



The PKU–Lincoln Center in Retrospect

THE STRONG COMPLEMENTARITY BETWEEN THE LINCOLN INSTITUTE'S EXPERTISE AND CHINA'S LAND POLICY CHALLENGES PROVIDED THE RATIONALE FOR THE LINCOLN INSTITUTE'S ACTIVITIES IN THE PEOPLE'S REPUBLIC OF CHINA. China's rapid economic growth over the past 35 years involved the usual structural changes in the economy (a declining share of agriculture; an expanding share of manufacturing and services; growing trade; and increasing urbanization), but it has also involved an institutional transformation, as the centrally planned economy moved pragmatically to a greater reliance on market mechanisms. This institutional change has been especially challenging in the case of land, because of the dual land tenure system whereby land is owned either by the state or collectively. China's growth has produced many land-related problems ranging from property rights and urban growth, to property taxation and municipal finance reform, to land conservation and housing affordability. The Lincoln Institute's extensive international experience with these issues and China's impressive track record in using international expertise to inform its policy implementation led us in the early 2000s to believe that cooperation between the Lincoln Institute and China had great potential.

Lincoln Institute's activities in the People's Republic of China were initiated in 2001, and its China Program was formally established on July 1, 2003. Activities were originally carried out by staff and consultants based in the United States who travelled to China. Professors Chengri Ding and Gerrit Knaap of the University of Maryland were heavily involved in the China Program's beginnings. These early years saw the initiation

of training programs, sponsorship of research with government agencies, support of research fellowships, and the organization of research conferences and policy symposia. Early areas of focus were property taxation, farmland preservation, and urban planning. The idea of creating a center in partnership with a Chinese university soon emerged as the travel and logistical challenges of managing the program from abroad became evident. In addition, the Lincoln Institute's change in status from an educational institution to a private operating foundation in 2006 required greater programmatic involvement of its own staff in all of its activities.

Preliminary discussions to explore a partnership with Peking University began in 2005 and continued through 2006, culminating in a formal agreement to establish the Peking University–Lincoln Institute Center for Urban Development and Land Policy (PLC) on October 9, 2007—one decade ago. On the university side, this process was overseen by the then-executive vice president of Peking University, Professor Lin Jianhua, who skillfully facilitated the establishment of the PLC. It provides support for education, training, and research in urban economics, urban policy, land management, land policy, property taxation, local government finance, urban and regional planning, and urban affairs. Its mission has been to study land, urban, and fiscal policies; to disseminate results from its studies and research; and to facilitate education, training, policy analysis, and research involving scholars, policy makers, and practitioners. In mid-2007, Joyce Man was appointed director of Lincoln Institute's Program on the People's Republic of China and became the founding

director of the PLC. In late 2007, office space at Peking University was quickly prepared and local staff hired under her direction, enabling the PLC literally to open its doors in January 2008. Its establishment was memorialized in an inauguration ceremony on April 21, 2008 with featured speakers Arnold C. Harberger, distinguished professor at UCLA, and Gang Yi, vice president of the People's Bank of China.

From its beginning, the PLC annually offered several specialized training courses for government officials on topics proposed by government departments. Involved government agencies have included State Administration and Taxation, Ministry of Land and Resources, Ministry of Finance, Ministry of Housing and Urban-Rural Development, and the Ministry of Transportation. Topics have ranged from real estate appraisal techniques and property tax administration, to transit-oriented development and affordable housing. In addition, the PLC has arranged many symposia attended by international experts and government officials to review international experience in particular public policy areas. Topics have included local public finance, property rights, urban transport, housing markets, and urban planning. Participating agencies, in addition to those just mentioned, include the Development Research Center of the State Council and the National Development and

Reform Commission. Chinese officials have proved to be skillful at drawing on good practices from international experience and incorporating them in new policies adapted to the special conditions in China.

The Lincoln Institute has a long track record of providing education and training on land related issues directly to academics and practitioners. Given the scale of China, the PLC shifted audience to focus on those who train others. This approach, called Training the Trainers, aims to enhance the capacity and awareness of young scholars throughout China to address issues related to urban development and land policy. This annual PLC program targets assistant and associate university professors and professional researchers. It increases competence through intensive professional seminars. The one- to two-week sessions are generally attended by about 60 participants, the majority of whom have doctorate degrees and a high level of English proficiency. Instructors are leading international experts who offer participants an invaluable international perspective. The sessions have normally taken place in Beijing, but in recent years the sessions have also been offered by video conference to include participants in other locations. Since the PLC's founding, nearly 600 scholars have benefitted from this training program.

In addition to training and education, the PLC has supported land-related research in a variety of ways. Using an open call for proposals and expert panels to review submissions, the PLC has annually granted about 10 dissertation fellowships to support the research of Ph.D. students in China and seven research fellowships to senior researchers in China. Similarly, the PLC has granted about three international research fellowships annually to scholars outside of China. All of these fellowship recipients have gathered to discuss their draft reports at an annual research conference in China, whose attendees include international experts and notable Chinese scholars of land policy. An overall objective of the training and research program has been to create a community of scholars knowledgeable about land-related policy issues and the state of current research on such topics, and these in-person conferences, training sessions, and symposia have contributed mightily to this objective.

Staff and faculty of the PLC have also carried out research on urban and land issues, and three contributions deserve special mention. First, in 2010 PLC staff realized that municipal indebtedness was growing and poorly understood. Many municipalities had created local government financing vehicles that used urban land as collateral to borrow funds from banks. This debt was not included in local government accounts. The PLC produced some of the first estimates of the surprising size of this indebtedness, and subsequent work by the National Audit Office confirmed the magnitudes. Second, although it was widely recognized that housing prices in China's major cities had been rapidly rising, available housing price indices understated the increase. The PLC worked jointly with Professor Siqi Zheng, then of Tsinghua University, to develop a new housing price index based on the repeat sales method used in the Case-Shiller housing price index for the United States. Launched in 2014, this China Quality-Controlled Urban Housing Price Index is recognized as the most accurate index currently available. Third, Professor Canfei He, Associate Director of the PLC, has over the past several years produced a

body of empirically based research on the economic geography of China's cities, including how the restructuring of China's export-oriented industries is affecting patterns of urban growth. His work has improved understanding of the determinants of urban growth across China's provinces.

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The PLC has done a very credible job in meeting its original objectives and it has proven to be a sustainable institution enduring through the many changes in China and the world that have occurred since its founding. One reason for its success is that the PLC is not the Lincoln Institute's "office in Beijing" but was conceived of and operated as a true joint center between Peking University and the Lincoln Institute. Another reason is that it has been skillfully led, originally by Joyce Man and now by Zhi Liu. In addition, land-related issues in China have proven to be extremely challenging, not amenable to simple and quick solutions, and often linked to other policy issues. Accordingly, revenue from land—whether from conversion of rural to urban use or from land-based taxes—is inexorably linked to local fiscal health, and land conversion from rural to urban use is a key determinant of the location and speed of urban growth. My hope when the PLC was established was that it would work itself out of a job by helping Chinese policy makers resolve many land-related issues or at least dramatically reduce their salience. This hope has proven elusive, and it appears that the PLC still has much work to do. □

Gregory K. Ingram and Jianhua Lin (seated) at the signing ceremony for the Peking University-Lincoln Institute Center for Urban Development and Land Policy. Credit: PLC

