares to 367,854 hectares, while land for TVs decreased from 13,943 hectares to 8,180 hectares (Table 2). The advantage of peasants in developing enterprises on collective land was that they did not have to pay for land.

Rural enterprises solved the problem of land use by redistributing land within the collective or by paying a minimum rent for the use of land owned by the collective. The rural industrialization of collectively owned land has radically changed the structure of national industrialization. Until 1993, state-owned TVEs enterprises and foreign enterprises accounted for one third of the gross national product each.

Table 2 - Statistical data on the actual use of non-agricultural land for construction (ha) [21]

Year	Nonagricultural construction land	Township collectively owned construction land	Township enterprise land
1993	224,824	30,183	13,943
1994	186,630	22,023	9,826
1995	190,376	19,909	11,621
1996	171,467	14,897	6,235
1998	367,854	16,558	8,180

After the mid-1990s, industrialization on rural land owned collectively accounted for a significant proportion of the total area of cultivated land, which led to environmental pollution and the fragmentation of industries. The Land



Management Act of 1998 introduced institutional regulation of land use and gradually stopped the use of land that was in collective ownership for non-agricultural construction. Industrial parks have gradually replaced industrialization in rural areas as the main route to China's industrialization [3]. Great success has been achieved in eastern China and in some parts of the central and western regions. The success of industrial parks was promoted by a special scheme of land distribution.

First, the government used the land to encourage investment by providing land at low prices, and sometimes even for free or with negative rents [7].

Secondly, local authorities provided land to companies for the implementation of integrated development or for the transfer of land as collateral to a bank to finance construction. The industrial park reimbursed the cost at the expense of income received by enterprises [10].

Thirdly, the established enterprises in the park were granted full land use rights for 50 years. Enterprises could mortgage, sublet or transfer land into ownership, which stabilized their investment expectations and solved the financial needs for the development of enterprises.

The most important secret of China's rapid industrialization is the Land. If China relied only on the market distribution of land, the value of industrial land would be significantly higher than that of other land resources with better reserves, and rising land prices would hinder industrialization. In the period from 2000 to 2020, total land prices in the country increased by an average of 8.8% per year, land prices for commercial services increased by 9.6%, and land prices for residential premises increased by 12.4%. However, the average annual increase in prices for industrial land was only 3.5% per year (Table 3).

Table 3 - Industrial lands and value added in industry, % [21]

Index	Growth rate of industrial value added	Growth rate of land for industrial and mining warehouse space	Growth rate of industrial land price
2011	21.1	-8.34	15.7
2012	17.9	-34.4	4.8
2013	4.8	52.3	1.5
2014	19.6	7.0	5.4
2015	18.2	26.4	28.3
2016	7.1	8.3	-17.0
2017	6.4	3.0	4.5
2018	5.2	15.8	6.0
2019	1.1	-49.5	2.4
2020	4.8	-4.5	2.9

After 2000, urbanization in China accelerated. From 2000 to 2020, the urbanization rate of the permanent population increased from 36.2% to 57.4%, increasing by 2.9% each year. The capitalization of the land has provided a huge demand for capital for urban construction. The link between local government maximization of land profits and rising housing costs has been a major driving force behind urbanization [15].

The organization of auctions, auctions and listings for commercial land has increased the cost of capitalization of land. Since 2003, the total area of land sold in China is about 4 million hectares, which brings a land income of 32 trillion yuan. The income from the sale of land in 2020 was 89 times higher than in 2003.

Also, the huge demand for housing, which is caused by the commercialization of housing and rapid urbanization during this period, increased the income of local authorities from the sale of land. From 2003 to 2020, the volume of new housing stock in China reached 26 billion square meters. Loans for

real estate developers and loans for the purchase of housing increased by 6.8 times from 2003 to 2020, while housing prices increased by 2.9 times. The growing land surcharges have prompted local governments to further increase their income from land sales by bidding, auctioning and putting up for sale commercial land. In 2001, the area of land sold was 7.3% of the total volume of land sold, in 2018 this figure reached 92%.

The growing revenues from the sale of land have provided local governments with financial resources to participate in the construction of urban infrastructure, and also prompted local governments to step up the expansion of cities to obtain even more capital from the land. From 2000 to 2021, the area of urban construction in China increased 1.4 times (Table 4).

Table 4 Land capitalization and urban expansion, 2009-2021 [21]

Year	Urbanisation rate (%)	Urban construction area (sq m)	Government land sales revenue (RMB billion)	BAL area (%)	Land mortgage area (10,000 ha))	Land mortgage value (RMB billion)	Average sale price of commodity housing (RMB/sq m)
2009	40.5	28,308	542.1	27.8	-	-	2,359.0
2010	41.8	30,406	641.2	29.2	-	-	2,778.0
2011	43.0	32,521	588.4	35.1	-	-	3,167.7
2012	44.0	33,660	807.8	28.6	-	-	3,366.8
2013	44.9	35,470	1,221.7	50.9	-	-	3,864.0
2014	45.7	36,295	1,026.0	81.9	16.6	1,810.7	3,800.0
2015	46.6	38,107	1,591.0	85.3	21.7	2,585.6	4,681.0
2016	47.5	40,058	3,010.9	88.3	25.8	3,530.0	5,032.0
2017	51.3	43,603	3,150.0	91.3	30.1	4,800.0	5,357.1
2018	52.6	45,566	2,690.0	90.8	34.9	5,950.0	5,791.0
2019	53.7	47,855	4,200.0	92.3	40.4	7,760.0	6,237.0
2020	54.8	49,773	4,294.0	92.5	45.1	9,510.0	6,324.0
2021	56.1	52,102	3,365.8	75.2	49.1	11,330.0	6,793.0

Land financing provided more capital for urban development. Especially after 2008, various levels of government have created financial platforms, and land mortgages have increased significantly. From 2014 to 2021, the area and value of the mortgaged land increased from 166,000 hectares and 1.8 trillion yuan to 490,800 hectares and 11.3 trillion yuan [22].

The use of land to stimulate development has contributed to China's rapid economic growth, but China is becoming increasingly dependent on this rapid growth. High economic growth is part of a cycle of increasing investments attracted by land, increasing taxes and population, expanding urban areas, increasing real estate prices and increasing income from land sales, mortgages and loans. As long as strong growth continues, the cycle can be stable, but when the economy experiences a recession, certain sections of this cycle are negatively affected, which affects the performance of the national economy. Basically, this manifests itself as follows [26]:

- continuous growth in the price of land no longer increases GDP. To cope with the crisis in 2008, China adopted a more lenient fiscal and monetary policy, freeing up land to prevent a possible economic downturn. Unfortunately, GDP growth peaked in 2009 and then experienced a recession. Although the shortage of land supply within the country continued until 2013, the economic growth rate decreased from 10.6% in 2009 to 7.8% in 2013. After 2013, the economic downturn led to a decrease in demand for land and a reduction in the supply of land for construction. The rapid rate of economic growth, which was more than 10%, fell to a more moderate rate of 6-7%, which means that the regime under which economic growth continued to be supported by free land supply has gone forever (Figure 2) [20].

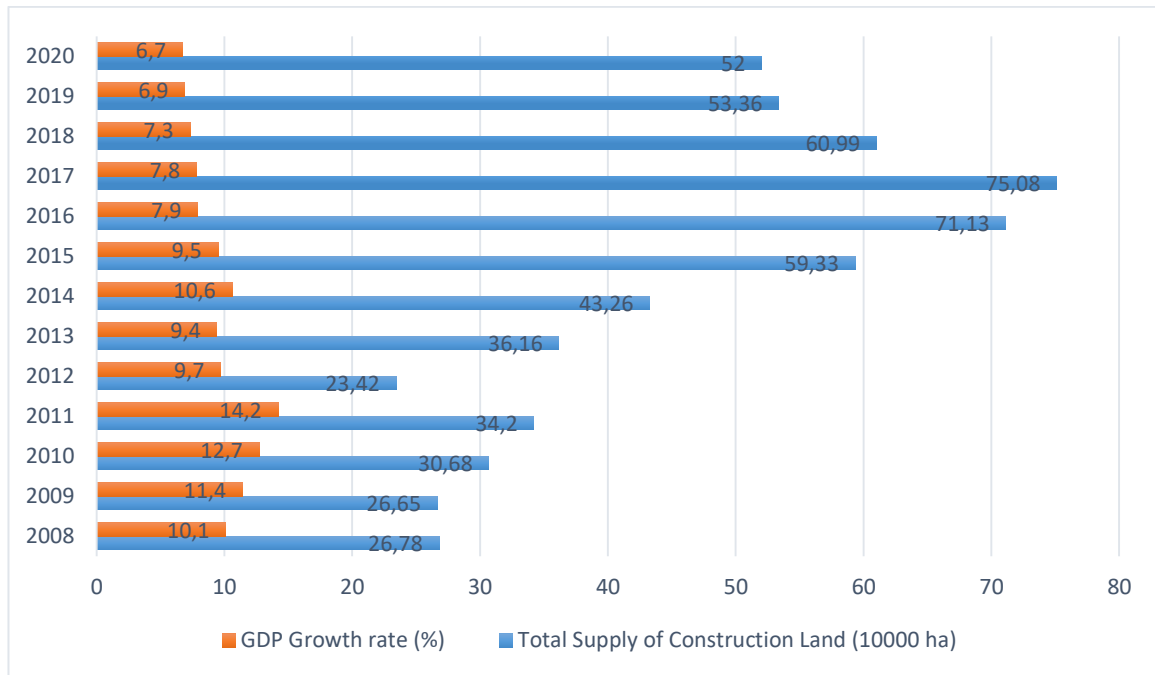


Figure 2 - Relationship between land supply and GDP [20]

- the effectiveness of attracting investments through land is decreasing, and this method of attracting investments for industrial parks began to change in 2004. This is manifested in a decrease in the amount of industrial land in the eastern part of the country. The main reason for this phenomenon is that, since enterprises in the eastern districts have been transformed by improving the quality and modernization of industry, they no longer rely so much on low land costs and mortgage financing of land to obtain loans. Although industrial parks in central and western China have imitated industrial parks in the east, attracting investment through land and providing excellent infrastructure, the effectiveness of attracting investment for industrial parks in these areas is low. On the contrary, such efforts have led to a high level of public debt [18];

- the structure of the land supply is seriously distorted, which works against structural reforms. In fact, the imbalance in the structure of land resources is the most serious structural problem in China. A high proportion of land for industry and infrastructure, and a low proportion for real estate makes land a tool for the government to attract investment and maximize land revenue. Since 2011, the

share of industrial land has decreased from 32.8% to 23.4% in 2020 [20]. At the same time, the share of land under real estate also decreased from 28% to 6.7%, which indicates that local authorities have not changed the system used to protect income from the sale of land by controlling the prices of land under real estate. A more serious problem is that the share of land designated for infrastructure has increased from 38.8% to 55.9% over this period, which corresponds to an increase in infrastructure investment. The growth rate of infrastructure investments reached 28.6% in 2020. At a time when the real economy is in recession and real estate investment is reaching a tipping point, governments can only count on increasing the supply of land for infrastructure and increasing infrastructure investment to support economic growth, but these short-term measures actually delay structural reforms [4];

- the cost of selling land has increased, net income from land has decreased, and the mortgage on land has increased. Rapid urbanization can be successfully completed in China. One of the important tools was the low cost of land. The government's land purchase costs were low, and most of the proceeds from land sales were used for urban investment. But as land use has transformed in many cities and farmers have realized their rights, the costs of expropriating land have increased significantly. Since 2010, government spending on land sales has increased significantly, exceeding 50% in many areas and even exceeding 60% in others [9]. As a result, the government's net income from the sale of land is reduced, which in 2020 amounted to only 20%. With net income from land sales declining, the Government continues to increase investment in infrastructure and expand the construction of new neighborhoods in some cities. State construction capital is increasingly relying on land mortgages. Since 2010, the area and value of the mortgaged land have increased from 166,000 hectares and 1.8 trillion yuan, respectively, to 490,800 hectares and 11.3 trillion yuan in 2020. Lower income

from the sale of land and an increase in mortgage loans on land mean higher financial debt risks;

- the risk of public debt and the risk of bank financing has increased.

The cost of a mortgage on land in many cities is estimated at high land prices. As soon as the economy experiences a downturn, the demand for land will decrease, and the gap between the actual and estimated value of land will be large.

From 2010 to 2015, the average share of income from the sale of land in the public debt reached 40%. Based on the fact that the value of the land is overstated, local authorities returned the debts after the sale of the land for income [14].

And also, there is an excessive credit burden. Nominal credit leverage in the Midwest of China is high, while the actual credit leverage for most provinces of the Midwest exceeds it by two times. Here, the leverage ratio refers to the level of financing of a mortgage on land in relation to the income of local authorities [16].

Let's consider China's economic trends at a new stage of development. The new stage of economic transformation in China will no longer depend so much on land. International experience shows that China's economic growth will inevitably decline, slowing from a 10 percent peak over the past 30 years. The economic structure will also undergo a number of profound changes. The service sector has surpassed the secondary industry, domestic demand plays a more significant role, and economic growth increasingly depends on the improvement of production forces and innovation. The quality and efficiency have been significantly improved. In this new stage of development, the earth will no longer play a key role as an engine of growth and will instead have negative consequences. Measures to protect economic growth through the free supply of land will no longer be necessary, and increasingly scarce resources will be wasted instead. The importance of improving the quality of economic growth by increasing the efficiency of land distribution is much greater than the importance of promoting economic growth by increasing the supply of land. The question of how the supply

and distribution of land will meet the changing needs of economic growth will become a major issue in the relationship between land and the national economy in the future [29].

Industrial transformation and modernization mean that industrial development will no longer depend so much on a system that suppresses the value of land. China has become a global factory mainly because of its low land value supported by an independent land use system, but as relative prices for other factors and system costs increase, it will not be able to maintain this status. In the course of field research, some regions, cities, industries and enterprises stand out for their level of transformation and modernization. After a new round of industrial competition and modernization, new competitive manufacturing cities, industries, enterprises and products will appear in China, which will replace the current production supported by industrial parks and low land value. The most competitive production areas will no longer rely on low land values and land mortgages to solve their financial problems, and those who cannot compete and who rely on low land values will not be able to avoid their fate of phasing out. Thus, the next stage of production development in China will be devoted to how to revitalize the existing land fund and optimize land use for competition, and not to protect the supply of land. Another feature of industrial evolution is the deep integration between the manufacturing sector and the service sector [25]. In 2013, the share of the service sector in the Chinese economy exceeded the share of the manufacturing industry. The share of value added in the primary and secondary sectors in relation to GDP was 46.7% and 44%, respectively. Unlike the manufacturing industry, the service sector does not require a large amount of land. This change in the structure of industry will weaken the role of land in future industrial development. The main policy issues in the future will concern the structure of land use, optimization of construction, redistribution of industrial land, transformation of industrial parks and changes in the supply of land.



The land distribution regime is changing from an emphasis on urbanization to the interaction between urban and rural areas. The path to urbanization in China has so far been through the rapid movement of population, land and capital from rural to urban areas, which has been affected by the large gaps between these two areas. At the next stage of urbanization, it will be necessary to shift the focus on the relationship between urban and rural areas and strengthen their interaction. So far, the interaction between them has been based on population flows from rural to urban areas. The state policy of the cities where the population lives or works is difficult to implement, and the relationship of farmers with their homeland is difficult to break. Farmers will work in areas with the greatest economic opportunities, and urban life will be the first choice for most of China's population. At the same time, as the interaction between urban and rural areas increases, more and more urban people will come to rural areas to get acquainted with rural life. The interaction of the population and the exchange between urban and rural areas will be strengthened.

Also, according to the author, Chinese villages have become highly differentiated, while many of them are in decline, others are experiencing a period of revival. The growth of some small towns will help connect urban and rural areas. Some cities will succeed thanks to their factor agglomeration, diffusion and innovative energy. Distribution and communication between dynamically developing cities, towns and villages will be improved [30].

While those with capital are exploring investment opportunities in urban areas, as rural development opportunities increase, some will also look for opportunities in agriculture and villages.

Changes in consumption and population flows will increase opportunities as well as demand for land for rural development. Thus, the interaction between urban and rural areas will replace unidirectional urbanization, and the population will move between urban and rural areas.

The evolution of agriculture and the transformation of rural areas will require a revision of the value of rural space. The biggest changes in the next stage of China's development will be a revolution led by rural areas. As China has joined the ranks of prosperous societies, the national demand for food will shift from quantity to quality, and the importance of agriculture for food production will decrease. The functions and structure of agriculture will undergo significant changes. Instead of simply providing basic foodstuffs, agriculture will specialize in providing high-quality, safe and "green" products. The opportunities to profit from agriculture will be significantly expanded. China will need to rethink the concept of agriculture and recognize its new role. In addition, differentiation and the birth of children lead to a structural revolution. Another feature of the changes in the group of farmers is the differentiation of generations. The main way for farmers of the first generation is to leave their native area and then return, while the second generation leaves and does not return. The latter's relationship with the land, ideas about agriculture and behavioral features have undergone fundamental changes. In addition, the features of rural industry have changed. With the changing urban demand, many rural industries have been revived and expanded, while technological and commercial innovations have expanded market opportunities for many rural artisans and local delicacies. Thus, many villages have become differentiated [15]. Traditionally, Chinese villages have depended on agriculture, but people's relationship with the land and the way of agricultural development have changed, villages are becoming highly differentiated. Some villages are being vigorously revived and taking on new functions in the interaction between urban and rural areas, while others are in decline or are falling into decline.

### **Conclusion**

In conclusion, the author of this scientific study would like to note that after 40 years of reforms, China not only created an economic miracle that has no analogues in the history of mankind, but also turned from a rural society into an

urban one. Behind this great transformation is the systemic reform of land institutions [19]. Rural land institutions have moved from collective ownership to a system of household responsibility, thereby protecting farmers' rights to land. This process has led to the long-term sustainable growth of Chinese agriculture, mass migration from rural areas to cities, and unprecedented transformations in agriculture. The conversion of agricultural land to non-agricultural use and the introduction of market mechanisms have turned land into a political tool that promotes rapid economic growth, industrialization and urbanization. However, it must be recognized that the role of the earth and its relationship with the economy will inevitably change as China's economy enters a new stage of medium–high-speed growth. With economic restructuring, low-cost industrial land will be less efficient. Urbanization is also moving from rapid expansion to endogenous growth, so the returns on land capitalization will decrease and the risks will increase. Therefore, China should abandon its land-dependent growth model by deepening land reforms and adapting to a new model of economic development.

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