

A Review of Ancient Land Annexation in China: Comparing to Modern Wealth Concentration

Bi Yiping^{1,a}

¹Beijing Royal School, Beijing, China

^aBiyping@st.brs.edu.cn

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Abstract. This paper will analyze the topic of land annexation in Ancient China using Ming dynasty as an example and further discuss how it played a role in the country economic situation by affecting its revenue taxation. Accordingly, this paper will also address the matter of wealth concentration in modern Chinese society, specifically housing problem, and the role of land resources in the civilian's basic living in order to investigate housing problem in modern day China.

1. Introduction

Ancient China had a feudal system for many dynasties (from Qin to Qing, BC221-DC1911), and this had led to some problems that were typical for Chinese society and land annexation is one of those¹. Many of those problems still share similarities with phenomenon in Modern Chinese economy. In an agricultural society like ancient China, land is one of the most essential mean of production. The importance of land property had made its related problems an influential social issue in ancient dynasties. What's more, some people even believe that the concentration of wealth in nowadays could be a new form of land merging². This paper will focus mainly on the so called "land annexation" and compare it to a new economical issue in modern Chinese society. It is important to explain that the annexation that will be discussed in this paper is a typical phenomenon of ancient China, which reflects problems of the ancient land managing system. It differs from the most known forms of land merger, like annexations by war, or purchasing.³ It was a fiscal and political maneuver between peasants and nobles. This maneuver was possible because some nobles and government officials did not pay full land taxes⁴. Therefore, land annexation, in one hand, fiscal, because helps peasants to avoid taxes and on the other hand is political, because it is a sign and reassurance of privilege from the ruling class. And of course, it is also a form of relation between social estates in ancient China.

The land regulation system of ancient dynasties was, sometimes, not very well structured⁵, and therefore people were able to use some of the 'gray region' to avoid what they were supposed to contribute (the burden planned to set on them by policy makers). The most direct method used by peasants and landlords to ensure their own interest meanwhile making the government to collect the least possible tax was a 'second contract', usually in the form of a 'renting indenture'.

In many ancient dynasties, people used both 'land lease' (地契)⁶ with government and 'private' ones signed (or not signed, but in the form of agreement reached) with urban land lords. The 'contract'

¹ Some say that the feudal system starts from Zhou, however Qin was the first dynasty to rule Chinese land as a whole. Other problems, besides land annexation, included the privilege of nobles over land ownership and the land concentration it led to.

² [1] 亚思明. 不要让土改沦为新形式的土地兼并[J]. 资源与人居环境, 2008

³ Here I mean, for instance, those land annexations done through wars, trade among countries or the land of a country which is destroyed by disease or disasters taken over by another state. (for instance, Loochoo by Japan and Sikkim by India).

⁴ According to the policy in Ming dynasty, the Emperor decided to award his family members for helping him to establish the dynasty. Therefore, they were granted land and had the superior right on their land which was just after the Emperor himself. Although in the last period of dynasty those members of the royal families were not allowed anymore to own armies, they could still keep most of their land productions as a source of capital. For those ruling class, they were considered the most superior class in the society and could enjoy privilege in tax and many other aspects.

⁵ Since the Chinese dynasties usually experienced more than one Emperor, policies made by different governors could overlap. Some policies made by a previous Emperor would still be in force under the rule of a new Emperor, therefore there could be regulations that are already unsuitable for the country but are still working and running along with new rules on the same subject. What is more, some policies might even contradict each other.

⁶ A type of property ownership certificate in ancient China.

with government usually states the official ownership of the land and it depends which scale should the officials follow while collecting tax of that land. And the personal agreements, were often used among peasants and landlords about how they would attribute the production of land. Those ‘contracts’ are instruments of land annexation and occurred in many dynasties but, especially, in Ming.

In Ming dynasty, land annexation could take place mainly based on three conditions: firstly, the right of using land could be owned by individuals privately. Secondly, trades of lands among citizens were legal. Thirdly, people in different social estates were mostly allowed to own lands.

Those three basic conditions still take place in modern China. However, many reforms and editions have been made to land policies of the country, especially for the ownership and trading over lands, which was altered to a large extent during modernization. Therefore, whether land annexation still occurs nowadays has become a contradicting question. In case to see whether land annexation is happening in modern China and whether it’s leading to land concentration, this passage would study the similarity and difference of ancient and modern land policies.

2. Ming Dynasty – a Historical Background

The Ming dynasty (1368-1644) was a unified empire which covered nearly three hundred years of Chinese history. In the early period, Ming enjoyed a population of around seventy million, and the number reaches a pick in the latter period around Chinghua[成化], which is 1479.

According to the research of Angus Madison⁷, the gross domestic product of the Ming Dynasty was 96 billion US dollars in 1600, accounting for 29.2% of the total world economy. In the late Ming Dynasty, the per capita GDP of China was 600 US dollars (the same as that of the Qing Dynasty).

Like past dynasties, Ming’s agricultural products in the early period are mainly for peasants to support their own living. However, after mid Ming, the country’s agricultural products tend to become a good for trades. Especially in the southern part of China, the main first industry products gradually transferred from crops to more commercialized goods. (eg. Cotton, sugarcane). Even in areas used to be able to grow enough crops for the local supply, there first industry tend to be taken up by manufactory industry, because more and more civilians choose to become members of handicraft industry.

In ancient Ming dynasty, there was a strict hierarchical ethical system. There was the belief that different group of people had different sort of role in the society. Accordingly, some were superior to others. For instance, the Emperor theoretically had definite power over other people. There was a saying in ancient Chinese dynasties claimed that “you have to die if the Emperor asked so”.⁸

Similarly, the upper class and the ruling class of the country had very strong power over other classes, and the only way for a normal civilian to enter the ruling class was passing through imperial examination. What’s more, it’s not possible for anyone who didn’t learn to write or read to access this exam⁹, so most of those officials are people who received targeted education from a very young age.

This examination required candidates to read, memorize and understand “Confucian classics”. The candidates’ test essay needed also to be a practice of Confucian theories. However, since the examiner of imperial exam was usually a member of senior government officials who represented the interest of ruling class, candidates who expected to become officials sometimes created their essay

⁷ [2]Maddison, Angus (25 September 2003). Development Centre Studies The World Economy Historical Statistics: Historical Statistics. OECD Publishing. ISBN 978-92-64-10414-3.

⁸The original saying in ancient China is that “君要臣死，臣不得不死。” This statement is first proposed by Zhongshu Dong who was a famous philosopher and Politician in Han dynasty. He developed this theory based on Confucius’ word, which is ‘君使臣以礼，臣事君以忠.’ Until today some people believe that the saying was created by Confucius, although among scholars there is an agreement that this was in fact a saying by Dong, based on Confucius words mentioned above.

⁹ According to the [3]*Scale of different level imperial examinations in the Ming dynasty and its enrollment rate* 郭培贵 2006 史学月刊, After Longqing[隆庆]the province level of imperial exam usually had enrollment number at about 1190-1415, with an average enrollment rate of 3.1%. Although passing the province level exam was just the lowest requirement of becoming an official, to access the exam civilians have to first pass another exam which has an enrollment rate at 9%-11%, and according to statistics that participating the exam was 38000-45000 while the population was larger than sixty million.

based on what the Emperor would agree. Therefore, despite the fact that the imperial system had been injecting talents to China's political system and served as a tunnel for normal people to change their social identity, it strengthen some of the 'feudal values', such as 'the three cardinal guides'.¹⁰

In this situation, the society is meanly divided into four hierarchies, the one on the top are those who's job it's to 'learn' and 'rule'. (the only thing that acknowledged as 'learn' is to learn how to help the Emperor to rule). Following this are farmers, they are considered the second important hierarchy of ancient Chinese society just behind governors. The reason is that agriculture is the most basic industry of ancient china, it's also the foundation for dynasty and its civilians' survival. The third it's people in second industry who process things. And merchants are at the bottom of social status because they are considered cunning and tend to fool others.

When Ming dynasty was just found, Emperor Ju gave great support to purge the politics and promote farming. Between 1368 and 1426, the agriculture of the country is prospering along with the growth of tax income. At the same time, the development of handcraft industry stimulates the trade among different part of the country, especially in the southern area. Together with marine trade along the shore line, the commercial condition supported the military industry of Ming.

In the dynasty, there are three main sources of goods providing government with income. Those are tea, salt and metal. These three products are respectively considered the most popular, necessary and important goods in the country. Therefore, those could only be sold by public sector. For normal merchants, is illegal to trade tea, salt and metal, except those who got permission.

Based on this, the most mainstream trade is the commerce of agriculture products, including rice and other grains. And the production of these sorts of goods requires the highly utilized natural resources, which is mostly land in that period. That's why farmers are considered the foundation of dynasty.

In the mid period of Ming dynasty, emperor Jiajing[嘉靖] and Longqing[隆庆] consumed too much money on palace building and other 'royal outputs'. Additionally, after the Long-term Accumulated Disadvantages, the politics and policies became a chaos. The burden of tax on civilians persistently went heavier. The threaten of prairie nations even increased the tax because of the high costs of war.

All these situations above more or less served as the pre-condition of land annexation in Ming. Even though Ming is not the dynasty with most considerable problem, because of those conditions, it's a typical example for us to compare with modern society. The problem of Land annexation can be perceived from the early East Han dynasty to the Qing dynasty, although it's more significant in some periods than in others.

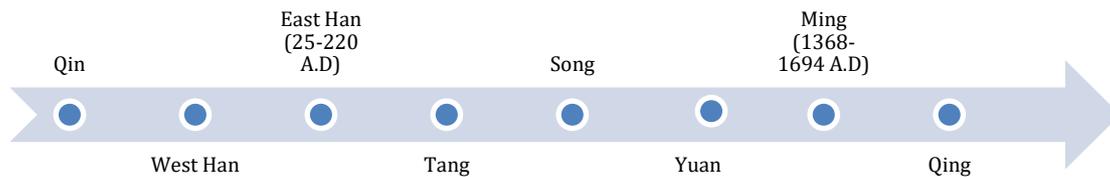


Figure1. Time Line of Chinese Dynasties

Since the feudal system was formally established, on 221 B.C, most dynasties had the problem of land annexation taking place, especially in their last periods. Nevertheless, because of partly different policies and geographical situations, some of those dynasties experienced more serious land

¹⁰ The "three cardinal guides" is a part of a theory called the 'the three cardinal guides and the five constant virtues' which is specified in the feudal ethical code (三纲五常). A generally accepted explanation of this is that "the civilian should always obey his Emperor, as a son to his father and wife to her husband." Since '三纲五常' is an ancient theory written in classical Chinese, there might be some variation of explanation and translation. However, as this is not the main focus of this article, the whole theory couldn't be described in a foot note. Some further information about this can be found in [4]'The Analects of Confucius as politics'(《论语 为政》)

concentration than others. From this perspective, East Han dynasty and Ming dynasty are both a very good example. However, this article has chosen to concentrate on the Ming Dynasty, not only because Ming is one of the periods in which the problem is more significant, but also because, for this period we have more literature and sources available. Furthermore, since the article wants to compare land system loopholes¹¹ from the past to problems concerning modern Chinese land system, Ming dynasty, for its proximity, seems to be a more suitable source for this sort of analysis. Additionally, East Han is a splatted period, based on the fact that many parts of the country no more admitted the central government when land annexation was occurring in large scale.

Being the second last dynasty of federal society¹², Ming did not successfully avoid the loop of land annexation. Despite the fact that the founder of Ming created an extremely strict household registration policy, he was not able to keep people with their own land, and had also failed to let them in to other subsistence industries. In the last phase of the Dynasty, when land annexation had become serious enough to threaten the country's foundations, potentates had made efforts on amendments, such as the so-called "single whip reform(一条鞭法)". It is not deniable that these reforms have to some extent slowed the decline of the country's power.¹³ However, it's almost impossible to carry out policies which could solve the problem in a thoroughgoing way because that would harm the interest of an entire ruling class. Although Land managing system today definitely differs considerably from the one in Ming Dynasty, the ameliorate government made to land policies in modern China draws lessons from ancient failures, especially about the attribution of land and the over dependence on land economy. In this article there would be mainly theoretical analysis of recorded policies and land situation during both period of time.

Therefore, the article might be able to review how land annexation played a role in the ending of Ming Dynasty, and further analyze the property issue in modern society.

3. Land Annexation in Ancient China

Based on the value that some members of the ruling class, for instance, members of royal family, were superior to normal civilians, the former was allowed to pay less or even no tax for the production of their owned land, while peasants needed to afford full amount tax. Although this is not the situation a modern government would create, the policy itself did not lead to direct chaos of the ancient empire.

Nevertheless, since civilians are able to contribute their land to others, many had been exercising the loophole in the policy by nationally giving their land to those who could pay less land tax. Therefore, with the development of Dynasty, the population of ruling class swelled rapidly and led to significant decrease in government's revenue. What's more, because of the lowering revenue, government needed to set higher tax to support the operation of the state. Nevertheless, with higher tax burden, more civilians would choose to utilize the loophole of land system. while these ever take place, it firms a negative cycle.

The research was expected to find out the similarity and the difference between ancient land distribution and the current property concentrations, so this could help people evaluate housing problem in modern China more objectively instead of falling in to blindly panic due to superficial signs. To achieve this goal, the research will use reference to modern market trades and ancient government interventions.

4. Literature Review

Many authors have discussed the role of policies and the role of political system during the Ming Dynasty. Some of them tend to stress that new policies had the power to make improvements, to some extent, to the land system. Those often agree that the ameliorations made by some officials were

¹¹ 'Loopholes' represent the basic part of land policies which enables 'land annexation' to take place in ancient dynasties and exists now a days in a different form.

¹² Qing is the last feudal dynasty of China, and it's also the dynasty that follows Ming. After Qing there is the modernization.

¹³ [5]施 他：“一条鞭法”的历史意义和现实意义[J].现代商业，2008,15:287-288

effective in restricting land annexation. This point of view tends to agree with the changes based on existing political framework of Ming dynasty.¹⁴

Others, on the other hand, are more likely to argue that, because of the nature of the regime and therefore, because of the interest of policy makers, such changes in policies have little power to really change reality. Even there could be a few who dare to stand against one's own interest, it's nearly impossible to enforce a policy which works in the opposite of the whole dominance hierarchy of Ming. Accordingly, this view states that, as a feudal dynasty, Ming could never diminish land annexation unless it could rule based not on the landlords.¹⁵

In the found of Ming dynasty, the emperor had given special support to the country's agriculture¹⁶. To ensure the rate of land farmed, he have made technical improvement in registration system for civilian residence. And the 'fish scale atlas'¹⁷ (鱼鳞册) was formed. According to Yumei Hu(胡育梅), the fish scale atlas was a creation of Ming dynasty because of it's special use of Registering people's accounts and arable land together¹⁸. This atlas system has accomplished the statistic of Ming dynasty's land situation and population residence at the same time. While enabling the government of Ming dynasty to have control of both the land and population of the whole country, fish scale atlas works as the precondition for Ming dynasty to carry out it's unique 'labor-land system' (地丁制).

However, in her work, Hu also identify that the land of Ming dynasty was divided in to two types '官田(GuanTian)', owned by public sectors and '民田(MinTian)', owned privately by civilians. This, based on my understanding, has been a potential instrument for land annexation to take place. A precondition for some harmful action to exist is that at least some group of people could benefit from it. Without the division between private lands and public owned lands, peasants won't have the motivation to contribute their land (which is called'TouXian'投献 in ancient China) to officials. Meanwhile landlords would have much more difficulties with merging others' lands, because they won't have the power to help others to avoid tax burden. Even if some land annexations still occur, those would lose the power to affect the dynasty's economics significantly because taxes would be collected to the same amount.

Another typical example for Ming governments effort to land annexation is what we called 'Single whip act' (一条鞭法). It was carried out by the prime minister Juzheng Zhang(张居正), who was the teacher of emperor Wan Li. Unlike fish scale atlas, the 'single whip act' isn't found together with the dynasty, instead, it's designed to moderate the existing land problem in the mid-Ming dynasty. Identified by professor Weiyi Zeng (曾唯一) and his partner Qingsheng Shen (沈庆生), the 'single whip act' was created under great financial crisis. The method of using land tax to replace forced labor has encouraged more peasants to bring on stream in primary industry, and this has further promoted the economy as well as commercial.

Despite the effort Ming's government has made, they failed to prevent the worse of land annexation and the country's agriculture and military have been negatively influenced greatly. A group of posterity historians, including professor Wanying Yan (闫万英), hold a point of view that the failure of Ming government is not caused by any specific policy, instead, the primary cause is the characteristics of the regime of Ming dynasty itself. Historians like professor Yan believes that the limitation comes from the governance because most officials are members of 'part of the landlord class who have both benefited from land annexation'. It's their personal interests which made policies no more than a piece of paper. This theory attributes the failures to the 'objective economic laws'

¹⁴ For example, Yumei Hu, Weiyi Zeng and Qingsheng Shen.

¹⁵ Here refers to authors such as Wanying Yan.

¹⁶ The founding emperor of Ming dynasty was born in a poor family and saw agriculture as the most stable industry of the country. To recover the fields that were destroyed by the war, he started to encourage the peasants to cultivate those desolated lands and ordered a tax cut on agricultural products. More than that, as some ancient dynasties did, Ming's emperor and empress needed, every year, to cultivate crops at least one time (although is only a symbolic gesture), to show their respect to the agricultural industry.

¹⁷ It is a kind of land register in ancient China. It draws houses, mountains, forests, ponds and fields in order, showing the corresponding names. It is a general book of folk fields. Since the atlas shaped like fish scale, the register is named after it.

¹⁸[6] YuMei,Hu(胡育梅), "浅谈中国历代土地制度对经济社会的影响", Management Observer, vol 605-6 (2016) page34-36.

and stands against the practice of minor reforms because those could not touch the interests of landlords.

Based on the discussion above, in the former part, we can see that policies could always be double edged sword for land annexation. Similar to the setting of private and public owned lands, policies could, on the short term, assist land control but on the long term, it could even enforce land annexation. Attributing the cause of land annexation to the characteristic of Ming regime is reasonable since all policies were produced and practiced by people in political system. The principle behind could actually be simple: policy is the method used to restrict land annexation, but it's not under the policy maker's control, instead it works only along the will of the whole political system. When the regime was representing the interest of landlords, it could never compete land annexation, just like a human can't chock oneself with own hands.

By conclusion, to solve the problems brought by land annexation, Ming governments had to change the property of their dominance hierarchy, in another word, it had to rule based not on land lords. Nevertheless, achieving this required revolution, and it didn't come. Instead, as we know from the history of the period, land lords kept ruling until modernization and Ming dynasty kept having their economics and military weaken and finally it went to an end. To further explain why this was the case, we will discuss about the limitation of revolutions in feudal society and Ming dynasty specifically.

In ancient Chinese societies it was believed that the right for the emperor to rule was granted by the 'god', by this it was a birth right for an emperor to be at his position. For those who wanted to dethrone an emperor it was necessary to have a reason to justify its motion, and for those who wanted to overthrow a dynasty, they needed to prove that the current dynasty had lost its 'theocracy'. In this way people who successfully ended a dynasty, tended to found a new one and become the founding emperor of it. The government seems to be different from the past, but the nature of its political structure did not change. None of them have thought of limiting their own power and getting the country out of the feudal system. However, for a government who ruled with an emperor, they needed the support of landlords and could never get rid of private owned land. And that's why land merging takes place even after Qing replaced Ming.

In short, land annexation in Ming Dynasty has led to the decrease of it's national income, the over concentration of land and further the heavier tax burden on peasants and also poverty of those who finally couldn't afford the tax and make living. To deal with these problems the single whip act was carried out during the late period of Ming but haven't prevented the dynasty to collapse.

5. Land Annexation and Modern Chinese Land System

As Ming was the second last dynasty of Chinese feudal system with Qing coming after it, their problem of land annexation was left to Qing and was relieved in the beginning of that period because of the re-attribution of interest and rapid drop of population in the found of new dynasty. Nevertheless, Qing, which is still a feudal dynasty did not escape the cycle of land annexation. The issue and risk passed down until western countries opened the gate of China with violence, and the civilians seek for methods to rebuilt the political system of the country.

When ZhedongMao (毛泽东), who was at that time the leader of China's Communist Party, tried to end the ownership of feudal land lords over the lands, his government carried out an act which led to the found of China's modern land system. Agrarian Reform Law of the People's Republic of China(中华人民共和国土地改革法) included the three following methods. Firstly, confiscate landlord's land, farming tools and surplus food.¹⁹ Secondly, expropriate public land.²⁰ Thirdly, attribute all lands confiscated and expropriate lands to farmers by government.

In modern China, since the land reform carried out, one could hardly claim that there's still

¹⁹ [7]Chapter 2, article 2 中华人民共和国土地改革法

²⁰ [8]Chapter 2, article 3 中华人民共和国土地改革法

traditional land annexation. Therefore, some believe that modern China has already get rid of land annexation and escaped the cycle with public and government owning lands. Nevertheless, some others say that although ancient land annexation no more take place in modern time, there's still other form of resource concentration.

One supporting reason for the first opinion is that land annexation, as we mentioned in previous part, has a pre-condition, which is that civilians are allowed to own and trade lands (this is not the reason of land annexation, instead land annexation in ancient China was an abuse of political power, interfering economical trade). Based on the regulations in land reform, there's hardly private or individual owned land in modern China, instead, most people only have the right to use their land but do not have the property over it and cannot trade or give land to others. In this situation, land merger could not take place because no one owns land and there are no landlords. Many citizens, especially those who suffered from the extremely high housing price tend to express their idea on popular forums, saying that housing property is a 'new form' of land annexation. Nevertheless, it's not an objective view and the latter paragraphs would discuss in detail why that isn't the case.

Besides, many socialist also claimed that modern land concentration should be seen in a different view from ancient land annexation, as Shaoan Huang(黄少安) and his partner Dongshui Xie(谢东水) pointed out²¹, after industrialization of China, the country's Economics was built based on secondary and tertiary industries, concentration of land couldn't be a threat in economic and political relationship.

The confiscate of landlord's land had actually been carried out during revolutions or even political changes sometimes cost people in upper class to lost their land. However, the difference between such thing and modern policies is where the land goes after being taken form previous owners. In Dynasties, those land simply became Guantian(官田), and after sometime it would be granted to other landlords and became part of the annexation again. Or otherwise, after a new dynasty was found, a few lands might be returned to peasants for cultivation, but that would not prevent those lands from being merged by the new landlords created by the new dynasty. It was easy to dismiss some, or even all of the existing landlords, nevertheless the whole hierarchy would never vanish until the government works not relying on them. According to the tenth article of Agrarian Reform Law of the People's Republic of China(中华人民共和国土地改革法), the government takes over the lands and attributes them equally through a committee to ensure every farmer got similar amount of lands to cultivate, and most importantly, every land privately owned face the same taxation policy, therefore people can not benefit from contributing their lands to others. These actions could be enforce by Mao's government because of the historical background and the way of selecting officials, which made them did not just get rid of landlords for a period but also changed the property of the government.

Nevertheless, the opposing point states that resource concentration and the gap between the rich and poor it created have never vanished. Without traditional land annexation, there is a new form of resource concentrations, which is house property. This type of view raised with the price of department in large cities of modern China. The similarity of house property price and land annexation, is that with extremely high price, apartments in large cities are hardly affordable for normal people who earn actually a decent salary, while property developers earn incredible profit through housing industry.

As People's Republic of China was just formed in recent 70 years, the growth of country's economics was supported by real estate to a certain extent. Republic of China is always somewhere between market economics and planned economics.

When real estate was just pushed forward by government policy²² and the up grading of people's

²¹ [9]黄少安,谢冬水.土地集中效应差异化假说——农业经济时代与工业化和市场经济时代土地集中效应比较[J].经济理论与经济管理,2013,(9):5-21

²² In the period of planned economics, welfare housing distribution was a public housing system applied in Republic of China. At that time employing units had the right to attribute houses to their employee, but this policy was canceled in 2000, after that employing units could not distribute house to their employee as welfare anymore, so that individuals became the main stream consumer of houses.(In[10] 1998 the *Notice on further deepening the*

consumption structure, civilians are encouraged to purchase housing property. Many people contribute their labor in Southern coast line cities and purchase housing property in their home town, which were often inland rural areas. Therefore, economics of both areas improved. What's more, since the recession in 2008, the size of money supply goes up steeply, the flourish of real estate industry attracts people to give up their circulating assets and transfer them to fixed assets, that aid the government to recover the capital to prevent RMB from excess depreciation.

However, with the raise of quantity demand, the price of housing property kept going up.²³ According to statistics of Goldman Sachs, the contribution of real estate has to China economy is 0.5% at the beginning of 2017, however in 2018, the rate has been lowering. Besides, they also found that when the price of housing property rose by 10%, the inflation of price in urban areas was just 0.8%.²⁴ According to international convention, the ratio of house price to income²⁵ between 3-6 times is a reasonable interval, however, the ratio of Beijing, Shanghai and Guangzhou are respectively 25.5, 23.5 and 12.5, which means that a family with two labors needs to work for more than twenty years in the capital to buy an apartment in these cities (in the case that they don't even eat or drink).

We could say that the housing issue did cause problems in resource allocation, but it's different in nature with land annexation in ancient China, because it could not threat people's life as the latter does. For the reason that land, especially in city, is still an important factor of production but no more an essential one. Unlike ancient time when China relied mostly on first industry, nowadays second industry and third industry, which do not require land to output product and service can support a large proportion of country's economics and civilians living. Accordingly, although house price could cause people to decrease their demand to other industrial and commercial products and have negative effects on aggregate demand of the country, it's not able to cause people starve in scale and cause as serious problem as land annexation to the country.

Meanwhile, in ancient land annexation, peasants who lost their land aren't able to leave first industry, merges of land just forced them to transfer from to Commission farmers. The large amount of commission farmers who are cultivating individually but for land lords has hindered the country from reaching land scale. Unlike that, concentration of land or housing property now a days didn't kept peasants in first industry, instead, a large proportion of farmers who left their land enters production or service industries.

What's more, housing property is usually considered as another form of 'land' in modern China. On the one hand, its concentration caused by the high price is compared to ancient land annexation. On the other hand, the fact that the concentration of housing property needs to be carried out through 'high price' has showed its difference to ancient land annexation. As mentioned previously, land annexation isn't a result of free trade in markets, in fact, it's a consequence of excessive political privilege's disruption on normal transaction. By contrast, estate agent holds great amount of property by purchasing and producing in the market. the price is raised in the procedure of trading and demand exceeds supply. Accordingly, without political privilege, although estate agent could earn capital by concentrating housing property, they couldn't influence the country's tax source.

Therefore, modern housing property isn't a new form of land annexation, the problem caused by housing concentration is that the civilians are losing hope for purchasing themselves housing property in the city they worked and lived in, and furthermore it decreased their motivation in paying effort to the industry they are employed in. however those are carried out in market trades and current policies are trying to change housing property from investment products back to practical commodity.

reform of urban housing system and accelerating housing construction 《关于进一步深化社会城镇住房制度改革加快住房建设的通知》 was publicized by the State Council of China, declaring the monetization of house purchase.)

²³ According to [11] *Shanghai Housing Prices Completely Unsustainable* by Kenneth Rapoza on Mar 19, 2017, Forbes, the price of housing property in Shanghai has been extremely high, and it's caused by local capital.

²⁴ [12] *Understanding China's Economics Statistics-Second Edition*, 7/11/2017, Goldman Sachs

²⁵ The so-called ratio of housing price to income refers to the ratio of housing price to the annual income of urban households. The formula is: the ratio of house price to income = the total housing price per household and the total annual income per household.

In the early 1990s, Andrew Hamer, an expert of the World Bank, made a study on the reform of China's housing system. World Bank considered that the ratio of house price to income was between 3 and 6 times reasonable. If housing loan was taken into account, the proportion of housing consumption to household income should be less than 30%.

6. Conclusion

Land annexation in ancient China has a significance in the study about Chinese feudal society because of its great influence in dynasty's economy. The importance of the subject is realized not only by modern scholars, but it was also realized by ancient governors, yet, it wasn't overcoming in ancient period. Some believe that the core issue of land annexation is the concentration of wealth. Therefore, even after the collapse of feudal system some still refer modern situations to (this) ancient problem.

One could compare modern wealth concentration to ancient land annexation in correspond to the different social background and economic structure with typical examples. In urban areas of modern China, land has become another form of property, which is housing. Although the concentration of housing property and ancient land annexation may show similar attribution of wealth, they are practiced with different types of power. The former is an accumulation of capital in markets trade while the latter was the exercise of political privilege. The revolution during modernization of China has changed the source of political justice, and the government no more relies on landlords, so the land reform are able to dismiss their privilege in holding resources.

After the land reform mentioned above, it was the government itself, instead of any governors, who was able to intervene in the market legally. Therefore, even though housing property isn't equally allocated, people who held larger capital could not avoid obligations, and the distribution of resources won't influence total tax income.

Besides that, since China has come through industrialization, it gradually transformed from an entirely agrarian into a society. Although agriculture is still an important industry in modern China, the developing second and third industry are also able to gradually shoulder employment and live hood of part of the population. Accordingly, concentration of land resources would not have as considerable influence as it did in ancient society. As for housing properties, it's more irrelevant to production than natural land resources and have even less influence.

Based on these reasons, economics nowadays shall not take concentration of housing property or other land resources in the same way as ancient land annexation. To appropriately consider about modern housing problem, we may have to analyze it due to current political situation and civilian's need of investment and living. Instead of exaggerating wealth concentration problem like housing property, focusing on its direct effect on civilian's daily life might be more actual.

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