

Traditional Land Transactions in China

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Abstract. Since ancient times, China has been a predominantly agrarian nation. Land has occupied a vital position in the daily lives of farmers and has long been regarded as their lifeline. Since the Reform and Opening-up, Western social science theories and research methodologies have increasingly entered the Chinese mainland, challenging traditional perspectives and generating a large body of literature founded on new theories and analytical lenses. To situate research on land transactions within a broader framework, this paper reviews nearly four decades of studies and historiographical trends from three dimensions—the traditional land-trading market, transaction forms, and the phenomenon of price negotiation (zhaojia)—in order to deepen our understanding of this subject.

Keywords: traditional China, land transactions, transaction forms, price negotiation

1. Introduction

Since the founding of the People's Republic of China, ideological influences have largely confined discussions of land transactions to the framework of “feudal land ownership in China.” Although this line of inquiry produced significant results, it has been strongly value-laden and, constrained by theoretical and methodological limitations, has focused primarily on land rights, leaving other aspects of land transactions insufficiently explored. From the 1980s onward, as China's connections with the wider world deepened, theoretical perspectives such as institutional economics and property-rights economics were introduced into Chinese scholarship. A surge of studies grounded in these new theories and approaches has since emerged, substantially advancing the study of land transactions. This paper seeks to provide an analytical review of these achievements, aiming to develop a clearer and more comprehensive understanding of the issue.

2. The traditional land-trading market

The smooth functioning of land transactions presupposes the existence of a land market; without such a market, land transfers would be impossible. In Japan during the same historical period, land ownership was dominated by feudal lords (daimyōs), and land transactions were strictly prohibited—land was a “hardened private property,” leaving no space for a genuine land market. In contrast, China's feudal land market had already taken shape in the early Western Han dynasty and reached a considerable scale by the Ming and Qing periods.

2.1. Conditions for the formation of the traditional land market

Bi Baode provided a detailed account of this development [1]. Fang Xing shared a broadly similar view but went further in defining the concept, formation time, and stages of China's feudal land market. He argued that a land market refers to a marketplace formed through the transfer of land property rights. According to his periodization, the feudal land market in China began to emerge during the early Western Han and can be divided into three developmental stages [2].

2.2. Development of the traditional land market

Liang Zhiping contended that although land transactions became extremely frequent from the Ming and Qing onward, their nature remained non-commercial [3]. Shi Jianyun challenged this view, asserting that the absence of phenomena typical of ordinary commodity circulation—such as speculative hoarding or price dumping—did not negate the commodification of land, for land should be viewed as a form of capital good. She further argued that in modern North China, both law and custom imposed few restrictions on land sales, which enjoyed a considerable degree of freedom [4]. The disagreement between these scholars centers on whether land transactions were commercial in nature and whether land constituted a capital good. Building on both positions, Li Sanmou conducted further research on land trade during the Ming dynasty and the Republican era. He agreed with Liang Zhiping that land trade in the Ming period had not yet achieved the level of free commerce and that the domestic land economy was not fully commoditized [5]. However, he argued that by the mid-Republican period, the decline of customs such as pre-emptive purchase rights, redemption through *zhaojia*, and double sale of the same plot indicated that a capitalist agricultural order was gradually taking shape in China [6].

2.3. Issues of land rights

Early discussions of land rights in China's feudal society largely revolved around the so-called “five golden flowers” of Chinese historiography—chief among them the “system of feudal land ownership.” Heavily influenced by Marxist ideology, these studies focused on the nature of property rights in traditional society. Karl Marx himself did not write specifically about China's rural land system; his relevant observations appeared mainly in his discussion of the “Asiatic mode of production,” exemplified by India. Both Marx and Engels believed that private ownership of land did not exist in Oriental societies. Influenced by this view, many scholars argued that “state ownership of land runs as a red thread through all of China's feudal history,” i.e., the notion that land in feudal China was state-owned [7]. However, other researchers pointed to phenomena such as land concentration, land transactions, and the widespread presence of self-cultivating peasants in the small-farmer economy, noting that these peasants exercised a significant degree of ownership. On this basis, they contended that China's traditional society was not characterized by state ownership of land but rather by private ownership [8].

Since the 1980s, this debate over whether feudal land was state-owned or privately owned has undergone profound reassessment. Most scholars now argue that land rights in feudal China cannot be simply categorized as either state or private ownership but rather represented a complex and multilayered system. Yang Guozhen, through his study of Ming-Qing land deeds, maintained that feudal land rights in China existed at three vertical levels—state, kinship (clan), and individual [9]. Wang Jiafan concurred, arguing that although the notion of “feudal private landownership” had some validity, “private property” lacking institutional safeguards could not be considered genuine private ownership. In his view, property rights over land were highly politicized, and most landholdings were underpinned by political power [10]. Yang Shiqun, comparing the property rights of Chinese self-cultivating peasants with those of medieval European serfs, concluded that China's feudal society

was essentially a small-farmer economy centered on a state-ownership structure [11]. Zhang Yan, by examining “local rules” and “village regulations” in land transactions, argued that the ownership of land in traditional Chinese society represented a dialectical unity between state and private ownership, exhibiting multiple overlapping layers of rights. In American law-and-economics scholarship, Yale University’s Erickson referred to this structure as a “complex property regime.” He argued that such complexity hindered China’s modernization: only clearly individualized and exclusive property rights—what he called a “simple property regime”—could enable China to escape its developmental trap [12].

The study of land rights has thus undergone a long intellectual evolution—from the early dichotomy of state versus private ownership to the concept of “complex property rights,” reflecting cycles of understanding, reflection, and re-understanding. The author believes that the persistent underdevelopment of China’s feudal land market—and, from a broader perspective, China’s rapid decline relative to the West in modern times—can be traced to the deeply entrenched “complex property rights” of its traditional land system.

3. Forms of land transactions

During the Ming, Qing, and modern periods, forms of land-right transactions in China exhibited a trend of diversification. Scholars generally categorize these forms into three types: debt-type financing, property-right transfers, and equity transactions. Current academic research on land rights has primarily focused on understanding *huomai* (conditional sale) and *dian* (pledged sale), as well as the distinctions between them.

3.1. Understanding *Huomai* (conditional sale)

Liu Gaoyong defined *huomai* as the sale of land at a price slightly below that of an outright sale (*juemai*), with the seller retaining the right of redemption [13]. An Shaofan summarized this as “an incomplete transaction form that allows the seller to redeem the sold land within a stipulated period” [14]. Japanese scholar Niida Noboru analyzed *huomai* from the perspective of rights relations, arguing that the emergence of this phenomenon reveals the indeterminacy of rights and obligations—one of the most distinctive features of premodern Chinese power relations [15]. Similarly, Chen Shengqiang, through his study of *juemai* contracts, reached a comparable conclusion: in *huomai* transactions, the seller retained the right to repurchase the land at the original price within a certain time frame, which indicates that the seller had not completely lost control over the property [16]. Long Denggao questioned this interpretation, asserting that despite frequent instances of *zhaojia* (price renegotiation) following *huomai*, ownership had in fact been fully transferred, and such renegotiation occurred only after the conveyance of title. Therefore, in his view, *huomai* did not reflect indeterminate rights and obligations. Huang Huabing analyzed *huomai* from the standpoint of mutual economic benefit, contending that its emergence resulted from a rational cost-benefit calculation between buyer and seller—an outcome of strategic bargaining by both parties. In the author’s view, however, *huomai* was essentially a measure taken by peasant households to alleviate financial hardship. Within the socio-economic constraints of feudal China, peasants occupied a structurally disadvantaged and passive position. Thus, the key question becomes: what considerations led peasants to rationally choose *huomai* as a means of transferring land rights? The answer lies in their perception of and emotional attachment to land. As discussed earlier, Chinese farmers would never sell their “lifeblood”—the land—unless compelled by necessity. *Huomai* offered them a mechanism to reclaim their land in the future, preserving a moral and psychological connection. As Wang Yunhong insightfully observed, “*Huomai* embodies an ethics of survival, reflecting the deep emotional bond between the Chinese people and their land.”

3.2. Understanding *Dianmai* (pledged sale)

The nature of *dianmai* remains a matter of substantial academic debate, particularly concerning its relationship with *huomai*. Some scholars have argued that *dianmai* was essentially the same as *huomai*. For instance, Chen Shengqiang, based on his study of Qing-era *juemai* contracts, maintained that *huomai* was simply a form of sale with a redemption right—also referred to as *juemai*. However, the majority of scholars distinguish between *dianmai* and *huomai*. Luo Shujie, Long Denggao, and Huang Huabing approached the issue from the perspective of ownership, arguing that *dianmai* involved only a temporary transfer of usage rights, whereas *huomai* entailed the full transfer of property rights [17]. Ren Zhiqiang differentiated the two based on the redemption period and the handling of land taxes and grain payments: if a redemption time limit was stipulated, it was *dianmai*; if not, it was *huomai*. Likewise, if taxes and grain were reassigned to the buyer, it was *huomai*; if they were not, it was *dianmai* [18]. The author concurs that *dianmai* and *huomai* share many similarities—most notably the recurring phenomenon of *zhaojia* (price renegotiation) following transactions. Yet their essential difference lies in ownership: *dianmai* was akin to modern mortgage lending, involving only the transfer of use rights, whereas *huomai*, though less final than *juemai*, nonetheless effected a transfer of ownership.

In short, during the Ming, Qing, and Republican periods, these diversified transaction forms functioned as substitutes for financial instruments in an era lacking formal credit markets. Through the flexible use of various modes of land transfer, individuals secured funds for financing, production, and reproduction.

4. The unique phenomenon of *Zhaojia* (price renegotiation)

Zhaojia—a particularly distinctive feature of land transactions in southern China during the feudal era—has attracted considerable scholarly attention. Research has largely focused on four aspects: the nature of *zhaojia*, its causes, the amount and frequency of renegotiation, and its broader impact.

4.1. The nature of *Zhaojia*

Scholars have examined *zhaojia* through three main analytical lenses: feudal factors, interpersonal relations, and property rights. Tang Wenji viewed *zhaojia* as a form of resistance to price suppression within the land market—an insistence on adhering to economic principles of fair exchange, reflecting the weakening of feudal privilege in property transactions [19]. By contrast, Japanese scholar Kishimoto Mio interpreted *zhaojia* through the lens of social relations, describing it as a habitual form of extortion practiced by the poor—a protective mechanism within a network of hierarchical, elite-centered interpersonal relationships [20]. Long Denggao, analyzing land-right transfers in the Qing dynasty, regarded *zhaojia* as a form of post-transfer compensation, a residual benefit generated by the shifting balance of proprietary power.

4.2. Causes for the emergence of *Zhaojia*

Scholars have proposed various explanations for the rise of *zhaojia*. Liang Zhiping considered it a by-product of *huomai* practices—“a hair attached to the skin,” inseparable from the custom itself. Building on this, Huang Huabing argued that *zhaojia* arose from the parties’ pursuit of economic gain, and that this competitive drive often pushed *zhaojia* toward irrational or even absurd outcomes. Kishimoto Mio, on the other hand, attributed it to the blurred boundary between *juemai* (outright sale) and *huomai* (conditional sale). All three scholars agreed that *zhaojia* was closely linked to the practice of *huomai*. Chen Keng conducted a systematic study of *zhaojia* in Chinese real estate transactions and identified four main causes: (1) rising land rents, (2) the legacy of tax evasion in antiquity, (3)

the influence of litigation ethics and judicial culture, and (4) the tacit tolerance of *zhaojia* by local governments [21]. Yang Guozhen approached the issue from the perspective of taxation, arguing that the decennial Da Zao Huangce (Great Census of Land Registers) in the Ming dynasty was a key factor: because the census created a time lag between land transactions and the legal registration of ownership, sellers exploited this gap to demand *zhaojia*. Long Denggao, meanwhile, linked *zhaojia* to the rise of the urban bourgeoisie, suggesting that the emergence of civic society in the Ming and Qing dynasties fostered individual consciousness and a pursuit of rights and freedom, which in turn contributed to the development of *zhaojia* practices [22]. Liu Yongcheng offered yet another explanation, attributing *zhaojia* during the Qing dynasty to the initially low prices of land in the early Qing period.

4.3. The Impact of *Zhaojia*

The academic community remains divided on the impact of *zhaojia*. Most scholars emphasize its negative consequences for traditional Chinese society. American scholar Erickson contended that *zhaojia* led to a system of “absolute pawn rights” (*juedui dianquan*), in which the right of redemption lacked a fixed time limit, thereby producing numerous inefficiencies. Fang Xing argued that *zhaojia* gave rise to a contradictory dynamic in land commodification—simultaneously advancing and stalling its development. Wang Qingming maintained that *zhaojia* increased the likelihood of disputes [23]. A smaller group of scholars, however, views *zhaojia* more positively. Represented by Huang Huabing, they emphasized its economic rationality, arguing that *zhaojia* mitigated the effects of information asymmetry, institutional imperfection, and uncertainty about the future—enabling transactions to occur by balancing efficiency with fairness [24].

5. Conclusion

Over the past four decades, research on land transactions in China has gradually moved beyond the constraints of traditional ideology. By employing advanced social science theories and diverse analytical perspectives, scholars have explored the issue from multiple dimensions and achieved remarkable results. Nevertheless, several limitations remain.

First, researchers should adhere to the “principle of breadth” (*bo yuanze*) proposed by Yan Gengwang. At present, many scholars tend to confine themselves within narrow disciplinary or regional boundaries, focusing only on minor, localized issues within their own “one mu and three fen of land” (a metaphor for limited scope). The author believes this mindset should be changed. When studying land transactions in the Ming and Qing periods, scholars should broaden their horizons by engaging with research in political and cultural history, examining land transaction practices of the Song and Yuan dynasties, and even drawing comparative insights from studies on land markets in Europe and the United States.

Second, scholars should avoid the uncritical application of Western social science theories. Since the Reform and Opening-up, a vast array of advanced theoretical frameworks has entered China, and many researchers have rushed to adopt these theories indiscriminately—often in pursuit of novelty and originality—without carefully assessing their relevance to China’s historical and social realities. The author contends that when applying such theories to the study of land transactions, one must develop a deep understanding of their conceptual foundations and the conditions under which they can be validly applied. Only through such rigor can we avoid the embarrassment of misapplication and ensure theoretical integrity.

In summary, future research should draw upon new theoretical paradigms, adopt innovative analytical tools, and employ interdisciplinary, cross-temporal, and cross-regional approaches.

Achieving these goals will ultimately depend on the sustained dedication and collaborative effort of the scholarly community.

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