

## *Abstract*

**Paper 1** examines the concern for relative standing among rural households in China. We used a survey-experimental method to measure to what extent poor Chinese farmers care about their relative income and found that the respondents cared to a high degree. Compared to previous studies in developed countries, the concern for relative standing seems to be equally strong among rural households in China. This should be seen in the light of the rapid change China has undergone, with high growth, increased inequality, and the highest urban-rural income ratio in the world. Thus, the rural population, which is lagging behind, is suffering not only from the low absolute income but also from low relative income.

**Paper 2** studies risky decision-making in a high-stakes experiment with couples in rural China. In the experiment, spouses chose between risky lotteries, first separately and then jointly. We are particularly interested in the (socio-demographic) factors determining (i) the similarity of spouses' individual decisions and (ii) women's influence on couples' joint decisions. We find that spouses in richer households have more similar individual risk preferences. The couple's joint decision is largely influenced by the husband, but women with higher income, more years of education, and communist party membership have a significantly stronger influence on the joint decision.

**Paper 3** investigates farmers' preferences for various property rights attributes of a forestland contract. We find that farmers are highly concerned with what types of rights a contract provides. Reducing perceived risks of contract termination and introducing a priority right in renewal of an old contract significantly increase farmers' marginal willingness to pay (MWTP) for a forest contract. An extended waiting time for rights to harvest the forest reduces a farmer's perceived value of a contract. We also investigate whether accounting for the fact that farmers ignore one or more attributes when answering stated preference questions affects the MWTP, and find it to be systematically lower in the model where we consider that respondents ignore attributes.

**Paper 4** assesses the impact of tenure types, property rights, and harvest quota regulation on farmer investment behavior in Chinese collective forests. We investigate the issue using household survey data from *Fujian* province. The results indicate that investment incentives increase due to the tenure reform. In the reform property rights are gradually established, and confirmed to the individual farmers via a contract. However, some issues remain. Farmers still perceive some tenure arrangements to be more uncertain, which discourage them to undertake plot investments. The harvest quota regulation, introduced for stock conservation purposes, acts as a disincentive in forestry management and development. These evidences imply that there could be even further improvement in investment incentives, if some of these constraints were relaxed through a policy reform.

**Keywords:** Choice experiment, China, Field experiment, Forestry, Household decision-making, Inequality, Ignoring attributes, Investment, Relative standing, Risk, MWTP, Property rights.

**JEL Classification:** C91, C92, C93, D10, D61, D63, Q15, Q23, Q50, Q51.

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