



# **Impacts of land tenure on migration in China**

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# Motivation and background

Evidence of constraints on household migration decisions (Whalley and Zhang 2007; Lu and Song 2006; Uchida et al 2008; Giles and Mu 2007)

- => National productivity losses (Au and Henderson 2006)
- => Rural-urban inequality (Yang and Cai 2003; Whalley and Zhang 2007)
- => Environmental degradation (Liu et al 2005; Zhang et al 2000)

Chinese rural land tenure governed by Household Responsibility System:

- No private ownership, but private use rights
- Rental subject to approval of village leader; no land sales
- Risk of reallocation or expropriation



# Role of land tenure in migration decisions

## Theoretical relationships

Restrictions on land transfers  $\Rightarrow$  higher opportunity cost of migration

Tenure insecurity  $\Rightarrow$  lowers expected return to agriculture/forestry compared with migration

$\Rightarrow$  increases cost of migration if reduction in household size increases risk of expropriation

## Empirical findings

- Rights to rent land  $\Rightarrow$  no impact on migration
- Risk of agricultural land expropriation  $\Rightarrow$  negative impact on number of migrants per household
- Risk of forest land expropriation  $\Rightarrow$  negative impact on probability of migration and number of migrants per household

# Conclusions

Requirement to obtain village leader approval land rentals does not affect migration – households may not perceive this as a constraint

Tenure insecurity reduces migration out of rural areas

- Impact stronger on forest land than agricultural land: smaller labour requirements and longer time horizons

Results suggest that increasing the security of property rights can reduce environmental degradation and deforestation through impacts on migration (in addition to direct impacts)