

# The change of Rural Homesteads Withdrawal Policy from the perspective of Punctuated-Equilibrium

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## ABSTRACT

With the process of industrialization and urbanization, the phenomenon of unused rural homesteads has become increasingly serious. However, the development of urban construction is facing the problem of land shortage. Faced with this contradiction in land use, the policy of withdrawing rural homesteads has emerged. Using the Punctuated-Equilibrium theory to sort out the homestead withdrawal policy will help us analyse the evolution logic of it in the macro context. Since the homestead withdrawal policy is formulated by the government, and farmers participate voluntarily, the game between the government and farmers' interest demands has led to continuous changes in the policy images, which promotes the gradual and intermittent changes in the homestead withdrawal policy. Since the establishment of the homestead withdrawal policy in 2004, the homestead withdrawal policy has evolved in the direction of continuous strengthening.

**Keywords:** *homesteads withdrawal policy, punctuated-equilibrium theory, policy images, policy venues, path of evolution*

## 1. INTRODUCTION

According to the *China Rural Development Report (2017)*, there are currently as many as 20,000 km<sup>2</sup> unused land in rural residential areas. From the *2017 China Statistical Yearbook*, it can be seen that the rural permanent population decreased from 745 million to 590 million from 2005 to 2016, which means that with the massive transfer of rural population, the problem of idle homesteads is prominent.

Homestead withdrawal policy came into being in such a background. Since the formal introduction of 2004, the policy of homestead withdrawal has been innovated and developed. Homestead withdrawal policy is a departmental policy, but its impact on the macro-social, political and economic system cannot be ignored. Only by putting the policy in a larger environment to study its deductive mechanism and the process of change can we really understand the significance of the policy and its transmission to society.

## 2. LITERATURE REVIEW

### 2.1. Homesteads withdrawal Policy

In view of the particularity and importance of rural homesteads in our country, many discussions on the factors affecting the withdrawal of homesteads have been launched in China [1-3]. In terms of research on homestead withdrawal mode, from the perspective of governance structure, Yingen Hu analyzed the paid

withdrawal models of homesteads in the four pilot areas of Jinzhai, Jizhou, Yiwu and Luxian, and believed that different governance levels in different localities need to revitalize existing resources to promote the withdrawal of homesteads [4]. Regarding the internal logic changes of the homesteads withdrawal, Xinhua Zhu et al. believe that in the context of changes in the relative prices of land elements, the game of various interest groups ultimately prompted the changes in the rural homestead system [5]. Regarding the dilemma of homestead withdrawal, Qihuai Diao took Chengdu's homestead withdrawal work as an example, and pointed out that the main obstacles to the homestead withdrawal process are the compensation fund gap and the difficulty in the operation of sporadic homestead withdrawal [6]. Based on the dilemma raised by predecessors, Yonghe Yu added the difficulties that homestead withdrawal is without establishing a long-term mechanism [7].

The above studies have conducted in-depth discussions on the withdrawing mode and withdrawal dilemma of homesteads, has often resulted in fragmented research results. Only by deeply understanding the evolutionary context presented by the homestead withdrawal policy as a whole from a global perspective, can we truly understand its essence and attributes.

### 2.2. Punctuated-Equilibrium theoretical model

The Punctuated-Equilibrium Theory believes that the policy process mainly includes punctuated and equilibrium. The key factors that affect policy changes are the Policy Image, Policy Venues and Policy Monopoly. Policy Images refer to the tendency of policies to be discussed and evaluated in the public field of vision; Policy Venues

refers to the structure of political agreement. When policy issues can be discussed and decided by multiple topics, an inclusive policy venue is formed. The policy venue is transformed by the policy landscape, new subjects intervene, and differences of internal subjects; Policy

### **2.3. Questions raised**

In the development process of the homestead withdrawal policy, there are both long-term equilibrium and obvious discontinuities. The phenomenon of policy stability and sudden change described by the punctuated equilibrium theory and its core concepts will provide guidance for the implementation of the homestead withdrawal policy in this article. The punctuated equilibrium theory is used to sort out the homestead withdrawal policy in order to answer: What are the contradictions and sudden changes in the policy process? What is the inherent logic of policy changes? Then analyse the reasons and development process of the homestead withdrawal policy, and use this to predict its future direction.

## **3. COMBING THE HOMESTEAD WITHDRAWAL POLICY**

Since 2004, a series of documents related to the withdrawal of homesteads have been issued [10]. This article sorts out the policies for the withdrawal of homesteads. The specific policy evolution is as follows.

### **3.1. Policy construction: to encourage voluntary withdrawal as the core**

From 1949 to 1997 rural land management departments and regulations have been in a state of change. The rural land management system has a strong color of planned economy and basically meets the needs of planned economy. At this stage, no homestead withdrawal policy has been formulated. In 2004, the Ministry of Land and Resources issued the *Opinions on Strengthening the Management of Rural Homesteads*. In response to the large number of problems in rural "multiple houses" and "hollow houses", it formulated measures to encourage farmers to take the initiative to vacate excess homesteads. So far, the concept and policy direction of homestead withdrawal have been gradually clarified. In 2008, the State Council issued the *Notice on Promoting the Conservation and Intensive Land Use*. The notice proposed rewards or subsidies for farmers' voluntary withdrawal from homesteads. At the same time, rules that the withdrawal of homesteads should respect the wishes of farmers.

This stage is the origin of the homestead withdrawal policy, mainly to alleviate the problem of "hollow villages". Local governments encourage rural households who leave the

Monopoly is used to define the state of long-term gradual changes in public policy [8]. Existing studies have shown that the punctuated equilibrium theory can strongly explain the process of policy changes in China and help sort out the path of policy evolution [9].

city to transfer their rural homesteads, and explore ways of paid transfer and withdrawal within the village collective.

### **3.2. Model exploration: pilot trials to explore the withdrawal model of homesteads**

The slogan is easy to advance, but it is difficult to implement it. Although the Ministry of Land and Resources has issued two documents to encourage the implementation of homestead withdrawal, the withdrawal of homestead has remained at the slogan level without real results. In order to cope with this phenomenon, the central government once again formulated a policy, hoping to explore an effective homestead exit model through local pilots, increase farmers' property rights, and increase rural land utilization. In 2013, the *Decision of the CPC Central Committee on Several Major Issues of Comprehensive Deepening Reform* stated that it is necessary to "reform and improve the rural homestead system, select a number of pilots, prudently and steadily promote the mortgage, guarantee, and transfer of farmers' housing property rights, and explore channels for farmers to increase their property income." [11] In 2014, the Central Office issued the *Opinions on the Pilot Work of Rural Land Acquisition, the Entry of Collective Operational Construction Land into the Market, and the Reform of the Homestead System*. The opinion stipulates that starting from the beginning of 2015, three pilot projects of rural land system reform will be launched in 33 counties and cities across the country. The pilot policy proposed for the first time to explore the voluntary and paid withdrawal of homesteads within the collective economic organization of farmers who settled in cities.

### **3.3. Policy innovation: linkage of homestead withdrawal and household registration management**

In 2016, the Office of the State Council issued the *Plan for Promoting the Settlement of 100 Million Non-Registered Population in Urban Areas*, which once again emphasized the need to form an effective voluntary and paid homestead withdrawal mechanism for farmers who settle in cities. In July of the same year, in the *Summary of Proposals for Pilot Exploration of Rural Homestead Circulation and Paid Exit Work in Mature Conditions*, it focused on the provisions for paid exit from homesteads [12]. These relevant regulations and documents provide a positive policy basis for the withdrawal of homesteads, and also make the withdrawal of homesteads attract the attention of academic circles and society. In 2018, the *Strategic Plan for Rural Revitalization (2018-2022)*

proposed to "establish and improve the management system of legal and fair acquisition, economical and intensive use, and voluntary and paid withdrawal from homesteads. It can be seen the establishment of a reasonable and effective homestead withdrawal mechanism is an important direction for the future reform and improvement of the rural homestead system. In 2020, the *Land Administration Law of the People's Republic of China* clarifies the legal provisions for the paid withdrawal of homesteads, improves the legal status of homestead withdrawals, and provides legal protection for the withdrawal of homesteads.

#### 4. ELABORATION ON THE EVOLUTION OF HOMESTEAD WITHDRAWAL POLICY BASED ON THE PUNCTUATED-EQUILIBRIUM THEORY

Based on the factual analysis of the changes in the homestead withdrawal policy, the following will use the

punctuated equilibrium theory to analyze the gradual evolution and intermittent changes of the homestead withdrawal policy. In the process of the withdrawal of homesteads, there is a game relationship between the government and farmers [13]. Changes in the relationship between the two may lead to changes in the Policy Image, so people's views and value judgments on the withdrawal of homestead policies will change. This change in the Policy Image will lead to changes in related Policy Monopolies, changes in the Policy Venue, and thus policy changes. In this sense, the transformation of Policy Venue and Policy Image plays a key role in dividing the nodes of policy change. In view of this, this article has made corresponding adjustments to the institutional structure in the original theoretical model, as shown in Figure 1.

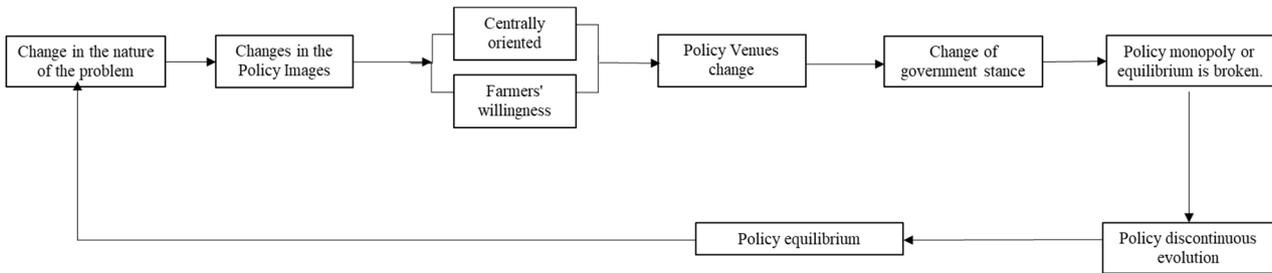


Figure 1 The Modified Model of Punctuated Equilibrium of Homestead Exit Policy

Under the background of information asymmetry between the government and farmers, in the withdrawal of homesteads, when government revenue is better than that of farmers, this usually leads to the inactive participation of farmers in the withdrawal of homesteads. This will form a policy image that is not supported by farmers, leading to a policy venue that is not conducive to the withdrawal of homesteads. When the government income is equal to the income of farmers, both interest demands are satisfied. The policy issue will become the common interest of the government and farmers, and the policy picture of homestead withdrawal will be accepted by everyone, Next, it will enter the policy venue that is conducive to the withdrawal of homesteads. Based on the changes in the policy image and policy venue, there have been two intermittent innovation points and three equilibrium periods in the development process of the homestead withdrawal policy, as shown in Figure 2.

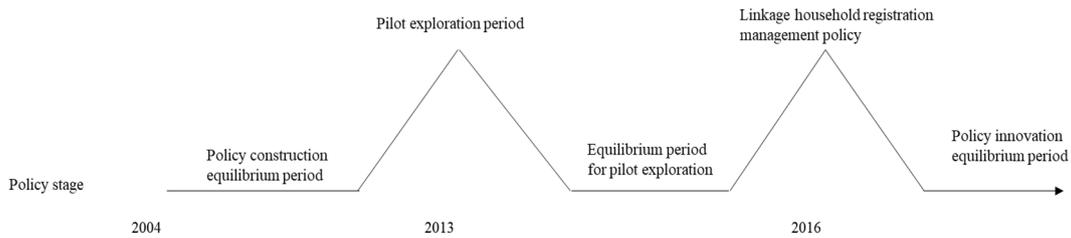
#### 4.1. Equilibrium period 1: 2004-2012 (policy construction equilibrium period)

During 2004-2012, with the acceleration of industrialization and urbanization, a large number of rural populations moved to cities, leading to the emergence of "hollow villages". At the same time, it is accompanied by urban rapidly development and lack of construction land. During this period, the government issued a homestead withdrawal policy to encourage farmers to voluntarily and compensate for their withdrawal from homesteads. At the same time, the withdrawal of homesteads will be linked to the increase and decrease linkage policy to form an urban construction land index for urban development and construction. At this stage, policy decisions are monopolized by the government, and the policy venue is monopolized by the government, and policy changes show the characteristics of gradual evolution.

Table 1 Punctuated-Equilibrium analysis process

|                              |  |   |                              |                                      |                    |
|------------------------------|--|---|------------------------------|--------------------------------------|--------------------|
| <b>Nature of the Problem</b> | The rural economy is gradually improving, and the phenomenon | A large number of rural population and labor transfer to cities; farmland protection is | Homestead exit mode unknown. | Farmers are not willing to withdraw. | Keep policy alive. |
|------------------------------|--|---|------------------------------|--------------------------------------|--------------------|

|                            |   |                   |                                       |                             |                      |
|----------------------------|---|-------------------|---------------------------------------|-----------------------------|----------------------|
|                            | of illegal occupation and construction in rural areas is serious. | emphasized again. |                                       |                             |                      |
| <b>Policy Image</b>        | Policy construction   | Policy pilot      | Homestead withdrawal mode exploration | Problem discovery           | Experience promotion |
| <b>Policy Venue</b>        | Central government  | Local government  | Farmer                                | Farmer → central government | central government   |
| <b>Government Position</b> | exploration   | Decentralization  | excitation                            | evolution                   | expansion            |



**Figure 2** The Characteristics and Process of Punctuated Equilibrium in the Changes of Homestead Withdrawal Policy

**4.2. Intermittent node 1: 2013 (provided by pilot exploration)**

The homestead withdrawal system has been officially implemented, but the effect is not satisfactory. In the early stage of the game between the government and farmers, the rights of farmers were not maximized, and the policy image formed by the withdrawal of homesteads was not widely accepted by farmers, so the original policy monopoly was broken to a certain extent, thus the withdrawal of homesteads was not implemented smoothly. In a situation where the withdrawal of homesteads is hindered, the central government has delegated powers to change the policy image and the policy venue through regional pilot projects, providing sufficient space for exploration of the withdrawal policy of homesteads.

**4.3. Equilibrium period 2: 2013-2015 (exploration of the pilot project for the withdrawal of homesteads)**

During 2013-2015, 33 cities across the country carried out the reform of the homestead system, and the central government gave huge policies innovative space to explore effective homestead exit models. During the pilot implementation, 15 cities across the country participated in the pilot reform of the homestead system. During this process, various localities have explored and formed unique "Yujiang Experience" and "Yiwu Experience". During this period, the policy field went down from the

central government to local governments and village collective economic organizations. The innovative behaviors of local governments were encouraged, and the participation of farmers was fully encouraged. The bottom-up policy promoted the gradual development of homestead withdrawal policies.

**4.4. Intermittent node 2: 2016 (linked with household registration management)**

As a large part of the withdrawal of homesteads is associated with farmers entering cities, one of the important issues that farmers who settle in cities need to solve is the household register issue. In 2016, the Office of the State Council issued the *Plan for Promoting the Settlement of 100 Million Non-Registered Population in Cities*. In this policy plan, the government linked the withdrawal of homesteads to the settlement of farmers in cities, and led the withdrawal policy and household registration management. The policy image is conducive to the policy of withdrawing homesteads, and the government regains its leadership in the policy venue.

**4.5. Equilibrium period 3: 2016 to present (policy innovation Equilibrium period)**

Since the implementation of the targeted poverty alleviation policy, there have been three linkages between homestead withdrawal and increase/decrease linkage and targeted poverty alleviation. Since 2016, the policy image of "experience promotion" has been developed in response

to a series of feasible experiences accumulated during the pilot phase of homestead withdrawal. The central government has verified and promoted the pilot work in the pilot areas. At this stage, the government grasps the interests of farmers, and the policy venue is tilted towards farmers, pushing the homestead withdrawal policy to a new stage of development.

## 5. CONCLUSION

Relying on the punctuated equilibrium theory to explain the localized application of China's homestead withdrawal policy, it has been discovered that under the national conditions with a high degree of government centralization, public participation is an important driving force for policy changes. However, under China's unique homestead system, the process from the construction of the homestead withdrawal policy to the decentralization of the pilot program all reflects the central government's leading role. The scope and extent of the policy pilot program depends on the central government's "acquiescence". Public participation is an important driving force for policy changes, but the central government still holds the lifeblood of this fundamental policy change.

Through the combing of the homestead withdrawal policy, it is found that the policy is evolving in the direction of continuous strengthening, and more detailed withdrawal mechanisms have been formulated on the previous homestead withdrawal policy.

We can also find that in the current process of homestead withdrawal, farmers are not very active in participating in the withdrawal of homesteads. The withdrawal of homesteads is a voluntary act and the government has no right to force it. This is one reason that the withdrawal of homesteads has not been effectively promoted. Because farmers are dissatisfied with the compensation for housing land withdrawal. At present, the homestead withdrawal policy has entered a new equilibrium period. The linkage between the poverty alleviation field and the increase and decrease policy has played an important role in the poverty alleviation field. It is an important method for precise poverty alleviation and relocation to raise funds and obtain land. In addition, the homestead withdrawal policy is mainly to provide land resources for all parties who need land resources. As a provider of land resources, the homestead withdrawal policy can be integrated with the rural tertiary industry in the later development process to form a closed-loop relationship between land resources supply and demand. It can also realize multi-party interests and effectively assist rural revitalization.

In general, from the beginning to advocate the voluntary withdrawal of homesteads for farmers who settle in cities, to the repeated emphasis on the homestead withdrawal mechanism in the top-level design of rural revitalization, it can be seen that this mechanism is an important deployment made by the central government to improve the idle homesteads of farmers. Continuously exploring scientific and reasonable paid exit compensation mechanisms, and increasing farmers' willingness to

participate, are the direction of future homestead exit policy evolution.

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