

Article

Paths and Mechanisms of Rural Transformation Promoted by Rural Collectively Owned Commercial Construction Land Marketization in China

Duanshuai Shen ^{1,2}, Xiaoping Zhou ¹, Shuai Xie ¹, Xiao Lv ^{3,*}, Wenlong Peng ³, Yanan Wang ³ and Baiyuan Wang ⁴

- ¹ School of Government, Beijing Normal University, Beijing 100875, China; shenduanshuai@mail.bnu.edu.cn (D.S.); zhoup@bnu.edu.cn (X.Z.); 202331260015@mail.bnu.edu.cn (S.X.)
- ² Department of City and Regional Planning, University of North Carolina at Chapel Hill, Chapel Hill, NC 27599-3140, USA
- ³ School of Humanities and Law, Northeastern University, Shenyang 110169, China; 2110006@stu.neu.edu.cn (W.P.); 2210012@stu.neu.edu.cn (Y.W.)
- ⁴ Chinese Land Surveying and Planning Institute, Beijing 100035, China; wangbaiyuan@mail.clspi.org.cn
- * Correspondence: lvxiao@mail.neu.edu.cn; Tel.: +86-187-6931-9508

Abstract: Rural collectively owned commercial construction land marketization (RCCCLM), a land policy that is still being piloted despite being allowed by law, has been regarded as an indispensable policy tool that can meet the land demand for rural development. This study aims to analyze the typical modes and key paths of RCCCLM for rural transformation theoretically and practically. We developed an innovative theoretical framework of “Situation-Structure-Implementation-Outcome” to illustrate the relationship between RCCCLM and rural transformation. By tracing the process of the impact of RCCCLM on rural transformation in typical areas, this study fills the gap in existing research that has not yet explored the theoretical mechanisms between RCCCLM and rural transformation. The results show that a combination of such factors as geographical location and rural land use status brings about three major ways of RCCCLM, namely, local marketization, adjustive marketization and consolidation-based marketization, to promote rural transformation. The influencing mechanism of RCCCLM on rural transformation mainly concerns rights granting, rural land use structure reshaping, the transformation of farmers’ livelihood and improvement in rural governance capacity. Rural transformation follows a basic rule and phased characteristics of evolving from single function to multiple functions, and RCCCLM displays a differentiated driving effect on the evolution of rural functions in different stages of rural development. These findings will provide new insights into rural land use and rural transformation in China and other developing countries and help solve the bottlenecks in rural transformation.

Keywords: rural collectively owned commercial construction land marketization; rural transformation; rural revitalization



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1. Introduction

Rural decline is a common problem for many countries and regions, and it exerts a lasting and comprehensive impact on the socioeconomic system of a country and region [1]. Adopting targeted and localized solutions to curb the decline of rural areas, thereby achieving the goal of poverty alleviation and improving the quality of life of residents, is an important part of the United Nations’ Sustainable Development Goals (SDGs). In order to slow down rural decline and boost rural development, countries and regions have adopted differentiated systems and policies. For example, East Asian countries such as China and Japan tend to first reflect on the shortcomings of the existing rural development system and try to make improvements to remove land institutional barriers to rural development [2]. In addition, although China has made significant achievements in poverty alleviation, rural

development still faces issues such as industrial revitalization. By optimizing the allocation and efficiency of industrial land and ensuring the reasonable demand for rural industrial land, it will help to achieve rural industrial revitalization and rural transformation.

Rural transformation is an inevitable part of going through rural decline to rural revitalization [3]. Due to national differences, socioeconomic levels, governance structures and rural locations, villages will experience or choose differentiated transformation paths. For example, in Europe, the countryside is considered to be an area where urban dwellers relieve the stress and experience an idyllic life, and rural development shifts from being single-function to being multi-function [4]. East Asian countries, represented by China and Japan, tend to promote rural transformation through reforms in the agricultural sector. For example, Japan focuses on exploring the added value of agriculture and making full use of agricultural multifunctionality [5]. China, a country with a super large population, has witnessed the profound impact of urbanization on the vast countryside for many years, which gives rise to practical problems such as the hollowing countryside and the abandoned arable land. In order to effectively deal with the above problems, the Chinese government has taken measures, including comprehensive land consolidation, economic compensation for arable land cultivation and concentrated residence, aiming to curb the severe situation of rural decline and promote rural transformation [6,7]. However, according to global experience, no matter the stage of rural development, building an institutional and policy framework to mitigate or reverse rural decline is still the fundamental step. As an important part of the rural system, the rural land system directly shapes the policy environment for rural transformation [2]. Generally, in the infancy of promoting rural transformation, policy enforcers tend to start with the rural land system reform to diagnose the rural decline institutionally, so as to figure out appropriate policy tools for rural transformation [2].

As a major land category in the rural land use structure, construction land plays a vital role in supporting rural economic development. The supply mode and governance mode of rural construction land, especially rural industrial land, relate directly to rural revitalization. China has long been committed to breaking through the institutional barriers of the marketization of rural construction land to re-utilize idle and inefficient construction land in rural areas, thus boosting rural revitalization. Before 2020, rural collectively owned commercial construction land marketization (RCCCLM) met with a number of legal obstacles, which suppressed the demand for industrial land in rural areas for a long time, and seriously hindered the development of rural economy. In some developed areas, rural collectively owned commercial construction land (RCCCL) often has access to the land market in the form of “murky dealing”, which often leads to social problems such as the loss of rural land assets and small property rights housing. In 2020, after a long period of small-scale RCCCLM pilots, the revised Land Administration Law of the People’s Republic of China began to allow RCCCLM under the premise of complying with the planning and use control. The legal permission of RCCCLM not only fundamentally removes the legal obstacle that rural collectively owned commercial construction land cannot go to the land market, but also makes great changes in the external policy environment and development of opportunities for rural development. Some scholars believe that RCCCLM will provide the necessary land space for the development of rural industries, which contributes to rural industrial revitalization in China [8–10]. Some have proposed that RCCCLM can also increase farmers’ income, so that they can obtain property gains through shareholding and dividends [11–13]. Therefore, the legal permission of RCCCLM meets the actual development needs of rural areas and provides broad implications for academic exchanges on how RCCCLM can promote rural transformation. Despite these aforementioned studies, research where the path and mode of how RCCCLM can promote rural transformation is still limited. In particular, the influencing mechanism of RCCCLM on rural transformation needs to be figured out in theory and in practice. Therefore, this study attempted to provide the required analysis to fill that gap by addressing the research question “What are the core pathways and key mechanisms by which RCCCLM affects rural transformation?”

After the legal permission of RCCCLM in 2020, the institutional exploration of RCCCLM is still ongoing. The Chinese government launched a new round of RCCCLM pilots in March 2023, reflecting the long-term, complex and important nature of RCCCLM policy reform. Therefore, based on a case study of the typical areas of the RCCCLM reform, this thesis focuses on the following issues: (1) a theoretical analysis of the policy operational logic of RCCCLM. (2) a further analysis of the influencing path and key mechanism of RCCCLM on rural transformation on the basis of RCCCLM policy operational logic, and the summary of typical modes. The findings can provide a theoretical basis for deepening a new round of the rural construction land system reform and implementing the rural revitalization strategy in China, and they also provide reference and implications for land policy innovation and rural development in other developing countries.

2. The Main Stages and Basic Operational Logic of the Reform of RCCCLM

2.1. The Main Stages of the Reform of RCCCLM

The pilots of RCCCLM have generally gone through three stages: piloting small-scale transfer, improving supporting systems and policies after the legal permission and re-piloting after RCCCLM is perfectly legitimate.

Stage 1: Piloting before the legal permission. After the mid-1990s, collectively owned construction land went through a transition from prohibited transfer to a small-scale transfer pilot. Suzhou, Wuhu, Anyang and other regions successively jumped into the upsurge of the pilot reform of collectively owned construction land transfer, becoming the first wave of collectively owned construction land transfer pilot in China. In 2005, Guangdong Province promulgated the Measures of Guangdong Province for Management of the Land Tenure Transfer of Collectively owned Construction Land, which stipulated that collectively owned construction land shall enjoy the same rights as state-owned construction land. This then triggered a discussion for over a decade on the unfair distribution of profits in collectively owned construction land transfer and the slow development of the urban-rural unified construction land market [14]. In 2015, the Chinese government selected 33 county-level administrative regions across the country in groups to further experiment with the reform of RCCCLM. This round of pilot reform targeted “similar price on the similar piece of land, smooth transfer, and revenue sharing”. From 2015 to 2019, the five-year pilot exploration of RCCCLM finally promoted the revision of national laws. In 2019, the revised Land Administration Law of the People’s Republic of China deleted the provision on “restricting the marketization of collectively owned commercial construction land”, and formally allowed for RCCCLM under conditions such as compliance with planning and legal registration.

Stage 2: Exploring supporting systems after the legal permission for marketization. On January 1, 2020, the Land Administration Law of the People’s Republic of China was officially implemented, marking the beginning of the reform of marketization moving into a period of supporting policies with “legitimacy”. In 2020, the “No. 1 Central Document” emphasized the need to accomplish key rural reform tasks and formulate a supporting system for RCCCLM. It is foreseeable that collectively owned commercial construction land marketization will be an important institutional factor affecting rural transformation in the next stage. The Regulation on the Implementation of the Land Administration Law of the People’s Republic of China (2021 Revision) further refines the specific provisions for RCCCLM. In the same year, the Opinions of the CPC Central Committee and the State Council on Comprehensively Promoting Rural Revitalization and Accelerating Agricultural and Rural Modernization proposed to actively explore and implement the RCCCLM system. Despite the approval of marketization by the Land Administration Law, the central government still adopted a cautious attitude toward it due to the inadequate rural governance capacity in China and the complexity of the interests involved.

Stage 3: Re-piloting nationwide after the revision of the law. On 6 September 2022, the 27th meeting of the Central Commission for Comprehensively Deepening Reform deliberated and adopted the Guiding Opinions on Deepening the Pilot of RCCCLM, clarifying

that the pilot project shall be carried out again, the full rollout shall be suspended, and the number of pilot counties (cities and districts) shall remain stable and controllable. In addition to developed areas such as Deqing in Zhejiang and Nanhai in Guangdong that have further refined marketization pilot programs and supporting policies, local governments in other parts of China were generally not highly motivated to the cause and were cautious about it. In March 2023, China's Ministry of Natural Resources launched a new round of marketization pilots and emphasized that the conditions for the use of collectively owned commercial construction land should be in line with the use control, mainly for the integration of agricultural, industrial and service sectors, rural cultural tourism, rural eldercare services, mining land, rural small and micro industrial projects, affordable rental housing, etc. In addition, the Chinese government has set red lines for marketization, such as prohibiting the development of commercial housing on rural collectively owned commercial construction land, but allowing for the use of rural collectively owned commercial construction land for affordable rental housing.

2.2. The Basic Operational Logic of RCCCLM

Policy pilot, also known as policy experimentation, is a common phenomenon in the formulation and implementation of public policies [15,16]. In general, policy pilots are interpreted as exploratory and experimental reforms carried out by higher levels of government within a specific scope (e.g., a specific region or a specific sector) over a certain period of time [17]. In addition, the formulation and implementation of a policy often has a clear public value orientation and faces stricter bottom-line constraints [18]. As a public policy that is still being piloted, RCCCLM also faced this problem during implementation. Bottom-line constraints and value pursuit will directly shape the operational logic of the RCCCLM policy. Therefore, with reference to the implementation process and policy objectives of RCCCLM, this study includes an analysis of the operational logic of the RCCCLM policy in the basic context of "bottom-line constraints→value pursuit→fundamental process→ultimate goal", which will lay the foundation for the subsequent analysis of the influencing path and mechanism of RCCCLM on rural transformation (Figure 1).

- (1) Bottom-line constraints. In the process of RCCCLM, the central government defines three bottom lines, namely "the nature of public ownership of land shall remain unchanged, the red line for cultivated land shall remain unbroken, and the interests of farmers shall remain undamaged". RCCCLM shall be carried out under the condition that the ownership of rural construction land belongs to the peasant group. In the process of RCCCLM, relevant rural collectively owned commercial construction land shall conform to the land use plan, and local governments cannot arbitrarily convert cultivated land into rural collectively owned commercial construction land. In addition, considering the property gains brought by RCCCLM, it is crucial to set up a fair and reasonable income distribution mechanism. In distributing the benefits of RCCCLM, a reasonable distribution ratio shall be formed among the country, local governments, village collectives and farmers to ensure that the benefits are fairly distributed among entities at all levels. The three bottom lines of the pilot reform of RCCCLM directly determine the basic value orientation of the RCCCLM policy.
- (2) Value pursuit. The RCCCLM policy was originally made to reverse the separate urban-rural construction land market and promote the trading of rural construction land and state-owned construction land in a unified market. Therefore, in implementing the RCCCLM policy, its value targets were set compared with state-owned construction land regarding four aspects: similar land, similar rights, similar price and similar responsibility. "Similar land" means that rural collectively owned commercial construction land should have the same or similar utilization methods as state-owned construction land. "Similar rights" means that rural collectively owned commercial construction land should have the same or similar rights as state-owned construction land, such as the right to disposition and the right to profit. "Similar price" means that RCCCLM requires the establishment of the same or similar price formation

mechanism as the transaction of state-owned construction land. However, due to the difference in location, ownership and other factors of urban and rural construction land, it is inevitable that there will be a difference in the market price of urban and rural construction land. “Similar responsibility” means that in the process of RCCCLM, the entities involved need to bear corresponding responsibilities. For example, local governments need to assume responsibility for infrastructure construction and contract supervision of land plots for marketization.

- (3) Marketization process. The main processes of the reform of RCCCLM include rural collectives determining land plots for marketization, the township people’s government reviewing marketization matters, assessing the price of land plots for marketization, democratic decision making on marketization matters, formally submitting applications for marketization, organizing approval for marketization, organizing marketization transactions, paying land prices, paying relevant taxes and fees and registering for real estate.
- (4) Ultimate goal. Establishing a unified urban-rural construction land market can solve the problem of unbalanced urban and rural development, promote the coordinated development of urban and rural economy, achieve an effective allocation of resources and improve the overall efficiency of the national economy. However, due to the chronic segmentation of the urban and rural construction land market, the market value of rural construction land has not been effectively manifested, which seriously restricts the development of rural communities. The legal permission by national laws for marketization will undoubtedly promote the gradual unification of the market transaction rules of rural collectively owned commercial construction land and state-owned construction land, thus building a unified urban–rural construction land market.

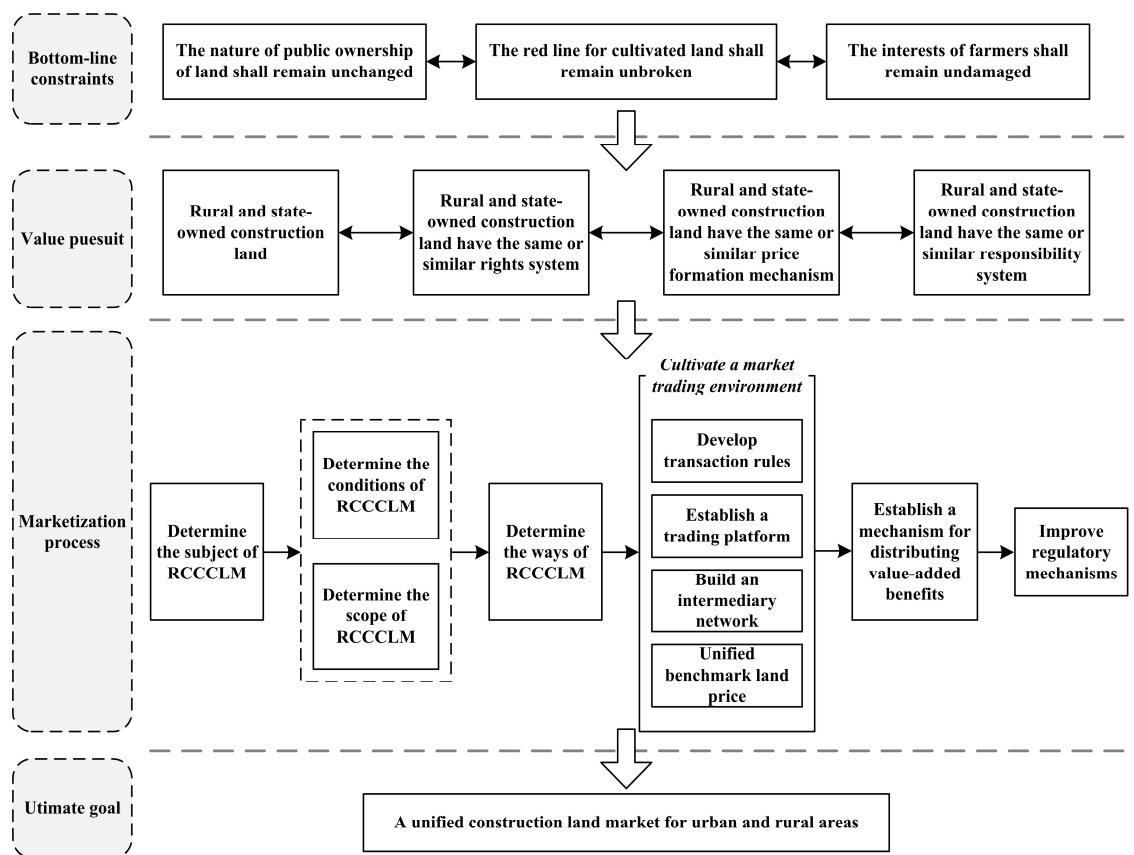


Figure 1. The operational logical of RCCCLM.

3. Theoretical Framework: Situation-Structure-Implementation-Outcome

The core issue of this study was to analyze the path and mechanism of the impact of RCCCLM on rural transformation. In our fieldwork, we found that there are differences in the implementation of the RCCCLM policy in different regions. Some studies attribute the differences in the performance of the same policy in different regions to the differences in “Place” [19]. This reminds us of the need to start from a “Place” perspective when formulating research questions. Therefore, we took the local situation as the starting point of the whole study, and we also paid attention to the influence of the governance structure and policy toolbox on the outcome of policy implementation. Therefore, we innovatively built a theoretical framework with the core chain of “Situation-Structure-Implementation-Outcome” to analyze the core issues of this study.

3.1. Local Situation

The local situation refers to the economic, social, cultural and environmental background and characteristics of a particular region. Every place has its own unique geographical conditions, resource endowments, historical background, population structure, industrial structure, etc., and these factors feed into distinctive local situations. “Place” is an important concept in geography, emphasizing the inherent conditions that are exclusive to a certain region during its long development [20]. There are three sources of “Place”: the local immovable natural resources such as mountains and waters; the combination of material and immaterial elements accumulated locally for a long time; and the historical events happened locally. “Place” shapes the values and basic institutional environment of local governance agents [20].

In implementing RCCCLM, there are distinct differences in the policy practice logic of different places, which can be attributed to local development goals, economic characteristics, collective autonomy capacity and resource endowment [21]. For example, in the Yangtze River Delta region, during the process of RCCCLM, there was a “legalization” of collectively owned construction land that had previously been implicitly transferred with the help of the marketization policy. In the central and western regions of China, the motivation for RCCCLM is significantly weaker than that in the eastern region. Therefore, this study selected the representatives of Yucheng county in Shandong Province and Deqing county in Zhejiang Province, aiming to comprehend the impact of RCCCLM on rural transformation based on differentiated local situations. Please see Figure 2.

3.2. Governance Structure

Governance structure is the key direction of the social public affairs of public management, especially in public policy implementation. Governance structure in public policy implementation refers to a set of systems, mechanisms and procedures established between governments and other stakeholders to achieve an effective implementation and oversight of public policies [22]. Governance structure is an important part of the policy process, which mainly concerns the interrelationship formed by policy-related subjects in the policy process and reflects the allocation and arrangement of decision-making power among policy-related subjects. The implementation of public policies relies on the interaction among multiple subjects to eventually form an open behavioral network [23]. RCCCLM, having effects on rural transformation, is essentially the study of policy process. The process of observing the implementation of marketization policies is inseparable from the observation of “people”, especially key governance entities in marketization [24]. Two main groups of subjects are involved in RCCCLM: endogenous subjects, such as local governments, village committees, villagers and exogenous subjects, such as business owners using rural collectively owned commercial construction land. Please see Figure 2.

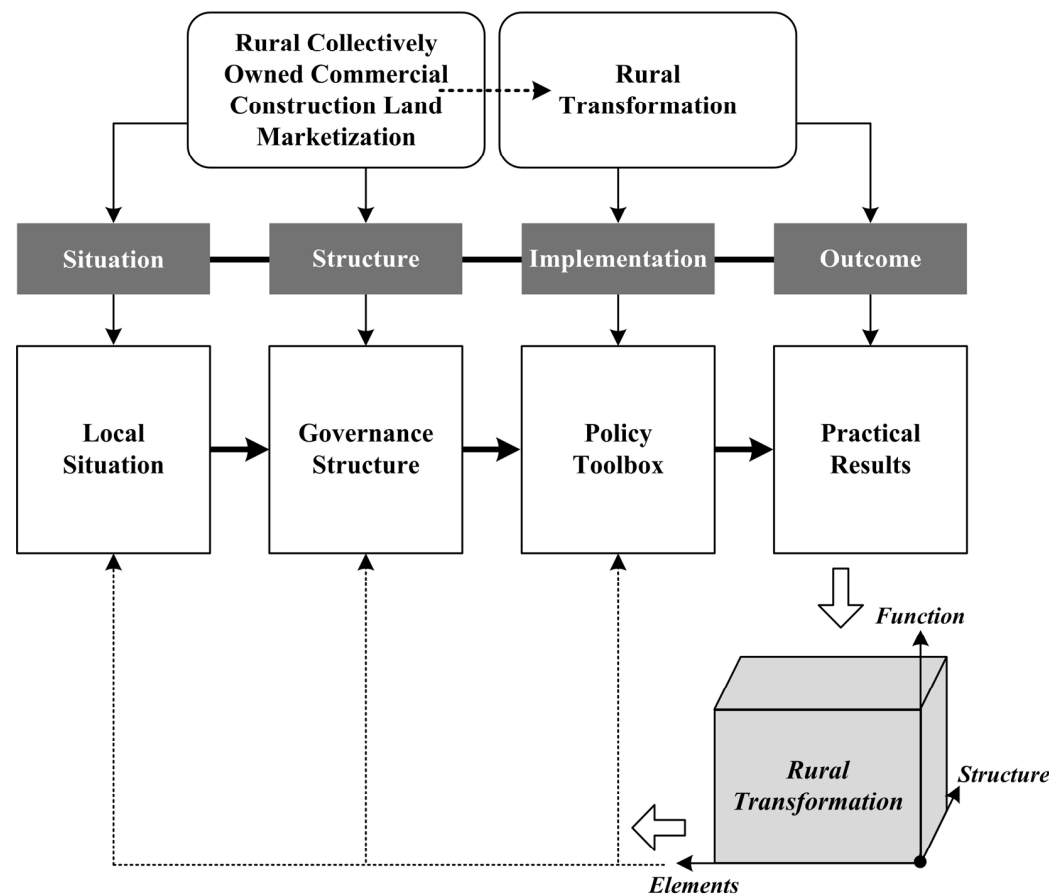


Figure 2. Theoretical framework.

3.3. Policy Toolbox

Policy toolboxes refer to the specific tools, methods, measures and resources used by governments and other institutions in formulating and implementing public policies. They can be used to achieve policy goals, address social problems and change the institutional environment. Different types of policy toolboxes are geared to different policy issues and objectives, and choosing an appropriate policy tool is key to the success of attaining policy objectives. Due to the complexity of rural governance, individual policies in rural areas often need to be implemented in conjunction with other policies to maximize policy benefits. RCCCLM is often implemented along with policies of the paid withdrawal of homesteads and concentrated residences of farmers. Due to the differences in regional resource endowments and socioeconomic development levels, there may be differentiated strategic choices in every link in implementing the RCCCLM policy. Since these policy toolboxes are designed by local governments based on local situations, whether they can perform at their best and help achieve reform goals is exceptionally reliant on their compatibility with local situations. Please see Figure 2.

3.4. Practical Results

Policy outcomes are the actual impact or effect of a particular policy [25]. The reform of RCCCLM is a local practice innovation that the central government encourages local governments to carry out within the established basic framework [26]. The central government has considered the principles of different regions, development stages and models when selecting pilot areas for RCCCLM. Due to the differentiated resource endowments, economic foundations and reform foundations of each pilot area, there are many differences in the degree of decentralization, organizational model selection and policy innovation of marketization policies, thus finally producing different policy outcomes. It is precisely the

difference in the policy design of RCCCLM that leads to the difference in the impact of RCCCLM on rural transformation. This difference is the exact focus of this study. Please see Figure 2.

4. Method, Data Generation and Empirical Cases

In this section, we first describe the research methodology of this study and the rationale for case selection. Then, the processes of data collection and analysis are described. Finally, we show the two types of patterns represented by the two typical cases.

4.1. Case Selection

Case study is a research method that provides an in-depth understanding of a general problem or phenomenon through a thorough analysis of a specific case [27]. It often involves a detailed description, observation and analysis of a specific individual, organization, community or event, mainly based on field research and the collection and analysis of various types of data, including questionnaires, interviews, observations, literature, etc. The purpose of case studies is to reveal general laws, principles or patterns through the study of specific cases, so as to provide an empirical basis for theoretical construction, policy formulation and practices. Case studies can help researchers understand the details of a particular phenomenon, explore causal relationships and mechanisms, and are of great significance for the in-depth understanding of complex problems, exploring emerging fields or proposing new theories. A case study was adopted in this study to discuss the influencing process and key mechanism of RCCCLM on rural transformation. Considering the regional differences in the pilot projects of RCCCLM, Yucheng County in Shandong Province and Deqing County in Zhejiang Province were selected as the study cases. The reasons are as follows.

4.1.1. Being a Pioneer Pilot of RCCCLM

Deqing County and Yucheng County are both national pilot areas for the reform of the RCCCLM system in China with rich reform experience. In March 2023, China started a new round of pilots for RCCCLM, and Deqing County and Yucheng County once again became national pilot areas.

Huzhou City, where Deqing County is located in Zhejiang Province, has been exploring the transfer of collectively owned construction land since 2000. Deqing County has a well-developed rural economy and strong demands for the transfer of rural collectively owned commercial construction land. According to the Deqing Natural Resources Bureau, as of 2021, Deqing County had a total of 277 land plots for RCCCLM, with an area of 145.64 ha, a market transaction volume of RMB 674 million and a village collective income of RMB 536 million, benefiting more than 228,000 farmers and agricultural people. The reform of RCCCLM in Deqing County has secured a number of honors as national pioneers such as the first land plot for RCCCLM and the first mortgage. Deqing County has a developed policy framework for RCCCLM and has issued a number of policies, such as the Measures of Deqing County for the Administration of Rural Collectively-owned Commercial Construction Land Marketization, the Guiding Opinions of Deqing County on Encouraging Financial Institutions to Provide Mortgage Loans for the Collectively-owned Commercial Construction Land Tenure, the Regulations of Deqing County for Income Distribution of Rural Collectively-owned Commercial Construction Land Marketization, etc.

Yucheng County is a representative of promoting the reform of RCCCLM in traditional agricultural plains in China. Compared with Deqing, Yucheng bears some similarity to it in relevant policies, but shows great differences in specific practices. According to the Yucheng Natural Resources Bureau, by 2020, Yucheng had a total of 390 land plots for RCCCLM, with an area of 319.73 ha, ensuring the smooth implementation of more than 380 industrial projects, with a total investment of RMB 5.4 billion.

4.1.2. Regional Differences of Cases

Yucheng County and Deqing County are located in the northern and southern regions of China, respectively. The two pilots have differentiated local characteristics in the economic structure, marketization demand and marketization path. In terms of economic structure, Yucheng, a typical region in northern China, is dominated by agriculture and industry, with an underdeveloped tertiary industry. Deqing County, located in the economically developed Yangtze River Delta region, has a developed private economy, with a relatively high proportion of tertiary industry. We found in our field research their differences in the demands for the reform of RCCCLM. Yucheng County, with rectification-based marketization as the mainstay within the township, primarily combines the reform of RCCCLM with the reform of the homestead system and jointly promotes the concentrated residence of farmers and the concentrated marketization of township industrial parks. Deqing County, mainly based on local marketization and adjustive marketization, prioritizes the distribution and sharing of cross-village benefits during adjustive marketization. Please see Figure 3.

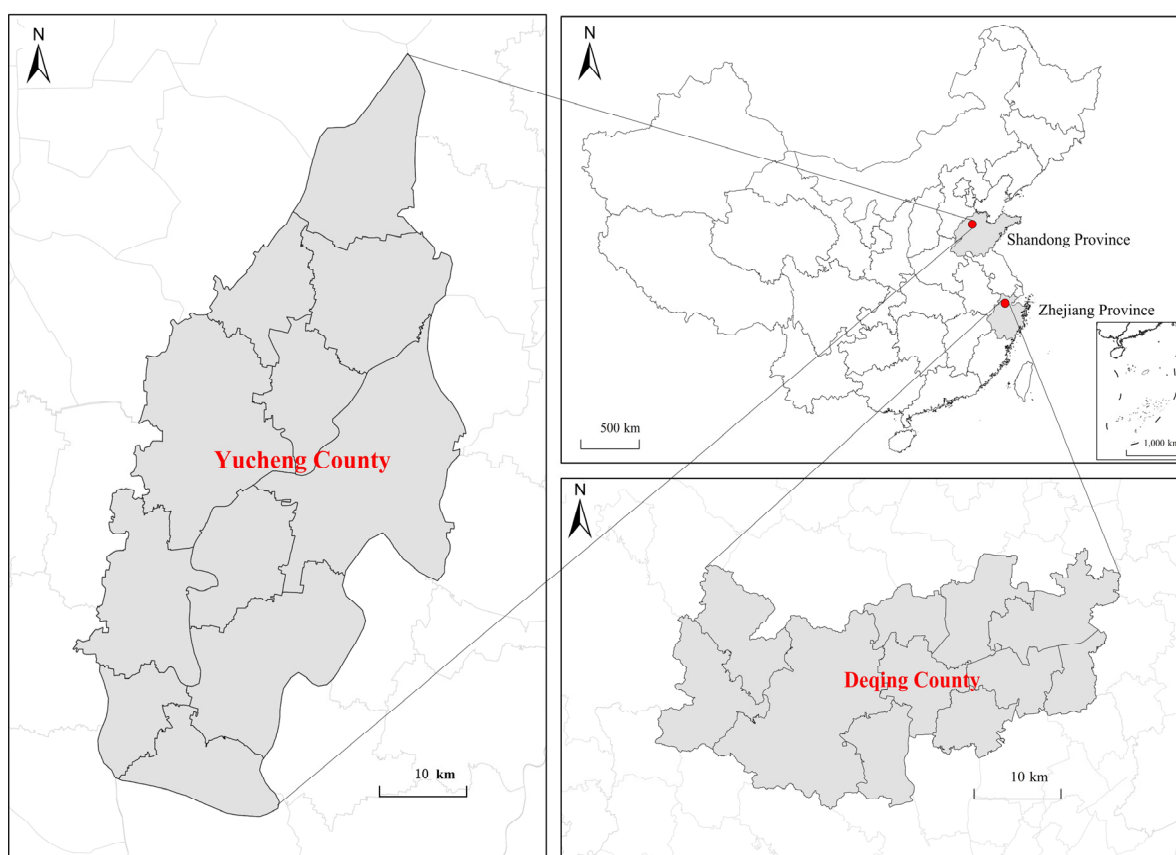


Figure 3. Locations of Yucheng County and Deqing County in China.

4.2. Data and Analysis

By virtue of the pilot investigation on RCCCLM organized by the China Land Surveying and Planning Institute (CLSPI), the research group of this study has been conducting a follow-up investigation and a case summary of the reforms of the RCCCLM system in Yucheng County and Deqing County since 2015, which continues into the present. Since multi-source data triangulation can provide more accurate information and more robust theoretical results, this study uses in-depth (semi-structured) interviews, field observations, secondary data and other methods to collect data. Data from different sources can complement and cross-validate each other, effectively improving the validity of case studies. The data collection process was as follows:

- (1) In November 2018, September 2019 and April 2023, we conducted three rounds of field research on the reform of RCCCLM in Yucheng County. Under the coordination and arrangement of the Yucheng municipal government body, the present author conducted thematic exchanges with key subjects in the form of individual interviews or group interviews, and interviewed village cadres and villagers on the changes to the village after RCCCLM. The core topic of our research interview was “The path and mechanism of the impact of RCCCLM on rural transformation”. Our interviewees mainly included government officials, farmer collectives and business owners. The content of the interview may vary among different interviewees. Among them, we focused on how government officials formulate and implement policies for RCCCLM. For rural collectives, we focused on the distribution of profits from RCCCLM. For business owners, we focused on promoting the development of rural enterprises through the entry policy of RCCCLM. In addition, our investigation process involved three scales: county, town and village. In terms of a county-level survey, we tracked and investigated, in detail, various institutional arrangements and specific policies in Yucheng throughout the reform cycle. In terms of township-level and village-level surveys, we conducted research and interviews with relevant departments of the people’s governments of Fangsi Town and Lunzhen Town in Yucheng County, and selected Jiayi Village in Fangsi Town and Zhaozhuang New Village in Lunzhen Town for village-subject interviews.
- (2) In October 2018 and July 2021, we conducted two rounds of field research on the reform of RCCCLM in Yucheng County, including the Deqing Natural Resources and Planning Bureau, Moganshan People’s Government, Luoshe People’s Government, Xiantan Village and Dongheng Village. Our interviewees in Deqing County also included three types of subjects: government officials, farmer collectives and business owners. Our survey scale for Deqing County was also divided into three scales: county, town and village. Among them, at the county level, we focused on interviewing the Natural Resources Bureau of Deqing County. At the county level, we focused on collecting the policy documents and practices of RCCCLM in Deqing County. At the town level, we focused on conducting interviews with key government officials from the Moganshan Town People’s Government and the Luoshe Town People’s Government. The interview topics for government officials mainly focused on the formulation and implementation of policies for RCCCLM. At the village level, we conducted follow-up research on Xiantan Village in Moganshan Town and Dongheng Village in Luoshe Town and interviewed key market entrants in detail to understand the influencing process of RCCCLM on rural transformation. We conducted interviews with village officials and ordinary villagers on topics such as income distribution and spatial allocation.

After collecting the required data, we processed and organized the collected interview materials, policy documents, and other data. More specifically, we first transcribed the interview recordings into text. Then, based on the four dimensions of “Situation-Structure-Implementation-Outcome”, we classified and organized interview materials and policy documents. Finally, we further sorted out the Yucheng model and the Deqing model. And on this basis, with the help of theoretical analysis, we explored the impact mechanism of rural collective operating construction land entering the market on rural transformation.

4.3. Case Description

4.3.1. Yucheng Mode: The Case of Undertaking Industrial Transfer

Yucheng’s reform of RCCCLM is typical of the RCCCLM reform in northern China. Geographically, Yucheng is located in the middle and lower reaches of the plain of the Yellow River, adjacent to Jinan, the capital city of Shandong Province. Shandong Province is forging ahead with the economic development strategy of “converting old and new industry driven engine”, which has promoted the relocation of some backward industries in Jinan to neighboring cities. Due to its geographical advantage, Yucheng has become one of the main

bearers of the industrial relocation of Jinan. Through the reform of RCCCLM, Yucheng has taken the initiative to undertake the industrial transfer of Jinan City and has now formed a land supply mode for industrial development land with state-owned construction land supply as the mainstay and rural collectively owned commercial construction land supply as the supplement.

Yucheng has formulated seven supporting policies on the subject, and rules, procedures and other aspects for RCCCLM, including the Measures of Yucheng County for the Administration of Rural Collectively-owned Commercial Construction Land Marketization and the Operating Procedures of Yucheng County for Rural Collectively-owned Commercial Construction Land Marketization. Compared with the transfer of state-owned construction land, farmers, who have long been in a weak position, have been lifted to loftier heights. Yucheng stipulates that the RCCCLM entities include township governments, villagers' committees or villagers' groups. Specifically, Yucheng stipulates that farmer collectives, on behalf of the RCCCLM entities, can entrust and authorize land share cooperatives and land franchise companies with market legal personhood to be the implementation bodies. Where the land ownership belongs to a village collective, the villagers' committee shall be the RCCCLM entity, and where the land ownership belongs to a township farmer collective, the township's financial and agricultural economic management center shall be the implementation body.

In the reform of RCCCLM, Yucheng mainly turns to policy tools such as planning, finance, tying the increases and decreases in urban and rural construction land, and the concentrated residence of farmers to amplify the policy efficiency of RCCCLM. (1) In accordance with the township's land spatial planning and construction planning, the villages of rural settlements within the township are relocated as a whole, along with the construction of new rural communities and township industrial parks. Considering comprehensive land consolidation, the parcels are replanned and redivided to form a spatial concentration of industrial land in town-level industrial agglomeration areas. (2) The planned quotas of new construction land are flexibly used, and the "bundling" marketization of the existing rural collectively owned commercial construction land with new construction land is explored. At present, 18 land plots have successfully achieved marketization in this way, with a total of 41.33 ha. (3) Yucheng, combined with the reform of the homestead system, explored the marketization of abandoned homesteads after adjustment and reclamation to township industrial parks remotely. For example, Zhaozhuang New Village, Lunzhen Town, Yucheng County, is a pilot village for the reform of RCCCLM and the reform of the homestead system. It has recovered a total of 14.27 ha of idle land through renovation. With the help of the RCCCLM policy, it invested 12 ha of land as a stake in the smart manufacturing industrial park in Lunzhen Town, which provides Zhaozhuang New Village an annual dividend of RMB 100,000. After the park is completed and put into operation, the dividend is expected to be no less than RMB 300,000. At the same time, the industrial park can provide 1000 jobs for the working-age labor force in the villages surrounding the industrial park. (4) Yucheng promulgated the Interim Measures of Yucheng County for the Administration of Mortgage Loans for the Rural Collectively-owned Commercial Construction Land Tenure and coordinated financial institutions to provide mortgage loans for real estate property rights of rural collectively owned commercial construction land. For example, financial institutions in Yucheng granted a mortgage of RMB 6.04 million for four land plots for RCCCLM, including Yucheng Xiong's Food Co., Ltd. (Yucheng, China) and Xintai Plastic Technology Co., Ltd. (Yucheng, China), ensuring the same mortgage rights of collectively owned construction land and state-owned construction land, and the construction and operation of industrial projects.

By virtue of the above-mentioned policy tools and the RCCCLM policy, Yucheng has actively undertaken industrial transfers and promoted the incorporation of industrial capital into townships. At the same time, a combination with other policy tools such as the homestead system reform empowers rural spatial reconstruction, economic transformation and the transformation of farmers' livelihood. (1) Spatial reconstruction. The

external coordination of the reform of RCCCLM with new-type urbanization, continuous governance, three-year action to improve the rural living environment, the reform of the rural collectively owned property rights system, poverty alleviation, etc., helped realize the optimization of the rural spatial structure and functional improvement. (2) Economic transformation. In 2017, the Party Committee and People's Government of Lunzhen Town realized the diversified protection of township industrial park land through RCCCLM. Lunzhen Industrial Park has a planned area of more than 86.67 ha, and has brought in 43 enterprises, with 15 coming on stream. After the project is fully completed, it can achieve an output value of RMB 18 billion, profits and taxes of RMB 1 billion, and 10,000 farmers can be employed. (3) Transformation of farmers' livelihoods. On 12 April 2017, Vantron Technology Service Co., Ltd. (Yucheng, China) signed a contract for the transfer of rural collectively owned commercial construction land tenure with the villagers' committee of Xindian Street and obtained the right to use 2.53 ha of land for RMB 2,727,108. At present, it has joined Shandong Jinglan CNC Machinery Co., Ltd. (Yucheng, China) with a total investment of RMB 150 million in the manufacturing project with an annual output of 5000 CNC engraving machines, as well as the Chonghou smart robot project, which has an investment of RMB 300 million and has provided jobs for hundreds of local people and broadened the channels for farmers to increase their income.

4.3.2. Deqing Mode: The Case of Cooperative Operation among Multiple Villages

Deqing County is located in the Yangtze River Delta region, one of the most developed regions in China. Huzhou City, where Deqing County is located, has undertaken a variety of pilots of national land system reforms and accumulated profound experiences in rural land system practices. The industrial structure of Deqing County is based on secondary and tertiary industries, of which the tertiary industry features mountain tourism and rural tourism. Zhejiang Province, where Deqing County is located, is implementing the "Common Prosperity" development strategy, emphasizing the need to build an effective income distribution mechanism to ensure the fair distribution of social wealth and benefits. Deqing turned to cooperative operation among multiple villages in its RCCCLM, focusing on the practice of adjustive marketization in different places, during which attention was paid to the fair distribution of the RCCCLM income among multiple villages and the promotion of coordinated development of villages.

Deqing County mainly improves the governance structure in RCCCLM transactions through empowerment, establishing the market entity qualification of farmers' collectives, and improving farmers' democratic decision-making ability. (1) Deqing pays attention to granting the right to participate, the right to choose and the right to make decisions to farmers' collectives in confirming the main entity and the procedures. On the basis of fully completing the registration and issuance of collectively owned land ownership certificates, Deqing has designed the three implementation forms of "independent RCCCLM, entrusted RCCCLM, and cooperative RCCCLM", according to the current needs. Wholly owned subsidiaries such as township asset management companies or their agents implement RCCCLM on behalf of township collectives, the village shareholding economic cooperatives on behalf of village collectives, and agents such as the village shareholding economic cooperatives on behalf of the villagers' group. Deqing encourages collective economic organizations in remote and underdeveloped areas to work with collective economic organizations with centralized marketization blocks to explore the way of establishing land share cooperatives in order to achieve complementary resources, joint marketization and revenue sharing. (2) The market entity qualification of farmers' collectives was implemented. In Deqing, there are 160 villages (communities) having set up joint-stock economic cooperatives, quantifying the operating assets of all villages to individuals and issuing certificates to households, and 330,000 farmers have become shareholders. The joint stock economic cooperatives established in villages in Deqing implement industrial and commercial registration, independent accounting, independent operation and sole responsibility for profits and losses, with independent legal personhood. (3) Democratic

decision-making on land marketization has been strengthened. In order to ensure the transparency and public participation in the reform of RCCCLM, Deqing has carried out the “Thousand Villages Demonstration and Hundred Villages Co-construction” campaign for the democratic management of rural land, and identified RCCCLM as the core, conducting the full disclosure and democratic management of major matters such as parcel conditions, marketization methods, transaction forms, base land prices, contract terms and income distribution involved before, during and after marketization.

Deqing adopts life-cycle management for rural collectively owned commercial construction land to promote orderly marketization. (1) Strengthen planning control and set industrial thresholds. In order to avoid the reappearance of “low, small, scattered” rural industries and “the great leap” caused by RCCCLM, Deqing has set standards in terms of the planning and layout of land plots, industrial thresholds and other aspects. First of all, through technical means such as UAV aerial photography and field survey, quantity surveys of rural collectively owned commercial construction land have been carried out, and the fact that there are 1881 plots of 712.73 ha was clarified. All parcels have boundaries and tenure with unique identity codes and have been included in the “one map” management of land resources. Secondly, combined with the preparation of land spatial planning and with reference to the overall land use plan, urban and rural construction plan, industrial development plan and ecological protection plan, the RCCCLM path has been determined by category. At present, there are 1036 land plots of more than 387.93 ha that meet the requirements of local marketization, and the remaining plots are included in the long-distance adjustive marketization and rectification-based marketization to promote industrial agglomeration and upgrades, along with campaigns such as “Three Rectifications and One Demolition” and “Five Waters Co-governance” in Zhejiang Province. (2) Strengthen the connection between land supply and demand. Deqing influences the western mountainous areas to develop folk tourism, featuring homestays, the central hilly area to develop commerce and trade and high-tech manufacturing with the aid of the downtown area, as well as the eastern plain to serve the industrial block economy and to actively build distinctive towns and “small and micro enterprise innovation parks”. Also, the use of rural collectively owned commercial construction land is actively boosted for the integrated development of rural industries, so as to ensure the expansion of agricultural projects and promote the revitalization of rural industries. (3) Improve the unified property registration system and include collectively owned commercial construction land in the scope of unified property registration. On 2 August 2015, Deqing issued China’s first Property Certificate for collectively owned commercial construction land. At the same time, the mortgage of the land tenure shall be treated the same as that of state-owned land, and the banking and financial institutions in the county have achieved the full coverage of this business. (4) Adhere to the balanced sharing of RCCCLM benefits and reasonably determine the proportion of adjustment fund collection. Deqing calculated the cost and revenue of collectively owned commercial construction land and determined the adjustment fund collection method of “by category and with differential”, and the collection ratio ranged from 16% to 48% of the land transaction price. In addition, the differentiated implementation of income distribution was determined within the collective. The proceeds from township collective marketization are used for expenditures on rural infrastructure construction and public projects within their jurisdiction. The marketization income of the village collective is not directly distributed, but transformed as the increased equity of farmers who get paid cash dividends at the end of the year. This income distribution method is more in line with Zhejiang’s development stage and rural reality and has been written into the Regulations of Zhejiang Province on Rural Collective Asset Management implemented by the Zhejiang Provincial People’s Congress on 1 May 2016. On the whole, an average of 80% of the marketization income is directly distributed to farmers and farmers’ collectives. The 20% adjustment funds for value-added income are also used for urban and rural infrastructure construction, environmental improvement, etc.

In its RCCCLM, Deqing adhered to the land use principle of “use land for cultivation or commerce according to reality” to realize the coordinated development of commerce, tourism, high-tech manufacturing and a “distinctive economic industrial park”. RCCCLM not only meets the demand of small and micro enterprises for land, but also promotes industrial transformation and upgrade. After preliminary calculations, the investment to the 277 land parcels for RCCCLM in Deqing will reach more than RMB 1.5 billion, and this adds tremendous momentum to future rural economic growth. Xiantan Village and Dongheng Village are typical examples.

Xiantan Village has built its homestay industry into a high-end homestay cluster with the help of local marketization and adjustive marketization. Dongheng Village, with the aid of remote adjustive marketization, realized the agglomeration and development of the piano industry. As it used to be a mining village, Dongheng used mining as its main source of income, but the closure of the mine seriously affected the village’s economy, and Dongheng began to seek a way of transformation. In 2015, with the comprehensive consolidation of rural land, Dongheng reclaimed the sporadic and scattered collectively owned commercial construction land into contiguous cultivated land. At the same time, backed by the pilot reform policy of RCCCLM in Deqing County, Dongheng created the “China Piano Town” Innovation Park with the help of remote adjustive marketization, which concentrated scattered land for joint marketization. Remote adjustive marketization is a healer for the difficulty of land use for small and micro enterprises, and it boosted the clustering of piano enterprises in Dongheng Village and its neighboring villages.

5. Results

5.1. The Key Path of RCCCLM to Promote Rural Transformation

Due to the differences in rural resource endowment, geographical location and other factors, the implementation logic of RCCCLM varies from village to village. On the whole, RCCCLM promotes rural transformation through three major ways: local marketization, adjustive marketization and consolidation-based marketization. Please see Figure 4.

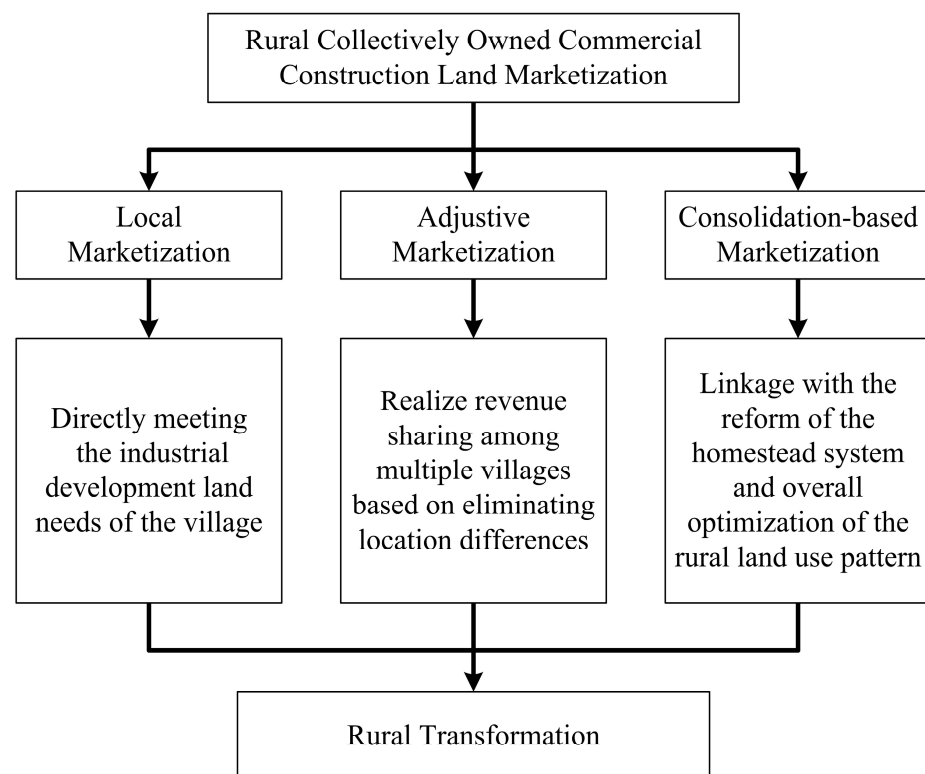


Figure 4. The key path of RCCCLM for rural transformation.

(1) Local Marketization. Rural collectively owned commercial construction land that meets the planning conditions can be directly transferred and enter the land market, which is referred to as “local marketization” in this study. Local marketization can directly meet the development needs of villages for industrial land. Where rural collectively owned commercial construction land is acquired in accordance with the law, the plan and the basic conditions such as those for infrastructure development, which will be definitely used directly in the village, direct and local marketization is allowable by means of agreements, bidding, auctions or listings.

(2) Adjustive Marketization. When reclaiming scattered collective construction land within a village and then adjusting land use indicators to a township industrial agglomeration zone for marketization in accordance with land use planning and industrial planning, we refer to this process as “Adjustive Marketization”. Adjustive marketization helps achieve cross-village and cross-regional benefit sharing. According to local practices, both Deqing County and Yucheng County allow multiple collective economic organizations to adjust sporadic collectively owned commercial construction land to the industrial platform for marketization after reclamation, without increasing the construction land or decreasing the quantity of cultivated land but with the quality improved. In addition, the property rights of land with different grades are allowed to be exchanged by means of monetary supplementation. The exchange of property rights by means of pure monetary compensation is permitted. Fangsi Town CNC Industrial Park in Yucheng, which is planned to cover an area of 14 ha, has 18 enterprises settled. The industrial park provides land for park projects primarily through consolidation-based marketization and adjustive marketization. Dongheng Village in Deqing County promotes the supply of industrial land for the “China Piano Town” Innovation Park by virtue of adjustive marketization.

(3) Consolidation-based Marketization. The local government conducts unified rectification and infrastructure construction on various types of land within the planning scope, re-divides the land parcel and determines the ownership of property rights. After prioritizing the protection of residential housing resettlement and other land use, collective construction land that belongs to collective-owned commercial purposes can be directly put into the market. In this study, we refer to this approach as “Consolidation-based Marketization”. Consolidation-based marketization helps promote the overall optimization of the patterns of rural space for production, living and ecology. Compared with local marketization and adjustive marketization, rectification-based marketization needs to coordinate more other systems, such as the homestead system and the policy of tying the increases and decreases in urban and rural construction land. Through rectification-based marketization, the production space, living space and ecological space within the village and township have been optimized.

5.2. The Impact Mechanism of RCCCLM on Rural Transformation

Rural transformation is affected by a combination of internal factors, such as the natural conditions, resource endowments, location conditions and industrial bases of the rural areas, as well as external driving forces including public policies [28]. RCCCLM, a public policy, is a key variable affecting rural transformation. Based on the key path of RCCCLM to affect rural transformation, the impact mechanism of RCCCLM on rural transformation is as follows. Please see Figure 5.

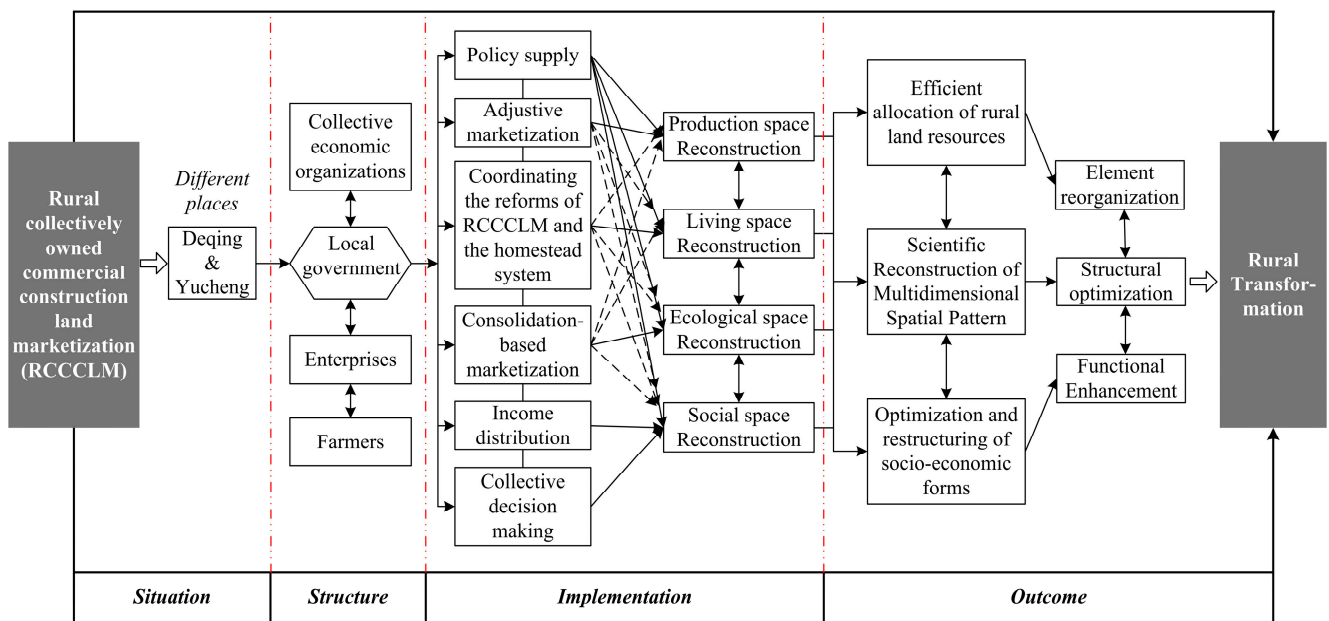


Figure 5. The impact mechanism of RCCCLM on rural transformation.

- (1) The reform of RCCCLM and the improvement of the policy framework have improved the external policy environment for rural transformation. RCCCLM provides a new channel for the flow of land resources in rural areas as a policy, so that rural collectively owned land can be fully utilized and developed, which will increase the investment fields of the rural economy and promote the inflow and utilization of rural capital. RCCCLM will attract enterprises and capital into rural areas through market-oriented methods and promote rural transformation economically. The introduction of external investment can accelerate the upgrading and innovation of rural industries, improve the structure of rural economy and enhance the quality and efficiency of rural economic growth.
- (2) Adjustive marketization ensures the supply of land for industrial parks and promotes the reconstruction of rural production space, which is one of the important elements and means of rural transformation. Rural transformation aims to realize the transformation and upgrading of a rural economy from a traditional agricultural economy to a modern, diversified rural industrial economy, and the reconstruction of rural production space is a necessary means to achieve this goal. On the basis of ensuring the supply of land for rural industrial development, RCCCLM promotes the incorporation of social capital into the rural regional system, as well as the optimization and upgrading of rural industries.
- (3) Coordinating the reforms of RCCCLM and the homestead system promotes the reconstruction of living space. Hollow villages, typical of rural decay, are a special form of the degrading evolution of rural regional systems during rural socioeconomic transformation [29]. At present, in order to effectively solve this problem, homestead rectification is generally used in China to deal with the idle land and waste of land resources [30]. RCCCLM, as a policy tool, is often coordinated with the reform of the homestead system, which is conducive to the optimization of the rural living space layout, especially in the plains and the economically backward areas in China.
- (4) Consolidation-based marketization promotes rural environmental improvement and ecological space reconstruction. Rural ecological space reconstruction refers to the process of improving the quality of rural ecological environment and the utilization efficiency of ecological resources by adjusting and optimizing the rural land use pattern. Through the rectification of sporadic and scattered rural collectively owned commercial construction land, the re-utilization of land is realized in accordance with

the requirements of “identifying land for cultivation, for forestry, and for construction according to reality”. In Yucheng’s reform of RCCCLM, 155.33 ha of rural collectively owned commercial construction land has been reclaimed as agricultural land. In addition, RCCCLM has helped promote the grouping and rectification of rural collectively owned land and reduce the degree of fragmentation of rural land use.

- (5) RCCCLM increases collective income and promotes the transformation of farmers’ livelihoods. The RCCCLM revenues can be used to improve rural infrastructure and public services, enhance the quality of life of rural residents and promote rural transformation. In addition, RCCCLM can attract more enterprises to rural areas and participate in the construction of factories, tourist attractions and other industrial projects, which will create a large number of jobs, provide a variety of job options, allow farmers to engage in more non-agricultural industries and achieve career transformation and employment growth.
- (6) RCCCLM highlights the dominant role of farmers and improves rural governance capabilities. Farmers’ democratic rights such as the rights to know, to vote and to participate have been well protected by incorporating the RCCCLM matters in village-level democratic management and holding villagers’ meetings to vote on RCCCLM decisions, the determination of the base price and the distribution of the proceeds of the transfer. RCCCLM strengthens the power of rural collective economic organizations to occupy, use, dispose of, benefit and distribute land, and it consolidates the dominant role of rural collective economic organizations in land ownership.

6. Discussion

6.1. The Relationship between RCCCLM and Land Consolidation

In reality, rural collectively owned commercial construction lands are scattered. Although some very small enterprises or factories use sporadic plots, larger enterprises are usually longing for patches of land and have high requirements for transportation conditions. Therefore, it is necessary to seek effective spatial governance means to integrate the scattered rural collectively owned commercial construction lands. In practice, land consolidation is often considered to be the core means of integrating fragmented collectively owned commercial construction land. In the process of land space governance, land consolidation is regarded as an activity conducted to improve the utilization efficiency and effectiveness of land resources by taking comprehensive measures such as engineering or tenure adjustment for land that is inefficiently and irrationally utilized, unutilized, damaged or degraded [31]. According to our research results, land consolidation is actually widely adopted in the RCCCLM of the two study cases. For example, Deqing County combined the rectification and reclamation of mine pits, adjusted the collectively owned commercial construction land to the industrial park for unified marketization and then promoted cross-village collective dividends. Yucheng County combined the RCCCLM with homestead rectification, re-divided parcels, determined ownership and concentrated rural collectively owned commercial construction land in the industrial clusters of townships for marketization. Our findings further confirm the important role of land consolidation in optimizing the rural land use structure. This is in line with existing research in that land consolidation can promote the rural spatial reconfiguration and multifunctional utilization of rural land [32].

The focus of some academic studies has shifted onto the relationship between land consolidation and RCCCLM [6]. Generally speaking, conducting land consolidation requires considerable money. China is a government-led country, with inadequate social participation. Therefore, there is the risk of unsustainability in land consolidation, which relies on government investment. Some scholars have emphasized the need to actively attract social capital into land consolidation in order to support rural development by promoting the stability of land consolidation [33]. Considering the policy potential of RCCCLM to attract social capital, some scholars further propose that in the process of land consolidation, enterprises investing in the rural areas can be attracted to share the

task of rural land consolidation in the form of “making rural collectively-owned commercial construction land an index reward” [34]. In addition, since 2020, China has been piloting comprehensive land consolidation in towns, and the number of pilot townships has exceeded 300. Comprehensive land consolidation is regarded as the comprehensive planning and overall design of the land spaces of townships or some villages on the basis of land spatial planning, following the systemic governance of “Mountains, Rivers, Forests, Farmlands, Lakes and Grasslands, and Sands”, and taking comprehensive measures to carry out all-factor rectification, systemic protection and restoration for farmlands, waters, roads, forests, villages and mines [6,35,36]. Compared with general land consolidation, comprehensive land consolidation requires more funds [37], which means that the implementation plan and policy incentive mechanisms of comprehensive land consolidation also require the incorporation of the RCCCLM policy, in a bid to channel social capital into the countryside and promote the implementation of comprehensive land consolidation in the whole region.

6.2. The Function of the RCCCLM in Different Stages of Rural Development

Our research indirectly proves that the role of RCCCLM in different stages of rural development is changing. Our judgment comes from a basic consensus: rural development goes through obvious phases, with differentiated functions and needs at different stages [38]. Some scholars have summarized the development law of Western rural areas, and believe that they have generally gone through the four stages of “productive village→consumer village→multifunctional village→global village” [39]. The development of China’s rural areas is as dissimilar as it is similar to that of Western rural areas. Compared with the Western countries, due to regional differences and the reform of opening up, China’s developmental transition in rural areas is often more drastic and rapid. Some studies state that from the perspective of overall rural development, villages will undergo an evolution from a single-function rural development stage to a multifunctional one [39]. Some studies also point out that villages around metropolitan areas are more likely to exhibit multifunctionality, which is the result of a combination of factors such as the urban–rural distance and the structures of urban residents’ needs [40,41]. However, the functional systems of villages far away from big cities are relatively homogeneous, and their multifunctional value needs to be further revealed [42]. Our study was also able to corroborate this. For example, Deqing is close to Hangzhou, a large city with a population of 10 million, and Hangzhou citizens have the consumption habits and traditions of visiting the countryside in Deqing for vacations. Yucheng, not close to a metropolis geographically, relies more on agriculture and industry with a relatively backward rural tourism economy for lack of high-quality natural tourism resources. In this natural, historical and economic context, the overall function of the countryside in Yucheng is simpler. At different stages of rural development, different industrial bases lead to different needs for industrial land, and hence different policy roles of RCCCLM at different stages of rural development.

In the stage of rural development with agricultural production as the mainstay, from the lack of support from the secondary and tertiary industries, the effective demand for rural industrial land is not so high. In this case, the rural collectively owned commercial construction land is generally idle. Even when the law allows RCCCLM, such factors as poor geographical location and backward infrastructure will make it difficult for the marketization of the existing rural collectively owned commercial construction land. Setting targets for rural industrial development tailored to local conditions will be the most urgent task for villages facing this problem. For example, they can take advantage of the RCCCLM policy to attract agricultural product processing enterprises to carry out production and operation activities and drive the construction of agricultural toward upstream and downstream industrial chains. In the case study of Yucheng, we found that the villages often lack unified planning, clear street layouts and a good living environment. The local practice is to achieve concentrated connected construction and the concentrated living of farmers of multiple villages through cross-village cohabitation. In this process, old houses were

basically demolished, and the villagers moved into a new rural community dominated by townhouses. However, this practice of concentrated residence is considered extreme by some scholars [40,41]. Such extreme or radical reconstructions of villages generally occur under special circumstances such as reservoir migration, relocations for poverty alleviation and the destruction of villages by major natural disasters. However, the phenomenon of rebuilding villages is widespread in Yucheng and Shandong Province as a whole. The reconstruction of villages will inevitably be accompanied by drastic reconstructions of rural land uses, and the living space and agricultural production space of the countryside will be reshaped. In the process of demolishing an old village and building a new one, the originally scattered rural collectively owned commercial construction land that cannot meet the land needs of enterprises can be concentrated, and then meet the land needs of modern enterprises. However, this kind of rural space reconstruction featuring large-scale demolition and reconstruction has also been criticized by many scholars. Some studies have highlighted that the demolition of old villages is often mixed with violence, followed by the displacement of farmers, the loss of rural traditional culture and the destruction of rural ecosystems. Of course, such an attempt to improve the rural development capacity by adjusting rural land use structures has not always been successful. In 2020, Shandong Province received public criticism for having long implemented cross-village cohabitation in rural areas and was urgently ordered by the central government to make rectification. Therefore, it is necessary for villages heavily reliant on agricultural production to appropriately combine the RCCCLM policy, give priority to local marketization and improve their own industrial development capacities.

Compared with agricultural villages, the rural areas reliant on industry and tourism have transitioned to the multi-function stage, which are most characterized by the attributes of rural consumption and entertainment [43]. Rural physical entities for consumption and entertainment can include rural houses, rural culture, rural traditional techniques and rural pastoral landscapes [44]. Most typically, homestays are frequently found in some villages with better natural endowments. With the catalysis of the rural tourism economy, the demand for land for tourism-supporting facilities has begun to increase. In this situation, rural collectively owned commercial construction land can be supplemented in a timely manner [45]. In Deqing, it can be found that rural collectively owned commercial construction land has become the main supply source for the supporting facilities of homestays. However, due to the pursuit of industrial space agglomeration by modern enterprises, villages with developed market economies still tend to integrate scattered rural collectively owned commercial construction land into an intensive geographical space for concentrated investment attraction. The Piano Innovation Park in Dongheng Village is a typical example.

Another phenomenon that we need to pay attention to is that with RCCCLM comes increasingly obvious rural gentrification. In previous studies, many scholars have noted the multiple impacts of rural gentrification on rural communities [46–48]. For example, some believe that rural gentrification will lead to the diversification of subjects within rural communities, followed by the challenges for rural governance [48]. Some have further discussed that the rural gentrification caused by RCCCLM will increase the risk of peasant displacement [48]. However, against the macro background of urban–rural integration and the RCCCLM policy, migrants and social capital will gradually pour into the countryside, which makes rural gentrification seem unstoppable, especially in the rural areas around the metropolis. In Deqing, we found that designing a fair and reasonable mechanism for the revenue distribution from RCCCLM will be a necessary measure to resolve the risks of marketization, safeguard farmers' rights and interests and adapt to rural gentrification. Therefore, our research will provide implications for the RCCCLM policy practice in economically developed rural areas and may lead to academic discussions on how RCCCLM affects rural gentrification.

6.3. Policy Implication

As a single policy, RCCCLM often needs to be used in combination with other rural land policies in order to realize its policy effects. The Yucheng case demonstrates the potential of integrating RCCCLM with the reform of the residence base system through land consolidation. Currently, China is implementing comprehensive land consolidation, and the policy of RCCCLM can be combined with comprehensive land consolidation to promote the efficiency of rural land use and the improvement of the rural industrial environment. In addition, RCCCLM has the effect of attracting social capital. Therefore, local governments should establish a policy incentive mechanism to attract social capital to the countryside and use RCCCLM as an important policy tool.

6.4. Future Research

Despite case studies on the impact process and mechanism of RCCCLM on rural transformation, this study focused more on a qualitative analysis. In the future, questionnaire surveys based on a larger number of samples will be carried out to quantitatively analyze the impact of RCCCLM on rural transformation. In addition, with the transition of rural development from being single-function to being multifunctional, rural multifunctional transformation has become a research focus in rural development. Therefore, selecting typical villages and following up on the impact of RCCCLM on the multifunctional transformation of rural areas will be an important subject. In addition, as RCCCLM has the policy effect of attracting social capital to the countryside, it will further promote the process of rural gentrification, especially in the countryside of some developed areas. Therefore, we suggest that scholars carry out research on the operation mechanism and boosting mechanism of the policy of RCCCLM in the context of rural gentrification.

7. Conclusions

The innovation of the rural industrial land supply mode directly affects the revitalization of rural industry, thereby affecting rural transformation. The implementation of the RCCCLM policy has realized the institutional innovation of the guarantee of rural industrial land. Based on two typical cases in Yucheng, Shandong Province, and Deqing, Zhejiang Province, we pioneered an analysis framework of “Situation-Structure-Implementation-Outcome” and analyzed the impact path and key mechanism of RCCCLM on rural transformation. Our analytical framework emphasizes “Place” as the starting point of analysis, which is different from traditional policy analysis frameworks. This analytical framework prompted this study to focus on the differences in the practice of RCCCLM. Our findings show the following. (1) The paths of RCCCLM on rural transformation mainly include local marketization, adjustive marketization and consolidation-based marketization. (2) The impact mechanism of RCCCLM on rural transformation mainly covers empowerment, the restructuring of the rural “production-living-ecological-social” space and the transformation of farmers’ livelihoods and improvement in rural governance capacity. (3) In the process of implementing the RCCCLM policy, it is necessary to coordinate policy tools such as the reform of the homestead system and tying increases and decreases in urban and rural construction land, and combine land consolidation projects in order to realize the reconstruction of rural land spatial structures and rural function improvements.

We believe that RCCCLM can actively promote rural transformation from a single-function state to a multifunctional one. The main reason is that RCCCLM plays different roles at different stages of rural transformation. (1) When rural development is primarily achieved by agricultural production, RCCCLM can extend the agricultural production chain and boost agricultural upgrading. (2) In rural areas mainly supported by industry and tourism, RCCCLM can ensure the demand for land for industrial agglomeration and rural cultural tourism. (3) RCCCLM can attract social capital to the countryside, continuously promote the rural transformation from a single-function state to a multifunctional one and catalyze the occurrence of rural gentrification. Our research findings lay the foundation for

exploring the driving role of RCCCLM in rural transformation and also opened up new research directions for related research on rural multifunctional transformation.

This research created a new analytical framework for assessing the impact of public policy practices on rural development in different regions. We believe that exploring different rural development models or policy practices in different places should be based on local situations, since differentiated local situations can shape local governance structures and policy toolboxes, and ultimately influence policy outcomes. Additionally, China's policy innovations in guaranteeing rural industrial land will contribute to the explorations of other parts of China and other countries facing similar challenges.

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