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Marx's Theory of Ground Rent and Nationalization of Land in China

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Abstract Marx's theory of ground rent is an indispensable part of Marx's economic theory. It is essential to grasp scientific connotation of Marx's theory of ground rent, and actively explore and study theories and policies of socialist ground rent and nationalization of land through combining the certainty of existence of ground rent and actual situations of nationalization of land in China.

Key words Marx's theory of ground rent, Socialist ground rent, Nationalization of land

1 Introduction

As stated by Marx, whatever may be the specific form of rent, all types of it have this in common that the appropriation of rent is that economic form, in which property in land realizes itself, and that ground rent on its part is conditioned on the existence of private property in land, the ownership of certain portions of the globe by certain individuals^[1]. Different nature of land ownership is manifestation of different land ownership in the law. The ground rent of different societies is always connected with the land ownership of corresponding society. Whether it is feudal ground rent, capitalist rent, or socialist rent, all rents are the unity of common and individual features of ground rents.

2 Marx's theory of ground rent

2.1 Economic form for realization of land ownership In the study of ground rent, Marx attached great importance to the land ownership. Marx pointed out that, to make a scientific analysis on the ground rent, ground rent is an independent unique economic form of land ownership based on the capitalist mode of production, getting rid of all appurtenants that distort the ground rent; thus, purely studying the ground rent is very important^[1]. On the one hand, ground rent is the realization form of economy as land ownership, and this is the common feature of ground rent. On the other hand, because land ownership is different, the social nature of ground rent is different, this is the special feature of ground rent. Marx pointed out: "All rents are surplus value and the product of surplus labor."^[1] It can be seen that ground rent is a special form of surplus labor. The essence of ground rent in the natural economy is the surplus product, manifested as the ground rent in kind; the rent in the commodity economy is in essence the surplus value, manifested as the money rent. The use of land can produce excess profits. Land ownership transfers such excess profit from commodity operators to land owners, thus becoming the ground rent.

2.2 Land ownership being the land owners' monopoly of land Marx said that rent presupposes the existence of a monopoly

in land ownership, landed property as a limitation to capital, for without it surplus-profit would not be transformed into ground-rent nor fall to the share of the landlord instead of the farmer^[1]. Land ownership and its economic realization form belong to general feature of the social relations of production. The special feature of ground rent is determined by the special relations of production, which is a historical category that reflects a certain economic relationship. The ground rent generally reflects the general category common to all social modes of production, and land ownership itself produces the general ground rent. The ground rent is generally manifested as the monopoly of land ownership, and the special feature of ground rent is manifested as special social nature of land possession in different ownership conditions. Therefore, the reason for the capitalist differential rent is the monopoly of the land management object, which has nothing to do with the land ownership. The monopoly of land ownership in capitalist agriculture is the real reason for the absolute rent of capitalism.

3 Certainty for existence of socialist rent

3.1 The economic realization form of land public ownership: the rent The founding of the People's Republic of China finished the land private ownership of old China, took back the land to the state, and established the socialist land public ownership. However, for a long time, China treats the ground rent as the exploitation of capitalism, denies the existence of rent in the socialist economy, which seriously hinders the development of China's land economy. It is precisely the existence of the elimination of land-ownership that constitutes a limitation to the investment of capital and the free expansion of capital in the land. Marx pointed out that similarly, the elimination of private ownership of land does not require the elimination of rent, but requires turning the rent to the society, thus, the labors actually occupy all labor tools, without excluding the preservation of leasing and rent^[2]. It is clear that the socialist society abolishes the land private ownership, but the land public ownership still exists, so the economic realization form of land public ownership is still rent.

3.2 Absolute rent: monopoly of land ownership in economy When predicting the socialist society, Marx stated that the socialist society abolishes the land private ownership, absolute rent will

pass out of existence, thus there is no problem of separation of land ownership and use right. However, due to various subjective and objective conditions, there is not only land ownership, but also the limitation of land ownership and the right to use in the socialist society. In other words, in the socialist market economy conditions, only recognizing the differential rent is not enough, it is also required to recognize the absolute rent. As the entity of differential rent, the excess profit is brought by the difference in natural productivity taking land as condition. Payment of the differential rent only solves the problem of paid use of superior and medium land, but not solves the payment of land ownership of inferior land. Under the conditions of the socialist system, the state possesses the ultimate ownership of the land, while in the economy, what manifests the monopoly of land ownership is the absolute rent.

3.3 The essence of socialist rent: economic realization of land public ownership The socialist rent is the socialist land ownership participating in the allocation of public necessary value, namely, an economic form of the society occupying the public necessary value through the land public ownership. Socialism rent is also a form of excess profit and is the balance of market price exceeding the average profit. Such excess profit is paid by the land operators of the socialist society to the state and the collective as the ground rent. Therefore, the socialist ground rent is after all the transformation form of public necessary value and is connected with the socialist land ownership. However, land public ownership is not the cause of excess profit, but the basis for transformation of such excess profit into rent.

3.4 Form of socialist rent: differential rent and absolute rent The rent converted from the excess profit generated by the difference between the individual production price and the social production price of the commodity is the socialist differential rent. The rent converted from the excess profits generated by the difference between the value of the commodity and the price of production is the socialist absolute rent. Regardless of the form of socialist rent, it must presuppose the separation of land ownership and management rights. Land management right, if monopolized by the collective or individual laborers, will generate the socialist differential rent; land ownership, if monopolized by the state or collective, will generate the socialist absolute rent. Therefore, in general, the absolute rent should be collected by the local and mainly used for land infrastructure construction. The differential rent I should be owned by the state and the collective. The differential rent II should be owned by investors, farmers invest funds during operation of land, so they should obtain the differential income.

3.5 Repudiating adverse consequences of socialist rent

First is the serious of land waste. Due to free use of land without payment of rent, the land public ownership exists only in name and fails to be protected, and there is serious problem of abuse of land and waste of natural resources. Second, it influences competition of enterprises in equal conditions. Land factor exerts an enormous influence on the operation effect of enterprises. If the

land is free to use, enterprises with excellent geographical location will get more income, such differential income, if not regulate, will lead to unbalance in profit of enterprises, and it is difficult to carry out competition in equal conditions. Third, it influences the opening to the outside world. For implementing the opening to the outside world, it is required to impose rent on foreign-capital enterprises. It is required to properly determine the rent level of foreign-capital enterprises, so as to ensure economic income of China's territorial sovereignty.

4 Nationalization of land: major approach to China's land issue

4.1 Land ownership system of China at present stage In China, the land public ownership system includes state ownership and collective ownership. Agricultural land is generally owned by the working people collectively; urban land and rivers, mines, forests and other land resources are owned by the state. China's land ownership is manifested as the unity of land ownership and land management right. Land public ownership is the legal manifestation of socialist land ownership, such ownership is exclusive and monopolistic as the relation of right of public land. The precondition of land public ownership is that all or partial laborers jointly occupy certain land, subject to their willpower and excluding occupation of others. Such land public ownership is the monopoly of the state and collective over the land, instead of the monopoly of any individual over the land. Within the economic unit of land collective ownership, the land is public; however, between the economic units, the land is "private", any other unit or the individual may not be free to occupy. Within the economic unit of land state ownership, the land is public; however, between the economic units, the land is "private", any other unit or the individual may not be free to occupy. Collective units shall not occupy all the land of the state, while the state must still pay high price to requisition the land of collective units.

4.2 Theoretical foundation of nationalization of land In Communist Manifesto, Marx and Engels stated that after obtaining the political power, the proletariats must expropriate the land and use the rent for the state expenses^[3]. The land is owned by the state, while the production unit does not have land ownership and only has the land use right. According to Marx and Engels, socialism can not abolish rent, because the abolition of rent is tantamount to giving up the overall interests of the socialist countries. Paying rent to the state means nationalization of land. On the contrary, any individual and economic unit, if not pay the rent, are deviating from the interests of the socialist countries. According to Marx and Engels' theory of ground rent, the ground rent is an important basis for the proletarian party implementing the nationalization of the land and also a theoretical foundation for formulating various land policies and agricultural policies. Therefore, it is required to implement nationalization of all land, use the excess profit generated from land, take it a major income of state in the

(To page 44)

is not always passive and negative for environmental protection. The impact of environmental knowledge, cultural tradition, community norms, changes in values, the formulation and implementation of environmental policies on environmental behavior is of great significance to the study of environmental behavior.

Of course, the area selected in this survey has a lot of limitations. Shaanxi Province consists of three parts: northern Shaanxi plateau, Guanzhong plain and southern Shaanxi mountain area. In this survey, we only selected a town in southern Shaanxi. Besides, there are many defects in determination of sample size and selection of survey objects, thus they will influence the survey findings and related study results. Further, most researches are statistical significance based findings of environmental knowledge, environmental awareness, community environmental norms, national policies and environmental behavior. They lack theoretical concern and explanation, and are easy to fall into the data flow and statistical error. In addition, concentration on environmental knowledge, environmental awareness and other variables leads to ignorance of socio-economic status, social system, cultural norms and other structural factors.

(From page 38)

form of ground rent, and finally it should be returned to the society.

4.3 Nationalization of land: major approach to China's land issue

In the first place, land is a kind of use value derived from national land and resources. For any parcel of land, it is required to subject to the overall planning for land and resources, as well as the urban and rural land use planning, and allocate special land use value. Therefore, the nationalization of land is favorable for the optimal allocation of land resources. In the second place, because of the special importance of land resources and the extreme scarcity of land in China, the basic consideration for land system should be given to maximally encouraging agricultural operators to take full advantage of land resources, so as to facilitate high efficient management of the state over land resources. In the third place, the land system is the basis of the entire national property rights system. In the selection of land system, it is required to take into consideration the historical tradition. Therefore, the selection of current rural land system must prevent the

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blind merger, and also should be helpful for weakening the private awareness of small peasant economy. In the fourth place, in the actual conditions of rural areas, the implementation of nationalization of land neither needs paying huge amount of money to buy land of farmers, nor needs worrying about the social unrest. In the fifth place, through implementing the nationalization of land, it is able to abolish the monopoly of land use right in system, and make adjustment using the rent, to establish the inherent mechanism for self circulation of land. Finally, the nationalization of land is favorable for the macro-regulation of land.

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