

**Freedom of Contract and National Regulation over
Real Estate Transactions in Villages
—Taking Dispute over Sales of Houses in the Artist
Village as an Example***

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I. INTRODUCTION

Freedom of contract as a fundamental principle of civil law has been well known to those who study the law. However, in Chinese legal society, the principle has only been taught in textbooks and developed at a theoretical level. A closer look at the construction and operation of the Chinese legal system in real practice reveals that freedom of contract is not even aspired by the public authorities, including the legislature, the judiciary, and the executive.

This paper takes the dispute over sales of houses in the Artist Village as an example, and demonstrates and analyzes the intense relations between personal freedom and state regulations. It also sheds light on the current role freedom of contract plays in real estate transactions in rural China.

II. FACTS AND HOLDING OF THE *MA HAITAO v. LI YULAN* CASE¹

Songzhuang Town in Tongzhou District in Beijing, a gathering place for artists, is known as the “Artist Village.” At peak times, it once accommodated over 2000 people, more than 300 of whom bought houses from villagers there. In recent years, some sellers regretted closing the original deals. This has led to disputes over sales of houses. Among all is the *Ma Haitao v. Li Yulan* case. As one of the leading cases, it was selected as one of the Top Ten Artistic Events of 2017.²

The plaintiff Ma Haitao (“Ma”) was originally a villager from Xindian Village, Songzhuang Town in Tongzhou District. The defendant Li Yulan (“Li”) was originally an urban resident from Handan City, Hebei Province. In July 1st, 2002, the plaintiff and the defendant entered into a “Sales of House Agreement,” un-

¹ The facts and decisions comes from 马海涛与李玉兰房屋买卖合同纠纷案 [Ma Haitao v. Li Yulan on Real Estate Purchase Contract] (2007)通民初字第 1031 号, (Beijing Tong Zhou District People’s Ct.) and 马海涛与李玉兰房屋买卖合同纠纷上诉案 [In re Ma Haitao v. Li Yulan on Real Estate Purchase Contract] (2007)二中民终字第 13692 号, (Beijing Second Intern. People’s Ct.) CLI.C.1761585 CHINALAWINFO.

² 英楠 (Ying Nan), 2007 艺术中国·最具影响力评选结果 [The Results of Selection of 2007 The Most Influential Participants of Chinese Art], 雅昌艺术网 [YA CHANG ARTS. COM], Mar. 1, 2008, http://news.artron.net/show_news.php?newid=42007 (last visited Feb. 10, 2016).

der which the plaintiff sold the disputed house, including the courtyard, to the defendant at 45,000 RMB. After signing the Agreement, the defendant duly made the payment and the plaintiff delivered the house and the “Collective Land Use Rights Permit” to the defendant pursuant to the contract. The defendant renovated the property and constructed three new rooms at the west wing of the house upon obtaining approval from the Xindian Villagers’ Committee in October, 2003.

In December, 2006, Ma sued Li at the court of first instance claiming the following: In 2002, Ma sold five rooms at the north wing and three rooms at the west wing to Li. However, since Li is not a peasant from Xindian Village, Li is not entitled to “Collective Land Use Rights” in Xindian Village. Therefore, Ma prayed for the court to declare the Sales of House Agreement void *ab initio*, requested Li to return the house, meanwhile agreed to reimburse Li for the difference between the original price and the current market price. The defendant requested to declare the Agreement lawful and valid, and to dismiss the plaintiff’s claims.

The court of first instance ruled that any contract in violation of mandatory provisions in laws and regulations is void. According to the law, urban residents shall not purchase or sell any house that is supposed to be owned by members of the rural collective economic organizations. Li was an urban resident, hence was not allowed by law to purchase the said house. According to article 52(5) of the Contract Law of the PRC, the Agreement was void.³

The defendant appealed. The court of appeals affirmed the lower court, and added an additional reasoning in its own judgment:

Homestead land use rights are rights exclusively enjoyed by members of the rural collective economic organizations. The rights are associated with the identity of the rights-holders. They cannot be owned or *de facto* owned by people beyond the organizations. What

³ Another Technical problem in *In re Ma Haitao v. Li Yulan on Real Estate Purchase Contract* is that the applied law could not be art. 52(1)(5) of the Contract Law because there is no so called Subsection 1 here. See *Ma Haitao v. Li Yulan on Real Estate Purchase Contract* (2007)通民初字第1031号, and *In re Ma Haitao v. Li Yulan on Real Estate Purchase Contract* (2007)二中民终字第13692号, and 合同法 [Contract Law] (promulgated by the Nat’l People’s Cong., Mar. 15, 1999, effective Oct. 1, 1999) art. 52, CLI.1.21651 CHINALAWINFO.

were being sold in the Sales of House Agreement between Ma Haitao and Li Yulan were not only the house itself, but also the corresponding homestead land use rights. Li Yulan was never a villager of Xindian Village, Songzhuang Town, Tongzhou District. Therefore, the lower court's ruling of the validity of the Agreement was in line with the current land control laws, regulations, and principles.

III. FREEDOM OF CONTRACT IN COURTS' RULINGS

The best way to understand how freedom of contract is applied in China is to engage in a case-by-case study. This paper adopts such an approach. The primary question is: How would the court decide on the validity of the disputed Agreement?

The court of first instance applied article 52(5) of the Contract Law. It ruled that all contracts in violation of mandatory provisions in laws and regulations are unlawful and void. Therefore, whether all agreements that violate "mandatory provisions" are void with no exception is the primary question.

Laws and regulations are categorized into mandatory rules (*zwingendes Recht, ius cogens*) and default rules (*nachgiebiges Recht, ius dispositivum*). All parties must comply with mandatory rules. However, failure to comply leads to different legal outcomes. Under German laws, "violating mandatory provisions (*Mußvorschrift*) would render the conduct invalid and void *per se*, whereas violating recommendatory provisions (*Sollvorschrift*) would not have the same effect."⁴ Chinese law makes the same distinction. Article 149 of the Contract Law is a recommendatory provision (*Sollvorschrift*). The Supreme People's Court issued the "Interpretation II of the Supreme People's Court of Several Issues concerning the Application of the Contract Law of the People's Republic of China" ("the Interpretation") on April 24th, 2009. Although the Interpretation predates this case and has no legal effect, it has a reference value. Article 14 of the Interpretation notes that "[m]andatory provisions' as referred to in article 52(5) of the Contract Law only refers to 'mandatory provisions' on effectiveness." Mandatory provisions on effectiveness is equivalent to

⁴ Brox & Walker, *Allgemeiner Teil des BGB*, ¶ 60 (Verlag Franz Vahlen, 34th ed., 2010).

Mußvorschrift in German law. Therefore, article 52(5) should be applied restrictively based on the purpose of the law. In the present case, the judges apparently believed that the mandatory provision was a *Mußvorschrift*, and could be the basis for invalidating a contract. However, even if this being the case, the judges' reasoning was inadequate. Article 52(5) is merely a rule of reference and it cannot be the basis for invalidating a contract. We still need to pinpoint the "mandatory provision in law or regulation" violated by the Agreement.

Both Courts never referred to any specific provision. The court of appeals merely used principle of integration between house ownership and land-use right as a means to substitute the question of whether the transfer of homestead land use rights was legal for the question of whether the Sales of House Agreement was legal. Accordingly, the court ruled that because the transfer of the said homestead was forbidden, the Agreement was void.

However, even applying the principle of integration, the courts still failed to cite any law or regulation that explicitly prohibits the transfer of homestead. Such a regulation is most likely to be article 62 paragraph 4 of The Land Administration Law of the PRC. According to article 62 paragraph 4, "Reapplication for a house site by a villager in a rural area who sold or rented out his/her house shall not be approved of." But this provision does not explicitly a mandatory provision on effectiveness. According to article 62 paragraph 4, if a villager in a rural area sells his house, his "reapplication for a house site . . . shall not be approved of." The legal effects take place between the seller and the Registrar. The law regulates the seller, namely, the villager. Moreover, logically speaking, only by acknowledging the validity of the sales of house agreement do we need to answer the question of whether to approve of the seller's "reapplication for a house site." Otherwise, the seller could simply ask for return of the house, not to reapply for a new one with the authorities.

The real problem being: why would the court be so determined to take the troubles and invalidate such an agreement?

As is known to all, China has the "strictest" land administration system.⁵ All control over land is centralized in the hands of

⁵ 全国人大法律委员会 (Commission of Legislative Affairs of the National People's Congress), 全国人大法律委员会关于《中华人民共和国物权法(草案)》

the public authorities. The Chinese government reckons that only village residents are entitled to the homestead land use rights of that village. Under article 62 paragraph 1 of The Land Administration Law, each household could only obtain one homestead. To maintain the dual land use rights system between city and the village, the Chinese government has repeatedly emphasized that urban residents are forbidden to purchase homestead in rural China. “Opinions on the Ministry of Land & Resources on Strengthening Administration of Homestead in Rural Areas (No. 234 [2004] of the Ministry of Land and Resources)” enunciated that “urban citizens are forbidden to purchase homestead in villages. Issuing land use certificates to urban citizens who purchase or build homestead in villages is strictly prohibited.” Such a system not only regulates rural residents but also urban residents who have obtained houses or lands from villagers. Both courts obviously invalidated the Agreement out of respect for this policy consideration.

As has become obvious, the Chinese judiciary is not a neutral adjudicator. It rather executes and vindicates Chinese national policies. The court already decided to invalidate the Agreement even before it heard the case. What all judges did was to find basis to reach this conclusion. The conclusion cannot be altered even if it means the reasoning would be farfetched. The court determined to conform to documents issued by the State Department and the Ministry of Land and Resources, even if they have no legal effect.⁶ The court was indifferent to whether the parties were innocent, and would never test the reasonableness of documents issued by public powers.⁷ The court backs up public powers. It plays the role of

修改情况的汇报（2005年6月24日十届全国人大常委会第十六次会议）[*The Report of the Commission of Legislative Affairs of the National People's Congress on the Amendment to Property Law of the People's Republic of China (Draft) (The 16th Meeting of the Standing Committee of the Tenth National People's Congress on June 24, 2005)*], in 物权法立法背景与观点全集 [THE PROPERTY LAW LEGISLATION BACKGROUND AND VIEWS COLLECTED], at 73 (Law Press-China, 2007).

⁶ 最高人民法院 (Supreme People's Court), 《中华人民共和国物权法》条文理解与适用 [THE INTERPRETATION AND APPLICATION OF THE PROPERTY LAW OF THE PEOPLE'S REPUBLIC OF CHINA], at 458–62 (黄松有 Huang Songyou et al. ed., People's Court Press, 2007).

⁷ The Supreme Court issued the *Provisions of the Supreme People's Court on Citation of Such Normative Legal Documents as Laws and Regulations in the Judgments* less than two years after the final decision. Article 4 States that, civil case decision shall quote law, legal interpretation and judicial interpretation. And those relevant governmental regulations, local regulations or separate regulations can be quoted directly. Other official documents apart from this shall be

public executors. It justifies executor's decisions that limit or deprive individuals of their private rights. It therefore loses its supposedly neutral status as a balancing power between public powers and private freedom.

What merits attention is that the appellate court judges did empathize with the purchasers. In the last part of the ruling, the judges noted as if speaking to themselves that "the seller is mainly responsible for all costs incurred from invalidation of the Agreement," but because the purchaser "did not raise any counterclaim in the original court proceedings," this tribunal could only recommend "the purchaser to bring further claims on contract damages." The purchaser immediately understood the judges' implication and brought another claim in Tongzhou district court, requesting the court to award damages. The Tongzhou district court grasped the gist of the previous ruling and issued No. 02041 [2008], Civil Division, Tongzhou District, Beijing, under which the plaintiff's claim was supported. The latter judgment compensated the purchaser for the monetary damages results-wise, and somehow balanced the interests of both parties.⁸ However, the court reached this seemingly balanced result by being a litigator, not a neutral adjudicator. As soon as the court suggested "the purchaser to bring further claims concerning contract damages," it has lost its neutrality. Two wrongs don't make a right. The two rulings made by the courts only demonstrate how the judiciary is not a neutral decision-making body, and how personal privacy is compromised *vis a vis* the integrity of the judiciary.

part of the reasoning after review on its necessity and legality. Unfortunately, the decision fails to list the documents published by State Council or Ministry of Land and Resources, and only claimed as certain that the original court was correct in determine the validity of the contract pursuant to laws and regulations on administration of land. See 关于裁判文书引用法律、法规等规范性文件的规定 [Provisions of the Supreme People's Court on Citation of Such Normative Legal Documents as Laws and Regulations in the Judgments] (Promulgated by Sup. People's Ct., Oct. 26, 2009, effective Nov. 4, 2009) art.4 & 6, CLI.3.122772 CHINALAWINFO.

⁸ The attorney of the purchasing party, Chen Xu, thought the court decision, "provided that the law and the state policy on land purchase have not been changed yet, not only maintained the seriousness of the law, but protected interests of parties involved in this case." See 王小乔 (Wang Xiaoqiao) & 张涛 (Zhang Tao), 宋庄案还在开庭 [Song Zhuang Case is on Trial], 南方周末网 [INFZM.COM], July 2, 2011, <http://www.infzm.com/content/7494> (last visited July 2, 2011).

IV. FREEDOM OF CONTRACT UNDER THE INSTITUTIONAL FRAMEWORK

To better gauge the extent of private freedom in real estate transactions in rural China, we might as well review the designed system of real estate transactions in rural China from a macro-perspective in addition to reviewing individual cases. Freedom of contract includes three basic requirements: freedom to contract, no restriction on the content of contract, and no form of contract requirement, of which the first two elements have substantial meaning. The followings are observations of the three elements.

A. Freedom to Contract

Freedom to contract means parties' freedom to decide whether to enter into a contract and with whom they sign a contract.

Freedom to determine whether to enter into contract would be analyzed first. Article 155 of The Property Law of the PRC states that, the Registry should timely record any transfer of the registered homestead land use rights. This regulation seems to affirm the possibility of transferring homestead land use rights. Meanwhile, article 153 stipulates that "such laws as The Land Administration Law and the relevant state regulations shall be applicable to the obtaining, exercising and transferring of homestead land use rights." According to paragraphs 1 and 3 of article 62 of The Land Administration Law, rural residents could obtain homestead land use rights by way of administrative examination and approval. In addition, "a household can only own one piece of homestead, namely, land for building house, with the area not exceeding the standards provided by provinces, autonomous regions and municipalities." Although this regulation is for homestead, it has an effect on houses built on homestead because of the principle of integration. Therefore, there is only a slim chance for rural residents to purchase homestead and houses built on it. According to paragraph 4 of article 62, rural residents are not allowed to sell their homestead and houses. As a result, rural residents have no freedom in determining whether to enter into contract selling their own houses if The Land Administration Law is not amended.

Without a freedom to determine whether to enter into a contract, individuals have absolutely no freedom in choosing the con-

tracting parties. During the enactment of The Property Law, attempts to loosen control ended up in drafts in the opposite direction.

The first drafts of The Property Law paid due respect to homestead land users' freedom of contract. Article 169 of the first draft in December, 2002 and article 163 of the second draft in October, 2004 similarly provided that "it's forbidden to transfer homestead land use rights alone unless the house built on this homestead would be transferred together." This means as long as the principle of integration was not trampled, individuals generally enjoyed freedom in contracting. Nevertheless, to appeal to the spirits that the State Council reinforces management of rural land and forbids urban residents to purchase homestead, parties' freedom of choice has been sharply limited since the third draft in June, 2005.⁹ Paragraph 1 of article 162 stipulates that:

With the consent of the community, people having homestead land use rights can transfer their houses to farmers who are in the same community and are up to the requirements for the allocation of homestead land use right; houses are transferred along with all the homestead land use rights. Urban residents are forbidden to purchase homestead in the rural area.

According to paragraph 2 of article 162, "farmers transferring homestead land use rights according to the preceding regulation shall not apply for homestead again." Not only urban residents are excluded from purchasing, but also rural residents who have the right to purchase must be in the same community and meet the requirements for the allocation of homestead land use rights. Article 162 of the fourth draft in October, 2005, article 156 of the fifth draft in August, 2006, and article 154 of the sixth draft in October, 2006 are in accordance with the above regulations. The subsequent amendments further tightened land control. All the above regulations were deleted in the seventh draft in December, 2006. Inserted was article 153 which stipulates that "the transferring of homestead land use rights applies to The Land Administration Law and other laws and relevant provisions" to uphold "current national laws and policies on rural land."¹⁰ Since then, land control policies, which

⁹ 全国人大法律委员会 (Commission of Legislative Affairs of the National People's Congress), *supra* note 5, at 26.

¹⁰ 全国人民代表大会常务委员会 (The Standing Committee of the National People's Congress), 关于《中华人民共和国物权法(草案)》的说明 (2007年3月

originally had the possibility of being loosened up, were tightened up, gap closed, and hurled back to the “most stringent” regulation era.

B. No Restriction on the Content of Contract

This element suggests that parties could freely decide the content of their contracts. It is generally based on the premise of freedom to contract, whereas the freedom to contract itself is meaningless without the freedom to decide the content. To some extent, the reason that rural house owners nearly have no freedom to contract is closely related to the fact that they have no freedom to decide the content of contracts.

The Court invalidated the Sales of Houses Agreement in the *Ma Haitao v. Li Yulan* case based on two premises: principle of integration and rural collective land ownership. This means sales of rural houses contracts would certainly affect homestead, therefore be regulated under regulations and policies on homestead.

Individuals can own land under a system of private ownership; all lands are owned by the state under a system of public ownership. Under China’s legislation, land can never be privately owned, but the buildings on land can be privately owned as separate properties. As a result, law of land has no need to be the same as law of buildings, which is reflected in article 25 sentence 2 and article 24 sentence 2 of The Interim Regulations on Transfer of Urban State-owned Land Use Rights. Nevertheless, the above two regulations are merely exceptions to the rule, which is set forth in article 23: “when the land use right is transferred, the ownership of the above-ground buildings and other attached objects are accordingly transferred.” Article 24 sentence 2 also states “when land users transfer the ownership of the above-ground buildings and other attached objects, the land use right within the scope of use is transferred together”

The subsequent legislation has observed the principle of integration. Even the two provisions in exceptions in The Interim

8 日十届全国人大第五次会议) [*Interpretation on Property Law of the People's Republic of China (Draft) (The 5th Meeting of the Standing Committee of the Tenth National People's Congress on Mar. 8, 2007)*], in 物权法立法背景与观点全集 [THE PROPERTY LAW LEGISLATION BACKGROUND AND VIEWS COLLECTED], at 73 (Law Press·China, 2007).

Regulations on Transfer of Urban State-owned Land Use Right somehow disappeared. Article 32 of The Urban Real Estate Administration Law of the PRC states that “when a real estate is transferred or mortgaged, the ownership of the building and the right to use the land occupied by the building are transferred or mortgaged at the same time.” Article 146 of The Property Law stipulates that “when the right to use construction land is transferred, exchanged, or donated, buildings, structures, and their ancillary facilities attached to the land are handled together.” Article 147 provides that “when buildings, structures, and attached facilities are transferred, exchanged, or donated, the buildings, structures and attached facilities together with the right to use construction land within the area are handled together.”

Obviously, what the principle of integration means is that the ownership of the building and the right of land use are interdependent, as opposed to two ownership rights. Under the framework of public land ownership, usufructuary rights on land play a role equivalent to private ownership, thus providing for a legislative solution to the inconveniences created by ideological conflicts. But this solution in preservation of public land ownership was created at the expense of freedom of contract. Its adverse effects are especially outstanding in rural land. Although the above mentioned legislative principle of integration is set for state-owned land, it is universally accepted that rural collective land ownership is also subject to this principle. Indeed, it is much more restricted compared with that of state-owned land. An obvious phenomenon is that if one is to obtain collective land usufructuary rights, such as rural homestead land use rights, that party must have acquired the corresponding collective membership, namely he ought to be approved by authorities. Even in the same community, secret dealings are not allowed, let alone outside the community. Both courts’ judgments follow the same logic in dispute over sales of houses in the Artist Village. Under this premise, rural residents have access to house ownership in “law,” but they cannot dispose of it for principle of integration. Ergo, “ownership” is simply a meaningless and comforting concept.

V. CONCLUSION AND REFLECTIONS

Although the dispute over sales of houses in the Artist Village is merely an individual case, it reflects the tension between

personal freedom and national regulation in a general sense. In order to defend public land ownership, China implemented the strictest and the most well knit regulatory regime from the legislative, the executive, to the judiciary. Thus, individuals are almost being deprived of freedom of contract within this area.

Regulations not only sabotage the ideal of freedom of contract, but also impose much more far-reaching influences that may not be directly reflected in legal outcomes. Any regulation leads to costs, not merely costs for implementing these regulations. The case at hand at least demonstrated two additional external effects.

First of all, stringent regulations not only invalidate contract but also slow down the overall accumulation of wealth. After disputes over sales of houses in the Artist Village, according to Cao Wei, director of the Association for the Advancement of Songzhuang Art, “[T]he annual per capital income of Songzhuang has increased from 300 yuan to 12,000 yuan in the past decade. The greatest contribution to the economy is owed to the influx of painters to the village.” Survey data show that annual per capital income of Songzhuang was just 300 yuan to 400 yuan more than a decade ago, but nowadays, with the most artists gathering here, rental income of this small village alone reached 7.5 million yuan in 2006, accounting for nearly half of all villagers’ incomes. Moreover, investment into the cultural industry in Songzhuang Town hit 320 million yuan that year, and annual profit tax reached up to 350 million yuan.¹¹ The arrival of the painters brought positive results to Songzhuang Town, local villagers, painters themselves, and the state. It is conceivable that if the painters were forced to move out because of the invalid house sales, these positive effects would abate and even vanish. For this reason, after the occurrence of this incident, on the one hand, the Songzhuang Town government negotiated with courts to ensure of “no house returning”;¹² on the other hand, Songzhuang was prepared to take measures to retain the painters before the case was concluded, such as renovating certain old plants to ensure that even if the judgment went against their favor, painters could use these old plants as their studios. What’s

¹¹ 王小乔 (Wang Xiaoqiao) & 张涛 (Zhang Tao), *supra* note 8.

¹² 成功 (Cheng Gong) & 徐国允 (Xu Guoyun), 画家村农民诉讼索房 [Dispute over Sales of Houses in the Artist Village], 南方周末网 [INFZM.COM], Apr. 4, 2008, <http://www.infzm.com/content/5715> (last visited Feb. 15, 2008).

more,¹³ after Li Yulan returned the house, Xiao Bao Villagers' Committee provided free studio for him for one year as compensation.¹⁴ It is clear that invalidating a contract may lead to seriously negative effects dispelled by other stakeholders outside the parties; but the irreducible thing is the invalid judgment. Except that the seller benefits from his misconduct, the buyer, the village collective, and the country all suffer a lot. Rural land regulations are designed to safeguard the interests of farmers,¹⁵ but the implementation of them reaches contrary results. Even farmers often have to seek interests outside the law because of this policy.¹⁶ Then, a hard question is whose interests statutory rules or judicial adjudications are going after.

Second, stringent regulations provide for a legitimate excuse for moral hazard on the grounds of "abiding by the law." Because "many villagers want their houses back through litigation to make more profits,"¹⁷ they are motivated by maximizing interests to follow suit. The villagers "with lopsided psychology" who "wanted to make profits for a second time"¹⁸ forgo their fundamental integrity and honesty. The court would actually announce such actions lawful. The logic behind such case is confusing. Ironically, the party suing to invalidate a contract would then again blame the other party for seeking monetary damages. They accuse the buyers of being morally despicable, "putting their own self-interest above national law and policy," and "entering into a contract to secure high compensation after rescinding the contract, which speaks to a despicable personality."¹⁹ The basic principle that no one can benefit from their own misconduct was already accepted in the Roman law era. It has also been the basic requirement of integrity in legal conducts since the ancient time. If statutes and judicial decisions

¹³ 王小乔 (Wang Xiaoqiao) & 张涛 (Zhang Tao), *supra* note 8.

¹⁴ Material source: <http://www.hjcun.com/html/200908/15/005430836.htm>.

¹⁵ 全国人民代表大会常务委员会 (The Standing Committee of the National People's Congress), *supra* note 10.

¹⁶ The fact that Li Yulan loses this lawsuit makes Hu Jie who is secretary of the party committee of Songzhuang Town confused: why do rural residents have no rights to sell their houses but urban residents do? If they have no rights to sell their houses, how can they handle the old precarious houses? He sold his house to his neighbor several years ago. See 成功 (Cheng Gong) & 徐国允 (Xu Guoyun), *supra* note 12.

¹⁷ *Id.*

¹⁸ *Supra* note 8.

¹⁹ *Id.*

are to support morally hazardous behaviors, how to justify their legitimacy? How to maintain the so-called legal authority? When the law is no longer worth believing in, people tend to believe that there is no better way than to take as many opportunistic measures as possible to maintain their own interests. Moral decline is sometimes a reflection not on morality but on an existing system as a whole.