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Anne Toppinen, Heimo Karppinen & Kati Kleemola (eds.)

The Effect on Forestation of the Collective Forest Tenure Reform in China

Xie, L., Berck, P. and Xu, J.

To alleviate rural poverty, stimulate investment in forests, and improve forest conservation, the Chinese government enacted a policy leading to small individual holdings of forest lands that previously were administered by villages. Using data collected from 288 villages in eight provinces over three years, this paper measures the effect of the reform on forestation. Because villages had to vote on whether the reform would take effect, we are able to identify the causal effect of the reform by using an IV estimator based on the countywide decision to offer the reform package. We find an increase in forestation of 7.87% of the forest land in the year of the reform.

Keywords: China, Forestation, Land Reform, Individualization.