

Research on the Rural Homestead Withdrawal System Based on Williamson's Four-Level Analysis Framework — A Case Study of Yicheng

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Abstract. With the acceleration of urbanization, rural homesteads in China are facing problems such as "multi-homesteads for one family", high idle rate, and inefficient use of resources. Promoting the reform of the homestead system has become the key to solving these dilemmas. This paper adopts a combination of case study and institutional analysis, taking the reform of the homestead system in Yicheng, Hubei Province, as the research object, and systematically explores the practical path and institutional logic of the homestead withdrawal mechanism based on Williamson's four-level analysis framework. The study finds that Yicheng has effectively revitalized idle homestead resources, improved land use efficiency, and promoted the transformation of homesteads from the function of "residential security" to "asset factor" through the confirmation and certification of rights, differentiated paid use, construction of diversified withdrawal channels, and supporting system innovations. This research supplements the theoretical analysis framework of the homestead withdrawal system and provides certain ideas for improving the systematic exploration of the homestead system reform.

Keywords: homestead system reform, Williamson's four-level analysis framework, Yicheng, homestead withdrawal

1. Introduction

In 2017, the Chinese government proposed in its report to deepen the reform of the rural land system to ensure national food security. This initiative not only points out the direction for solving the "three rural issues" (issues concerning agriculture, rural areas, and farmers) but also re-emphasizes the key role of rural land system reform in social and economic development. As an important part of rural land, homesteads played a significant role in ensuring farmers' normal production and life and maintaining rural harmony and stability in the early days [1]. However, with the acceleration of urbanization, a large number of rural populations have moved to cities. Under the current rural homestead system, the mechanisms for use, transfer, and withdrawal are imperfect, leading to the emergence of a large number of "multi-homesteads for one family" situations. In addition to legally owning one homestead, some farmers obtain multiple homesteads through inheritance, gifts, and

other means but fail to utilize them effectively, resulting in serious idleness of homesteads and low efficiency in land resource utilization.

To alleviate this problem, in June 2020, the Chinese government reviewed and approved the Deepening the Reform of the Rural Homestead System Pilot Program, listing the exploration of a voluntary and compensated homestead withdrawal mechanism as an important content. Since September of the same year, many counties (cities and districts) and prefecture-level cities across the country have launched a new round of pilot reforms of the rural homestead system. The Land Administration Law of the People's Republic of China also clearly stipulates that rural villagers who have settled in cities are allowed to withdraw from their homesteads voluntarily and are compensated in accordance with the law, and rural collective economic organizations and their members are actively encouraged to revitalize and utilize idle homesteads and idle houses. Based on this, this paper will combine the relevant situation of Yicheng and use the four-level analysis framework to explore the related issues and solutions in homestead withdrawal, providing references for enriching the theoretical research on the homestead withdrawal mechanism, optimizing the allocation of rural homestead resources, and promoting the innovation of the homestead system.

2. Literature review

Homestead withdrawal is an important issue in China's rural land system reform. As an important part of rural land, homesteads are not only closely related to farmers' livelihoods but also have a significant impact on their property income and the flow of urban and rural resources. With the acceleration of urbanization and the increasing demand for agricultural modernization, homestead withdrawal has gradually become a hot spot in research and policy attention. This paper will analyze the motivations, willingness, and methods of homestead withdrawal and transfer, and discuss the shortcomings of existing research and the reference significance of international perspectives.

2.1. Motivations for homestead withdrawal

The reasons for homestead withdrawal involve resource idleness, population mobility, and the limitations of the system itself. Liu Shouying and Xiong Xuefeng believe that due to the mandatory imperfection of the current homestead system, the distribution method of homesteads has led to the phenomenon of "multi-homesteads for one family", and many homesteads have been idle for a long time with extremely low utilization efficiency [2]. In addition, as more and more farmers go to cities to work or settle down, a large number of rural homesteads are left idle, which cannot be used effectively and hinder the rational allocation of land resources. By analyzing the historical evolution of the homestead system, Dong Xinhui points out that the identity attribute of this system makes farmers lack motivation to withdraw from their homesteads. Therefore, establishing a compensated withdrawal mechanism is considered an effective way to solve this problem [3].

2.2. Willingness to withdraw from homesteads

There are many factors affecting farmers' willingness to withdraw from homesteads. Sun Shengyu points out that farmers' income sources, family structure, homestead location, and social security level will have a significant impact on their willingness [4]. For example, farmers who have settled in cities are more inclined to withdraw from their homesteads, but due to the uncertainty of future life and insufficient policy guarantees, there is still a certain sense of reservation. Liu Shouying and Xiong Xuefeng also point out that the existing policies have deficiencies in the compensation

mechanism, which further reduces farmers' willingness to withdraw voluntarily [2]. Therefore, a reasonable compensation plan, improved social security measures, and full protection of farmers' interests are the keys to enhancing farmers' willingness to withdraw.

2.3. Methods and implementation paths of homestead transfer

The transfer methods of homesteads mainly include transfer, lease, and shareholding. Zhang Han and Lou Jiang propose that the current homestead transfer is mainly carried out within the collective economic organization, but due to the restrictions on the scope of transfer in policy design, cross-regional transfer is relatively difficult, which hinders the optimal allocation of resources. In terms of specific implementation paths, government-led, collective-promoted, and farmer-spontaneous are three main exploration models. Among them, the government-led model plays an important role in regulating the transfer order but lacks flexibility. The collective-promoted model and farmer-spontaneous model are more flexible, but there may be risks of irregularities in the implementation process [5].

2.4. Shortcomings and controversies in domestic research

Domestic research on homestead withdrawal and transfer mainly focuses on the description of the current situation, while there are relatively few studies on in-depth discussion of policy design and system improvement. For example, although Sun Shengyu analyzes the factors affecting farmers' willingness to withdraw from homesteads in different regions, he does not conduct in-depth research on how to establish supporting policies and legal frameworks [4]. In addition, Dong Xinhui mentions that homestead withdrawal may have a profound impact on land marketization, but due to the lack of detailed data support, the relevant empirical analysis is still insufficient. Finally, the impact of regional differences on policy implementation is also a weak link in current research, and the applicability of policies in different regions needs further discussion [3].

2.5. Supplementary perspectives from international research

Compared with domestic research, related international research focuses more on the combination of marketization and legalization. For example, Japan and South Korea provide guarantees for the rational use of land through land withdrawal mechanisms combining government compensation and community participation [5]. This provides important enlightenment for China to improve the homestead transfer policy. Current domestic research has accumulated rich results in the motivation, willingness, and implementation methods of homestead withdrawal, but there are still problems such as insufficient depth of policy design, weak analysis of regional differences, and unsystematic summary of international experience. Future research should focus on the construction of a scientific compensation mechanism and the balanced implementation of regional policies, and fully learn from international experience to provide theoretical support for the improvement of the national homestead withdrawal and transfer mechanism.

3. Case analysis

3.1. Overview of the case

As a pilot area for the reform of the homestead system, Yicheng has formed a reform system centered on clear property rights, paid use, and diversified withdrawal to address prominent issues

such as "multi-homesteads for one family" and "excessive area occupation". In the property rights confirmation link, the city completed the confirmation and registration of homesteads in the whole region through "three inspections and three verifications", innovatively used "drone aerial photography + ground survey" technology to establish electronic ledgers, and implemented "classified disposal" for the historical problem of excessive occupation; in terms of mechanism innovation, it built a "three-level and three-type" differentiated paid use system, determined specific charging standards through villagers' self-governance and consultation, and the proceeds were specially used for village public construction; at the same time, it explored diversified channels of "voluntary withdrawal, replacement withdrawal, and mortgage withdrawal", and established a fund guarantee pool composed of financial rewards and subsidies, income from the linkage of increasing and decreasing, and collective public accumulation funds. In addition, through the implementation of the "separation of three rights" transfer system, the "homestead entry into the market" model, and the "finance + insurance" service system, the market-oriented allocation of homestead resources has been realized.

Through this series of measures, Yicheng has not only revitalized idle homesteads and improved land use efficiency but also expanded the channels for farmers' property income through means such as rural housing mortgage loans, promoting the functional transformation of homesteads from "residential security" to "asset factor". More importantly, the value of the homesteads after confirmation has been deeply activated, releasing land dividends for rural industrial development and urban-rural integration, and forming replicable and promotable practical experience in homestead reform.

Therefore, based on Williamson's institutional evolution analysis framework and combined with the practice of homestead system reform in Yicheng, this paper will analyze from four levels: social foundation (embedded system), institutional environment (basic institutional rules), governance structure (governance mechanism), and resource allocation (short-term resource allocation system), to reveal the internal logic and interactive relationship of its institutional evolution.

3.2. Specific analysis

3.2.1. First level: social foundation (embedded system)

Yicheng is located in the northwest of Hubei Province and the middle reaches of the Han River, with a length of 76 kilometers from east to west and 53 kilometers from north to south, covering a total area of 2115 square kilometers. The terrain is mainly plain and hilly, and the diverse landforms provide unique natural conditions for agricultural production. For a long time, the agricultural population has accounted for a relatively high proportion of the local population structure. As the foundation for farmers' living, homesteads not only carry the living function but are also closely related to rural social stability. By the beginning of 2016, the city had a total of 106,600 homestead households and 112,400 homesteads, of which 86.96% were "one household with one homestead". However, the phenomenon of "multi-homesteads for one family" was relatively prominent, involving 8,700 households (accounting for 8.16%). In addition to legally owning one homestead, some farmers obtained multiple homesteads through inheritance, gifts, and other means, but failed to use them effectively, resulting in a serious structural contradiction of "idle stock and insufficient increment" in rural land - a large number of homesteads were unattended, and it was difficult to meet the new demand due to backward planning, restricting the vitality of rural development.

The Chinese government's policy orientation of "deepening the reform of the rural land system" and "protecting farmers' property rights and interests" provides an action guide for solving this

dilemma. Facing the pressure of land resource allocation brought by urbanization, Yicheng urgently needs to activate the asset attribute of homesteads through reform, not only responding to farmers' expectations for property income but also releasing the potential of land factors for urban-rural integration development.

3.2.2. Second level: institutional environment (basic institutional rules)

The revised Land Administration Law of the People's Republic of China in 2020 laid the core legal foundation for the reform. Article 62 clearly stipulates that "rural villagers who have settled in cities are allowed to withdraw from their homesteads voluntarily and are compensated in accordance with the law", endowing farmers with the legal right to dispose of their homesteads at the national level. The Deepening the Reform of the Rural Homestead System Pilot Program issued in the same year lists "exploring the voluntary and compensated homestead withdrawal mechanism" as a key task, establishing a policy path of "pilot first, classified exploration" and providing a clear policy framework for the reform in Yicheng.

However, the traditional homestead management system has long focused on "restricting transfer", and supporting rules such as withdrawal compensation and cross-regional transfer are absent, resulting in the lack of effective means to govern "multi-homesteads for one family": on the one hand, there is no reasonable charging mechanism for excessively occupied homesteads, and the cost of occupation for farmers is low; on the other hand, the withdrawal channels are narrow and the compensation standards are unclear, so farmers lack motivation to take the initiative to withdraw. The contradiction between insufficient institutional supply and actual demand has forced Yicheng to seek breakthroughs within the scope permitted by law - it is necessary to solve the historical problem of vague property rights (such as confirmation of excessive area) in accordance with higher-level laws, and explore a market-oriented withdrawal path in line with local reality, transforming homesteads from "welfare distribution resources" to "asset income factors."

3.2.3. Third level: governance structure (governance mechanism)

Yicheng takes the Treatment methods of rural homestead historical problems as the starting point, and constructs a three-in-one governance mechanism of "confirmation - charging - withdrawal", which runs through the principles of "respecting history, villagers' self-governance, and classified disposal", realizing the refined management of the whole cycle of homesteads.

In terms of clarifying property rights, Yicheng organized more than 500 cadres to carry out a general survey of homesteads in the whole region. With the help of drone aerial photography and ground survey technology, it completed the ownership verification of 112,400 homesteads and established an electronic ledger of "one household, one file". For the problem of excessive occupation before and after the implementation of the Land Administration Law in 1987, "classified confirmation" was adopted: the historically formed excessive occupation was registered according to the current situation, and the newly added excessive occupation was confirmed after going through the formalities, which properly solved the area disputes of 81% of farmers. Huping Village in Liuhou Town piloted the "sunshine publicity system", posting homestead information for public supervision to ensure the openness and transparency of the confirmation process. The Real Estate Title Certificate issued after confirmation endows rural houses with the function of mortgage financing. The first 5 households obtained 460,000 yuan in loans for agricultural production, activating the "sleeping assets" in rural areas.

In the design of the paid use system, Yicheng divided the benchmark land prices according to regional economic differences: 180 yuan/square meter in market towns, 120 yuan/square meter in central villages, and 80 yuan/square meter in ordinary villages, and set differentiated charging ranges: free for less than 200 square meters, 1.5 times the benchmark price for 201-300 square meters, and 2 times the benchmark price for more than 300 square meters. Each village determined the specific charging coefficient (such as 1.2-2.0 times in Huangchong Village, Liushui Town) through the democratic procedure of "four discussions and two public announcements", and implemented a 50% reduction for special groups. 100% of the proceeds were included in the village collective public accumulation for public construction. In 2021, the city collected 12.76 million yuan, 83% of which was used for infrastructure such as street lamps and roads, forming a virtuous circle of "taken from the people and used for the village."

In terms of expanding withdrawal channels, Yicheng has established a diversified compensation mechanism: voluntary withdrawal is compensated at 1.2 times the benchmark price, and the withdrawn homesteads are reclaimed into cultivated land, with a total of 3,200 mu reclaimed and included in the increase-decrease linkage transaction; replacement withdrawal provides options of market town resettlement houses or industrial park factories to meet the needs of farmers to settle in cities or find employment nearby; mortgage withdrawal carries out rural housing mortgage loans relying on the title certificate, with a total of 230 million yuan issued to ease farmers' financing difficulties. In terms of fund guarantee, it integrates municipal financial rewards and subsidies (30,000 yuan/mu), income from increase-decrease linkage (80,000 yuan/mu), and collective public accumulation funds (15%) to ensure timely compensation. For example, after "withdrawing homesteads and returning to cultivation" in Wangtai Village, Banqiaodian Town, smart agriculture was introduced, and villagers' annual income increased by 12,000 yuan on average, and the reform dividends truly benefited the people's livelihood.

3.2.4. Fourth level: resource allocation (short-term resource allocation system)

In terms of the reallocation of land resources, Yicheng is expected to add 50,000 mu of cultivated land through reform, equivalent to 12% of the existing cultivated land area, which not only consolidates the foundation of food security but also makes room for large-scale agricultural operations. By coordinating the improvement of inefficient land use such as "front dams and backyards" and "roads connecting households," homesteads are promoted to concentrate in central villages, improving the intensive level of rural construction land, creating conditions for the landing of rural industrial projects, and promoting the transformation of land resources from "scattered and idle" to "efficient agglomeration."

In terms of factor flow and benefit distribution, after confirmation, the valuation of rural houses in the city exceeded 20 billion yuan, and the balance of rural housing mortgage loans exceeded 310 million yuan, establishing a conversion channel of "homestead use right - rural housing assets - financial capital" and activating rural capital factors. The proceeds from the paid use and withdrawal of homesteads are coordinated by the village collective and given priority to public services. For example, Huangchong Village used 70,000 yuan out of the 195,000 yuan collected for street lamp construction to improve the rural living environment. This benefit-sharing mechanism has enhanced villagers' sense of gain, formed a positive incentive of "reform promotes development, and development benefits people's livelihood," and promoted farmers' transformation from "passive acceptance" to "active participation."

3.2.5. Interactive relationship between institutional levels

The social foundation and institutional environment interact with each other: the problem of homestead idleness caused by urbanization has forced the adjustment of legal policies, and the revision of the Land Administration Law and the central pilot program have provided legal support for the reform; the actual conditions of Yicheng, such as population structure and land contradictions, have determined the choice of reform path - starting with confirmation to solve historical problems, and then optimizing resource allocation through charging and withdrawal mechanisms, reflecting the adaptation between policy design and local reality.

The governance structure is closely linked with resource allocation: confirmation clarifies the boundary of property rights, laying the foundation for market-oriented transactions; the charging system restricts excessive occupation behavior, guiding land conservation and utilization; and the withdrawal mechanism activates idle resources, realizing the reallocation of land factors. The three form a logical chain, promoting the transformation of homesteads from "guarantee-type resources" to "development-type assets".

The institutional environment forms constraints and innovation space for the governance structure: the restriction of "transfer within the collective" in higher-level laws makes the withdrawal channels mainly rely on collective repurchase, and cross-regional transfer still needs to be explored; but the implementation of the principle of villagers' self-governance (such as consultation on charging coefficients and democratic decision-making on compensation methods) enables the governance mechanism to achieve flexible innovation within the institutional framework, balancing the principle of policies and the diversity of practices.

3.3. Summary

Through the four-level institutional evolution, the reform of the homestead system in Yicheng has built a complete system of "problem identification - rule construction - mechanism innovation - benefit release". At the social foundation level, the contradiction between urbanization and land idleness gives birth to reform demand; at the institutional environment level, national legal policies provide a reform framework; at the governance structure level, refined design of confirmation, charging, and withdrawal breaks through institutional bottlenecks; at the resource allocation level, efficient flow of factors such as land and capital is realized. The institutional levels support each other and adjust dynamically, which not only responds to the top-level design requirements of the "separation of three rights" reform but also forms an operational path in line with local reality, providing a replicable practical sample for similar regions to solve the problem of homestead utilization.

4. Countermeasures and suggestions

By revising the Land Administration Law and Property Law, the principle of "voluntary and compensated" for homestead withdrawal is established in law to protect farmers' right to disposal and compensation. On this basis, unified withdrawal procedures and compensation standards are issued to avoid implementation deviations caused by economic differences in various regions. At the same time, the withdrawal rules are continuously adjusted according to the feedback from the pilot projects to ensure that the policies are operable and stable within the legal framework [6].

Objectively speaking, a series of legal issues caused by rural homestead withdrawal compensation are all property rights transaction issues. Therefore, the core and key to solving the

current legal issues of rural homestead withdrawal is to build a reasonable rural homestead property rights transaction system [7].

Explore the "homestead+" industrial integration model, connect the reclaimed cultivated land from withdrawal with modern agricultural projects, and develop new business forms such as smart agriculture and leisure agriculture; allow idle homesteads that meet the planning to be used for rural tourism, homestay economy, etc., establish a "homestead use right shareholding - profit sharing" mechanism, promote the transformation of land resources into industrial capital, and expand the space for rural economic development.

Establish a seamless connection mechanism of "withdrawal-security". For farmers who voluntarily withdraw from their homesteads, allow them to retain the right to distribute collective benefits, and enjoy the same education, medical care, pension, and other public services as urban residents when settling in cities, realizing a smooth transition of "withdrawal from homesteads, retention of collective rights and interests, and social security as the bottom line". At the same time, a reform risk buffer fund can be set up, and a certain proportion can be extracted from the proceeds of paid use of homesteads and income from increase-decrease linkage transactions to establish a special risk fund to cope with possible employment fluctuations and rising living costs after farmers' withdrawal, providing a solid guarantee for the smooth progress of the reform.

5. Conclusion

This paper focuses on the practice of homestead system reform in Yicheng, and systematically analyzes the implementation path and institutional logic of the homestead withdrawal mechanism based on Williamson four-level analysis framework. The study finds that through confirmation and certification of rights, differentiated paid use, construction of diversified withdrawal channels, and supporting system innovations, Yicheng has not only revitalized idle homestead resources and improved land use efficiency but also expanded the channels for farmers' property income, promoting the functional transformation of homesteads from "residential security" to "asset factor".

This paper enriches the institutional evolution analysis ideas of the homestead withdrawal mechanism at the theoretical level and provides a replicable case reference for local governments to formulate differentiated reform policies at the practical level. However, this study still has certain limitations. For example, the discussion on the legal breakthrough path of cross-regional transfer is not in-depth, and the policy adaptability differences in regions with different economic development levels are not fully considered. Future research will focus on the refinement of legal policies for homestead transfer, the design of regional classification guidance schemes, and the improvement of long-term supervision mechanisms to further deepen the exploration of the reform of the homestead system.

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