Differentiating Urban Developments on Collective Land in Mainland China: A Transaction Cost Perspective

A Research Proposal by:

YUAN Dinghuan
PhD Student
Department of Public Policy
City University of Hong Kong

Abstract:

Urbanization in mainland China is taking place at an unprecedented pace and is expected to continue over the next few decades. Chinese-style urbanization is a comprehensive process involving transformations in many areas such as rural-to-urban migration and land use changes. To sustain the speed of urbanization, developments on collective land become unavoidable. Conflicts often happen between the local residents and governments or developers in the development process, particularly in land acquisition. Cases in which confrontations result in causalities or project delay have been often reported. However, some urban development projects on collective land were successfully or smoothly implemented. Therefore, it is interesting to know the reasons behind different outcomes of urban developments on collective land in mainland China. In this light, this research aims to differentiate urban development projects on collective land from the angle of new institutional economics and identify institutional and other determinants of the project outcomes. The outcomes of urban development projects are distinguished based on the levels of conflicts inflicted and time durations of the projects. I am going to see if different project outcomes can be explained from a transaction cost perspective. If yes, which institutional arrangements for urban developments on collective land have higher (or lower) transaction costs? In addition to the institutional arrangements, what other factors have also impacts on the transaction costs incurred in the urban development projects on collective land? These questions have seldom been explored, but they are very crucial for the government and society to find out an efficient strategy to execute the urban renewal or development project.