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Resettlement Induced by Dams in China¹²

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ABSTRACT

Massive economic construction in China has caused millions of involuntary resettlers. Of it, the resettlement induced by dams attracted much attention. The paper first reviews the relevant policies, laws and regulations of land acquisition, demolition, relocation and resettlement in different periods. Especially it points out the changes on approval limit and compensation standard. It also describes main policies respectively from the aspects of general and sector special policies, policies in practice and special policies for projects, particularly the new policies on reservoir resettlers. Later, the paper introduces the relevant institutions set for resettlement in China, so as well the general four resettlement implementation phases. Further, the paper compared the involuntary resettlement policies of the World Bank with those of China. As a case, the paper talks about Three Gorges Dam Project on its key resettlement policies, progress and effectiveness. At last the paper summarized China's experience of success in the past decades and also, drew the lessons from the failures.

1 Preface

Based on the statistic dates, from 1950 to the end of 2008, there were 4133 large and middle scale dams in China. The total population figs in the end of 2008 are follows: 19.3 millions displaced and relocated persons in total, in which there were 16.66 millions rural resettlers. When take the account of changed population in the resettled family, the current total population in resettlers' family are 26.14 millions, in which there were 23.49 millions rural resettlers (Liu, 2008). Most rural affected people were resettled with land for land options.

After nearly 60 years' ceaseless research, study and summing up of experiences, the development induced involuntary resettlement works of new China have achieved a great success. This mainly finds expressions as follows: concerned policies and laws have been made from nothing and gradually enriched and perfected; institutional framework and functions have been further clearly defined; resettlement works are going towards standardization and work methods will be more scientific. The number of people affected by various kinds of projects is shown as table 1 (Shi and Chen 2001; Liu, 2008).

2 Policies, Laws and Regulations

2.1 Legal System and the Legislation of China

The legal framework of China includes constitution, laws, administrative laws and rules, administrative rules and regulations, local rules and regulations, international practice and international pacts etc. China pays high attention to the legislation on land and real estate, and more than thirty land laws and rules have been formulated and promulgated in the past 50 years. The history of this legislation has gone through five phases (Shi and Chen 2001):

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² Chapter of Impacts of Large Dams: A Global Assessment, published in Oct 2012 edited by Asit K Biswas by Springer

Phase 1. Land Legislation in 1950s'. The land legislation in this phase mainly resolved three problems: The problems of land ownership, national construction land acquisition and the regulation of urban real estate;

Phase 2. Land Legislation from 1960s' to late 1970s', in this phase legislation was to consolidate and perfect state land ownership, rural collective land ownership and the legal system of construction land and urban real estate;

Phase 3. The land legislation in later 1980s', The main purpose of this phase was to regularize various legal relationships of construction land use, enrich and consummate the legal system, bring into effect the nationalization of urban land, and in 1986, China promulgated "Land Administration Law of PRC";

Phase 4. Land Legislation in 1990s', the key of land legislation lies in the reform of the system of the use of land, i.e., to establish and foster the land market and to strengthen the legislation on the management of land property, "Law of PRC on Administration of the Urban Real Estate" was adopted in 1994;

Phase 5. Since 2004, the central government implemented the strictest policies to minimize the land acquisition impacts in order to protect farmers' interests (Tang and Jia 1999). A lot of policies and regulations were revised. Especially in 2006, Regulations on Compensation for Land Acquisition and Resettlement on Large and Medium-sized Water Conservancy and Hydroelectric Projects (first version in 1991) was updated in August 2006, and the New resettlement policy on post-relocation Support induced by Reservoir project, issued by State Council in July 2006.

2.2 The Development of the Policies on Land Acquisition, House Demolition and Resettlement

The main laws on which the country's land acquisition, demolition, removal and resettlement rely began in November 1953 with the Government Administration Council's promulgation of "National Construction Land Condemnation Measures". Following more than 40 years of practice and development, the State promulgated five land administration laws. The basic principles of these five laws regarding land acquisition was to ensure land using for public construction and try to economize on the use of land, and at the same time to properly arrange resettlers production and livelihood. There are certain application and approval procedures for land acquisition.

Since 1953, the central government has revised the essential land acquisition approval limit and compensation standard many times, e.g., the land acquisition approval limit of county level government were 1000 mu (66.7ha) or below in 1953, and that limit adjusted to 300 (20ha) mu in 1958, further adjusted in 1986 to 3 mu (0.2 ha), and finally was none in 1998 that meant the county level government had no authority to approve land acquisition. If the basic farmland needs to be transferred to construction land, this should be approved by the state council. Changes of the limit of approval right to the construction land acquisition in China are showed in box 1. The approval limit of county government is showed in Figure 1 as an example.

The compensation standard of state construction land acquisition were 3~5 times of the annual average output value (AAOV) of acquired land in 1953, 2~4 times in 1958, 5~20 times in 1986, and are 10~30 times from 1999. From 2004, the compensation can over 30 times according to the State Council Decision to Deepen Reform and Strictly Enforce Land Administration (Document 28 dated November 2004), and the over parts will come from the government's land sale income. Actually in china, 30 times of the AAOV is more than 60 years net income from the land. Box 2 and Figure 2 compare the compensation standards at different years.

Box 1**Changes of the Limit of Approval Right to the Construction
Land Acquisition in China**

“Methods on the National Construction Land Acquisition”, 1953

- County level people’s government: The land requisitioned is less than 1000 mu (15mu=1ha) or the resettlers is less than 50 households.
- Provincial people’s government: The land used is more than 1000 mu and the resettlers are more than 50 households.

“National Construction Land Condemnation Measures”, 1958

- County level people’s government: The used land is less than 300 mu or the resettlers is less than 30 households.
- Provincial people’s government: The land used is more than 300 mu and the resettlers is more than 30 households.

“Regulations on Land Condemnation for National Construction”, 1982;

“Land Administration law of the PRC”, 1986

- County level people’s government: The used cultivated land is less than 3 mu and other land is less than 10 mu.
- Province people’s government: The used cultivated land and garden plot are more than 3 mu or the cultivated land and grass land are more than 10 mu and other land is above 20 mu.
- The state Council: used cultivated land is above 1,000 mu, other land is above 2,000 mu.

“Land Administration Law of the PRC”, 1998

- The State Council shall examine and approve: (i) capital farm land; (ii) cultivated land, excluded in capital farm land, that exceeds 35ha; and (iii) other land that exceeds 70ha.
- The provincial people’s government shall examine and approve: Acquisition of land other than that shall be examined and approved by the State Council.
- This law has cancelled the people’s government below provincial level (at city, county, or the cities at county level) the right to examine and approve land acquisition.

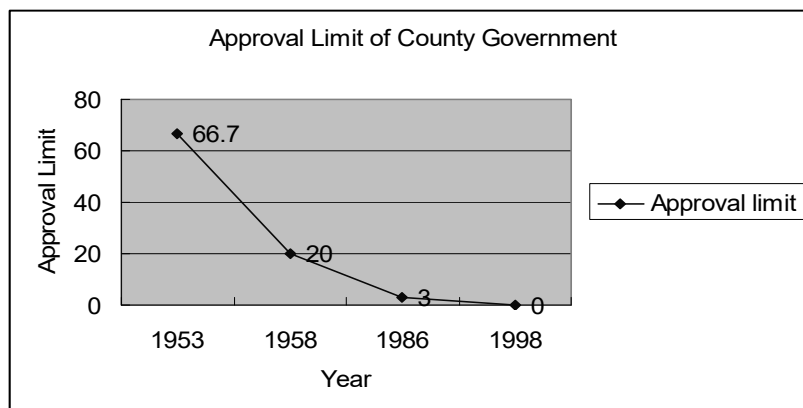


Fig. 1. Land Acquisition Approval Limit County Government

Box 2

The Changes of the Compensation Standard for the Acquisition of Construction Land in China

“Methods on the National Construction Land Acquisition”, 1953

- The compensation for the requisitioned land of the unclassified land shall use the total yield value of last 3~5 years’ as the standard. The compensation standard of special land shall be handled separately.

“National Construction Land Condemnation Measures”, 1958

- The compensation used the total yield value of 2~4 years as the standard.

“Regulations on Land Condemnation for National Construction”, 1982

“Land Administration law of the PRC”, 1986

- Land compensation fee. Cultivated land: 3~6 times the average annual output (last three-year average) value of the requisitioned land.
- Resettlement subsidy. Cultivated land: 2~3 times of the average annual output (last three-year average) value of the requisitioned cultivated land, but the highest resettlement subsidies shall not exceed 10 times of the average annual output (last three-year average) value.
- The total land compensation and resettlement subsidies shall not exceed 20 times the average annual output value of the requisitioned land.
- The compensation for young crops, the attachments, houses, wells shall be prescribed by provincial people’s government.

“Land Administration Law of the PRC”, 1998

- Land compensation fee. Cultivated land: 6~10 times the average annual output (last three-year average) value of the requisitioned land.
- Resettlement subsidy. Cultivated land: 4~6 times the average annual output (last three-year average) value of the requisitioned cultivated land. To the most not exceed 15 times.
- The total land compensation and resettlement subsidies shall not exceed 30 times the average annual output value of the requisitioned land.
- The compensation for young crops, the attachments shall be prescribed by provincial people’s government.

“State Council Decision to Deepen Reform and Strictly Enforce Land Administration” (Document 28 dated November 2004)

- The compensation can over 30 times AAOV
- The over parts will come from the government’s land sale income.

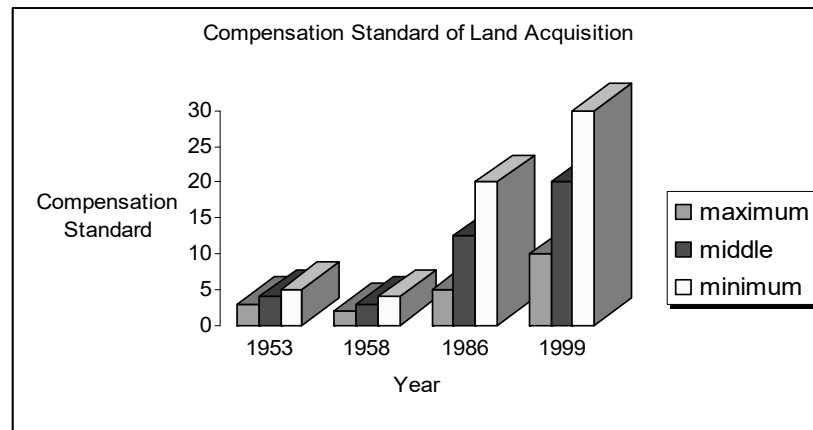


Fig. 2. Compensation Standard of Land Acquisition

2.3 The Main Policies of Land Acquisition, Demolition, Relocation, and Resettlement

The aim of resettlement policy of China is to minimize occupied land and the number of displaced persons. But if this cannot be avoided, it shall spare no efforts to resettle these displaced persons properly under the spirit of “complete responsibility” and correct reconciliation of the state, the collective and individuals, and give consideration to all sides as far as possible. The general principles of the policies on project resettlers are as following: social mobilization, economic compensation, preferential policy formulated by government, support from each side, self-reliance, development of resources, follow-up support etc. The aim of the resettlement policy is making it gradually restore or surpass the previous living standard. For details, please see Box 3 and Box 4.

General Policies

Economize the construction land use and protect cultivated land

The State protects cultivated land and strictly controls conversion of cultivated land to non-cultivated land. In non-agricultural construction, attention shall be paid to minimize the use of land. If it is possible, wasteland and land of inferior quality are encouraged to use instead of the cultivated or land of superior quality.

Use construction land by the law

The State may, for the sake of public interest, lawfully acquisition land owned by the collectives. All units and individuals that need land for construction purposes shall, in accordance with the law, apply for the use of State-owned land, including land owned by the State and land originally owned by peasant collectives but requisitioned by the State. Where land for agriculture is to be used for construction purposes, the formalities of examination and approval shall be gone through for the conversion of use.

Box 3**Main Points of Land Acquisition, Demolition, Relocation and Resettlement Policies in China**

- Non-agricultural construction must economize land and agricultural land must be strictly restricted to turn to construction land.
- The fundamental object of resettlement is to restore the original living standard of affected people.
- Provide compensation and job to collective landowner.
- All compensation and resettlement cost should be included in the budget of the main development project.
- Land acquisition and resettlement plan should get government approval prior to its execution.
- Rural affected people shall be provided with first option of agriculture resettlement on land bases.
- Urban affected people may choose to have house in an appropriate place, to exchange house's ownership or choose cash compensation.
- Interest parties of land acquisition or house demolition should sign contracts on compensation and resettlement.
- Dispute of land acquisition and resettlement can be settled through grievance channel of both administrative and lawful.
- The above principles are applicable to all development projects that require land acquisition.

Compensation for land acquisition

Compensation for requisitioned cultivated land shall include compensation for land, resettlement subsidies and attachments and young crops on the requisitioned land. Compensation for acquisition of cultivated land shall be 6–10 times of the last three years average annual output value (AAOV) of the requisitioned land. Resettlement subsidies shall be 4–6 times with its highest not exceeding 15 times of the last three years average annual output value of the requisitioned land. And the total land compensation and resettlement subsidies shall not exceed 30 times of the last 3 year average annual output value of the requisitioned land. The State Council may, in light of the level of social and economic development and under special circumstances, raise the standards of land compensation and resettlement subsidies for acquisition of cultivated land. Compensation standards for attachments and young crops on the requisitioned land shall be prescribed by provinces, autonomous regions and municipalities directly. For acquisition of vegetable plots in city suburbs, the land user shall pay towards a development and construction fund for new vegetable plots in accordance with the relevant regulations of the State.

For compensation of farmland acquisition induced by Water resources and hydropower projects, the minimum compensation rates should be 16 times AAOV of farmlands since 1 September 2006. The compensation rates could be higher than 16 times of AAOV based on the income restoration needs of resettlers.

Compensation and allocation

A construction unit that wishes to use State-owned land shall get it by such means of compensation as assignment. However, land to be used for the State organs or military purposes; urban infrastructure projects or public welfare undertakings, major energy, transportations, water conservancy and other infrastructure projects supported by the State, may be allocated with the approval of a people's government at or above the county level.

Participation and consultation

The administrative departments in charge of the demolition and removal need to proclaim the demolition and removal propagandize and explain concerned policies and negotiate and sign with local peoples the compensation and resettlement agreement. Local government placards the compensatory resettlement scheme and consult with resettlers and the landowners.

Taking charge by government

Government is responsible of resettlement implementation. The resettlement of the Three Gorges project is controlled by central government and local government. The demolition and relocation of urban houses can be organized by local government according to a universal plan.

Advocating and supporting an on-going policy of resettlement with development

Support the rural collective economic organizations, the land of which is requisitioned and the peasants in their efforts to engage in business development or to open new enterprises.

Sector Special Policies

Post-relocation support

The State adopts methods to provide compensation, subsidies during the preparatory stage and support for production after relocation of resettlers. The period shall be 20 years, starting from the date displaced persons relocated. The fund sources from “the establishment of a reservoir area construction fund” which is drawn from the profits of the project.

Policies in Practice

Mainly using the way of agricultural resettlement

Because most resettlers caused by the land acquisition of project construction are farmers who live mainly on land. To these resettlers, China mainly adopts the resettlement strategy based on land bases, that is, by rearranging land and developing land resources, conducting large scale comprehensive agriculture exploitation so as to make resettlers still live on agricultural production, restore to and improve their original living standard as far as possible. Especially in the regions underdeveloped in economy and culture, the agricultural resettlement that fits local situations is the best way for resettlement. At the same time, government shall encourage the development of secondary and tertiary sectors so as to develop resettlement economy.

Preferential policies

To properly arrange the living and production of resettlers, the state and local government at various levels shall provide some preferential treatments to displaced persons within their functions and powers, such as the reduction and exemption of concerned taxation like housing construction tax and cartilage (homestead) tax and the provision of preferential policies on the restoration of agricultural production, provisions of grain ration, credit, job chances and the allotment of land. The resettlement of Three Gorges project is specially prescribed by the State Council taking the form of regulation. For details, see 1.6.2.

Supporting from all side of Communities

Mobilize all kinds of social forces to help resettlement, for example, each social unit (industrial and mining enterprise, troops and so on) helps resettlers to remove and transport; the departments of civil affairs, women organizations help the old, weak, sick, disabled, women and children; the various walks of life support the economy development of resettlers, and so on. In the resettlement of the Three Gorges Project, the central government also formulated and implemented the policy encouraging the support from comparatively developed area (provinces and cities) to Three Gorges Reservoir area.

Special Policies for Projects

According to the national and local laws and regulations, special land acquisition and resettlement policies are formulated for particular project, Xiaolangdi Multipurpose Dam Project is the case, see Box 4 and Map 1.

Map1: The location of Xiaolangdi Multipurpose Dam Project



Box 4**The Policies Adopted for the Resettlement of
Xiaolangdi Multipurpose Dam Project**

- Compensation for houses and caves should be paid at replacement costs;
- Compensation should be paid at replacement cost for equipment, structures and other facilities in sectors and mines;
- Infrastructure should be reconstructed to restore its original function;
- Resettlement of agricultural population should be land-based wherever possible;
- Land sharing with host villages should be based on the principle of mutual acceptance and should be planned so as to provide higher incomes (from all sources) for relocatees and hosts;
- Houses and community facilities at new town and village sites should be constructed to higher standards than previously;
- The financial resources to carry out the relocation and development proposals should be available when and where required. Development plans should be prepared in concert with relocation plans;
- All the daily wage labors will receive a compensation equal to 3–6 month salary;
- If sharing farmlands does not result in achieving target incomes some of the labor force should be offered non-agricultural employment opportunities;
- Population affected should not only maintain their present living standard but also be entitled to potential benefits of the projects;
- To minimize and shorten the transitional period of resettlement, possible assistance should be rendered both from social and economic aspects;
- Resettlement should be realized through agricultural employment and employment in newly built or expended industrial enterprises and tertiary sectors, re-establishment of social and economic life of the affected population should be based on reliable and practical employment solutions;
- Changing in occupation will have to give consideration to the original back ground in education and employment of the affected population; changing of livelihood should on voluntary basis;
- Resettlement of agricultural population should be land based if possible;
- With the aim of increasing income level of affected population as well as population in the hosting areas, land shared with hosting areas should be settled acceptable to both sides and according to planning;
- Rehabilitation proposal should be acceptable and seek for comments from affected population;
- Relocation distance should be as near as possible and try to relocate the same group of community collectively;
- Resettlement rehabilitation plan should try to reduce existing land loss;
- Resettlement rehabilitation plan should include detailed institutional arrangement so as to ensure the implementation of resettlement plan in a timely and effective way;
- Funds should be timely provided for resettlement rehabilitation and development plan, development plan should be prepared based on resettlement planning;
- Impact on the natural, social, economic and environmental conditions of the hosting areas should be acceptable;
- Only those economically viable enterprises will be relocated, while compensation to those economically non-viable enterprises will be used in creation for employment opportunities;
- Capabilities of affected infrastructure such as roads and bridges should be restored or even be upgraded;
- If land shared can not satisfy the expected income level, non-agricultural employment opportunities may be provided to some of the labor force;

Dependents of staff or workers who for state enterprises may be transferred to non-agricultural organizations under voluntary basis, compensation to these staff or workers will be paid to the agencies or government organizations for which they work and these agencies are entitled for provision of employment to the affected people.

2.4 New Policies on Reservoir Resettlers

Realizing the insufficiency of the former policies and the difficulties that the resettlers suffered, also with the capability improvement by the national economy development, the State Council updated the Regulations on Compensation for Land Acquisition and Resettlement on Large and Medium-sized Water Conservancy and Hydroelectric Projects (first version in 1991) in August 2006, and issued the New Resettlement Policy on Post-relocation Support induced by Reservoir Project in July 2006. The aims of these two regulations are to compensate the resettlers in the past time and make the relevant resettlers enjoy the benefits of projects and social economy development as much as possible. Table 2 compares the differences between the new policies and the old policies (Shi et al. 2007; Liu, 2008).

Table 1. New Policies on Reservoir Resettlers

Key points		New Policy	Old Policy
Minimum standard	Compensation	- 16 times of AAOV - The compensation standard can be increased if the compensation can't restore the affected person's livelihood	- 10 times of AAOV
	Compensation scope	- Compensation for individual asserts (house, trees etc.) in the inundated area and that above the inundated line for outside relocation resettled households - The quantity of all individual impacted asserts should be confirmed by affected households and County government. - During RP planning period, affected persons' opinions need to be incorporated into the final RP - The compensation standard, compensation scope, compensation fund and the rehabilitation plan should be disclosed to the public	- Compensation for individual asserts (house, trees etc.) in the inundated area - The content in the left column was implemented in many projects but had not been issued in the formal policies or regulations.
	Public participation	- The houses need to be rebuilt by the affected persons themselves	
	Post-relocation Support	- Annual post-relocation fund 600 yuan RMB per year per capital*20 years after relocation	- 250–400 yuan RMB*5 years

Note: Exchange rate in November 2007 was about USD: RMB =1:7.5

3 Institutional Arrangements

There are now three levels in China's Resettlement and Rehabilitation (R&R) organizations. The first level is the administrative level of the Central Government, i.e., the State Council and its ministries and institutions. The second one is the management sector and concerned government agencies of provincial, municipal and county government, including management sector, land management sector, house removal management sector, supervisory committee and judicial institutions. The third one is the institutions for implementing and servicing like project owner (including the institutions that are employed to work for the project owner, such as design institution, monitoring and evaluation institution) and the R&R institution trusted by the owner. In China, the difference of R&R between projects of different sectors lies in different implementing agencies and sector management department.

The major institutions for resettlement operation are the management sector, project owner and implementing agencies, which play the key roles in resettlement activities and are responsible for policy formulating, plan approving and monitoring. At present, in water resources and hydropower sectors, Resettlement Bureau of MWR, and the Resettlement Development Bureau of Three Gorges Project, and the Resettlement Department of South to North Diversion Project are responsible for R&R.

Resettlement Planning and Design Unit. In China, the technical works for reservoir resettlement planning are mainly prepared by the design institutions affiliated with MWR and National Power Corporation and that at province/ministry level or some experienced research institutions since they have professional staff employed on social-economic survey, resettlement planning and resettlement engineering design. They have fairly abundant practical experience, and are the main technical consultants for the project owners and local governments. There are no professional staffs on resettlement planning in planning and design institutions of other sectors.

Resettlement Monitoring and Evaluation Institutions. In China, the resettlement monitoring and evaluation institutions are usually research institutions, consultant services, some colleges or universities, and professional divisions under Chinese Academy of Social Sciences. Besides the dam projects such as Shuikou, Ertan Daguangba, Xiaolangdi and Jiangya financed by World Bank (WB), the Three Gorges Project and the South to North Water Diversion Project also conducted monitoring and evaluation.

The involvement of WB in China's dam projects not only provided the fund support but also promoted the development of resettlement in China. WB's resettlement guideline clearly regulated the goal, ways and procedures, which made it easily to learn the international ideas, rules and methods. Following WB's resettlement request and linking it with China's policies and realities helped the advancement of project management by stressing the emphasis on the resettlers. On the other way, China's resettlement experiments are also important to the WB for the improvement of their resettlement policies and its international extension. Xiaolangdi, Shuikou and Ertan projects, funded by the WB, have been the successful dam resettlement examples for other countries to learn.

The resettlement supervising system in water conservancy and hydropower sectors is being probed and practiced in dam projects like the Three Gorges, Xiaolangdi, Wanjiazhai, Shanxi and Mianhuatan.

The auditing department is one of the supervising units of resettlement; the audit departments at different levels are responsible for auditing the funds utilization as well as the staff economic duties.

In China, the main non-government organizations engaged in resettlement work are the National and Provincial Reservoir Economic Committee and Urban House Removal Committee, yet their main functions are academic exchange and consultation.

4 Resettlement Implementation

Generally speaking, the resettlement implementation in China can be divided into three phases:

4.1 Preparing Phase

It induces project selecting, feasibility study, preliminary design, and design approval. The resettlement work in this phase is to carry out the social economic survey and prepare the resettlement plan.

4.2 Implementation Phase

It starts when the preliminary design has been approved. Generally, the contract is signed firstly between the project owner and the local province government. Then between the province-city-county-township-village will sign the contracts or agreements each other. In particular cases, the affected families can directly sign agreement with county government. In this phase, the owners and the local government will prepare the implementation programme according to the approved preliminary design. Many complicated work will be conducted in this phase, such as houses demolishing, land clearing, relocation, labors arrangement, infrastructures and house reconstruction, special facilities reconstruction, funds management, disputes handling and coordinating.

4.3 Acceptance Checking and Post-support Phase

After the relocation being completed, the project will be checked and accepted by the owner, design unit, implementation unit, and government at each level according to design standard. A formal document must be prepared after checking and acceptance. After that, it will enter a 20 year post-support period. If necessary, a post-evaluation can be made after post-aiding period.

4.4 Income Restoration Phase

By now, the following methods are taken for the production recovery of the rural resettlers in China: adjusting the rest cultivated land after land acquisition, the rest cultivated land will be readjusted within the villages and groups to ensure each villager can get a piece of necessary land; exploiting waste land and protecting reservoir area to increase cultivated land; improving the low yield land with irrigation; establishing towns and villages enterprises and joint-ventures; state-operated, collective-owned enterprises employment; Endowment insurance, living allowances; self-employment; and family non-agriculture business.

5 Comparison between WB's Involuntary Resettlement Policies and China's Policies

As a whole, the resettlement policies of WB are basically same as that of China. For details, please see table 3 (Zou 2002, Shi, 2009). However, the resettlement policy of WB pays more attention to resettlement planning, plenary consultation and participation, social conformity, the resettlement of the vulnerable group, impacts on the residents in host area, monitoring and evaluation (Chen 2001.; Shi, 2009).

Table 2. Comparison of WB Resettlement Policy with Chinese Policies

Number	WB Resettlement Policies	Current Stipulations of Laws and Practically Adopted Policies
1	Involuntary resettlement should be avoided where feasible	The "Land Law" regulates, "strictly control transferring farmland to construction land", "special protection should be offered to cultivated land", "strictly control transferring farmland to non-farmland".
2	Where population displacement is unavoidable, it should be minimized by exploring all viable project options	Saving land usage in non-agriculture construction. Use waste or inferior land instead of the cultivated land and superior land. Make full use of existing construction land in urban construction. There should be no or less occupation of farmland.
3	People unavoidably displaced should be compensated and assisted, so that their economic and social future would be generally as favorable as it would have been in the absence of the project	It is regulated in "Land Law", "Regulations Governing Urban House Demolition and Relocation" and relevant laws that compensation and helps should be supplied when land is acquired and houses are demolished.
4	People affected should be informed fully and consulted on resettlement and compensation options	The new "Land Law" regulates that after the determination of compensation and resettlement plan for land acquisition, it should announce to the public by local governments. The opinions of the peasants and rural collective organizations should be considered. It is stipulated in "Regulations for Urban Houses Demolishing and Removal" that the demolishing units and the demolished units should sign written agreements on compensation, resettlement, management and other problems.
5	Existing social and cultural institutions of resettlers and the host community should be supported and	No distinctive stipulations in laws. The resettlers should be resettled in local towns, local counties to the largest extent

	used to the greatest extent, and resettlers should be integrated economically and socially into host communities	
6	The absence of a formal legal title to land by some affected groups should not be a bar to compensation; particular attention should be paid to households headed by women and other vulnerable groups, such as indigenous peoples and ethnic minorities, and appropriate assistance provided to help them improve their status	The compensation policies for women are same as those for men. At the same time, the women's rights insurance laws are also applied to women. The same policies are applied to ethnic minorities as to other races. At the same time, the Autonomous Regional Laws are also applied to the ethnic minorities. Specific laws have been made for women and the ethnic minorities in China. It is stipulated in "Regulations Governing Urban House Demolition and Relocation" that the illegal buildings and the expired temporary buildings should not be compensated
7	As far as possible, involuntary resettlement should be conceived and executed as a part of the project	It is required in the "Land Law" and the "Regulations Governing Urban House Demolition and Relocation" that land acquisition and houses demolishing should be approved. It is required in reservoir projects that the construction can commence only after the approval of the resettlement plan.
8	The full costs of resettlement and compensation should be included in the presentation of project costs and benefits	There are no specific stipulations in national laws; It is stipulated in sector regulations and norms that the budget of land acquisition and houses demolishing should be included in project budget; But the special subsidies from local governments and social districts should not be included in project budget.
9	Costs of resettlement and compensation may be considered for inclusion in Band loan financing for the project	There are no specific stipulations in national laws.
10	Stakeholder participation in resettlement planning and implementation	It is regulated in "Land Law", "Regulations Governing Urban House Demolition and Relocation" and relevant laws that compensation and helps should be granted when land is acquired and houses are demolished. It should be agreed by 2/3 of the villagers when agreement of contracted lands needs to be readjusted. The Regulation of Urban House Demolishing stipulates that house remover and remove should sign a written agreement on compensation and resettlement.
11	Clear mechanisms for grievance redress	The new Land Law has explicit stipulation of dispute adjudication on land ownership and land access. Regulations Governing Urban House Demolition and Relocation also has similar terms.
12	Full disclosure of resettlement plans and implementation information to affected persons	The new Land Law requires local governments to openly publicize land acquisition compensation and resettlement plan. Regulations Governing Urban House Demolition and Relocation prescribes to publicly announce the remover, scope and deadline of demolishing. The resettlement scheme should consult with the affected people.
13	Resettlement monitoring and evaluation conducted by an independent third-party.	From 1990 project management, monitoring and evaluation have been conducted in the dam projects. Project management includes controlling the resettlement progress, quality, and investment. It also covers the organization and coordination, so as well the contract management and information management. Project monitoring and evaluation watches the whole process of resettlement and provides suggestions when necessary

6 Case study – Three Gorges Dam Project

6.1 Basic Information

The Three Gorges Dam project is the largest Hydropower project in both its capacity of power and the number of involuntary resettlers. It caused about 1.3 millions Affected Persons (APs), in which 44% were farmers and 56% were urban citizen in 2 provinces and 21 districts or counties. There were 1,599 enterprises and 11 towns, 2 cities inundated in the reservoir. There were 175,000 rural APs relocated with long distance in 11 coast or downstream provinces, others relocated within county. Most affected rural farmers were resettled in land for land option. The resettlement budget was 40 billions yuan RMB based on the price in May 1993, which was 44.6% of dam project budget (97 billions yuan RMB). The 1.1 million APs have been relocated before July 2006 smoothly

6.2 Key Resettlement Policies Points

The Main Points of the Resettlement Policies for the Three Gorges Dam Project are:

- The central government will carry out a policy of resettlement with development for the Three Gorges Project. Concerned local governments will directly organize and manage the resettlement work through comprehensive plans, which will ensure the standard of living of the displaced persons to at least restore or exceed the former level. This will create conditions for the long-term economic development and improvement of the standard of living of the project affected people in the Three Gorges reservoir area.
- The Three Gorges Project upholds the resettlement principles of national support, policy preferences, support from all quarters, and self-reliance. Rightly dispose relationship among the State, collective and individuals.
- Resettlement operations shall consider construction progress of the project and the Three Gorges reservoir area, as well as the procedure of opening of the project area to the outside world, soil and water conservancy, and environmental protection. This will help to promote regional economy, improve the ecological environment, and create an attractive investment climate in the Three Gorges reservoir area.
- It is necessary to prepare a resettlement plan for the Three Gorges Project. The resettlement plan of each county (or city) shall be examined and approved by the Three Gorges Project Resettlement Development Bureau of the State Council. The people's governments of Hubei province and Chongqing City and lower levels of people's government in the Three Gorges reservoir area are responsible to implement the approved resettlement plan. They are under supervision of the Three Gorges Project Resettlement Development Bureau.
- People's governments of Hubei province, Chongqing City and other cities or counties located in Three Gorges Project area will, according to plan, united arrange the compensation paid for the land acquisition. The compensation is to be used for the land development, resettlement of displaced people and arrange their living and production.
- The resettlement of rural displaced persons mainly depend upon the development of mega-agriculture, through the development of cultivated land, the improvement of medium and low yield fields, the building of consistently high yield grain fields and commercial crops, orchards and forests, and the development of forestry, animal husbandry, fisheries, and sideline occupations. Town and village enterprises are encouraged. And if condition permits, secondary and tertiary sectors shall actively develop. These are sound approaches for resettlement.
- The project affected people should be relocated in or near their original villages, towns, counties, or cities (districts). When local resettlement is impossible, they may be resettled in the same province (city). If this is still impossible, they will be resettled to a proper place following the principle of being rational and economy.

- When the rural displaced persons have to be resettled to rural collective economic organizations other than their own village, concerned resettlement organizations of cities (districts) must sign agreements in advance with the host villages, and these rural collective economic organizations shall arrange the production and living for resettlers according to the agreements.
- When these organizations received the resettlement fee from the government to reclaim the wasteland where is below latitude 25°, improve medium and low yield fields which owned by the collective, they can accept the resettlers and make uniform arrangement with their original members. The people's governments of concerned cities (counties) may allocate newly reclaimed land in a certain proportion to the collective organizations as the compensation, the rest allocated land will be used to resettle displaced persons and then establish new collective economic organizations. The ownership of land can be transferred in accordance with law. To the land contracted to the individuals and other land, the rural collective economic organization can adjust the land use and management right, right and obligations of both parties of a land contract can also be adjusted.
- When resettlers have to be resettled outside their original county or city (district), the local governments and host government shall negotiate and sign agreements with the displaced persons and complete necessary procedures. Local governments shall transfer the commensurate resettlement funds to the host governments for the arrangements of resettles' production and living
- When rural residential sites have to be moved, the convenience for production and daily life must be considered during planning. New residential site construction plans must be prepared according to law, and carried out in stages and by parts. Compensation for removal of dwellings should be contracted with individual households in accordance with rural housing compensation standards, and allow the affected people to build new houses by themselves. Where conditions permit, the state government encourages centralized house construction.
- The infrastructure for newly constructed rural dwelling sites such as roads, water and electricity supply shall have integrate plan which shall be included in the master resettlement plan of the Project, the infrastructure may be constructed villagers.
- When construction of the Project requires the removal of cities and towns, it is important to select new sites and prepare city reconstruction plan according to law. The removal and construction compensation in accordance with resettlement plan will be listed in resettlement budget of the Project. Those construction items and scale excluded in or higher than resettlement compensation standards shall be financed by the local people's governments concerned.
- Compensation standard for urban houses demolished and removed by the construction of the Project will be made according to Regulations Governing Urban House Demolition and Relocation.
- Compensation for enterprises and institutions that required removal by the Project shall be made according to their original scale and standards at replacement price, considering overall technical innovation and industrial structure readjustment. The actual reconstruction cost that exceeds approved resettlement budget due to expanding the scale or raising the standards shall be born by the concerned local government.
- Special facilities such as highways, bridges, ports, wharves, water conservancy projects, electric power facilities, transmissions lines, and broadcast lines, or cultural relics that are flooded to impound water of the Project, if need, shall be rebuilt above the inundation line at reasonable cost. Investment needed to rebuild the facilities on the original scale and at the original standards, or to restore the original functions (including the actual mileage of new highways, transportations lines, or broadcast lines), after verification, shall be included in resettlement budget. Should the investment have to be increased due to an expansion of the scale or the raising of standards, the additional investment shall be managed by concerned units.
- Resettlement funds of the Project separated from the general project estimate shall be listed among the central government budget plan. Resettlement funds must be used for specific purposes and should not be diverted to other uses. Local responsible governments and the persons in charge of resettlement institutions will receive regular audit done by the central government.

6.3 Progress and Effectiveness

By the end of 2008, 1.128 million people have been moved out and relocated, accounting for 99.1% of the planned task. 34.11 million m² houses have been constructed, accounting for 98.8% of the planned task. 1397 industrial and mining enterprises have been relocated, accounting for 100% of the planned task. (Wang Hongju, 2009)

Reservoir Areas

Great social and economic changes have taken place in the reservoir area, and the resettlers' living quality has been steadily improved. The average annual increase of GDP of the 15 counties in the reservoir area is 10.3%, which is 0.2 percentage point higher than the average level of Chongqing Municipality. The per capita floor space of rural resettlers and urban resettlers is respectively 41 m² and 25 m², which both increases about 10 m² compared with before. The population of absolute poverty was reduced from 1.022 million to 327,000 last year. Generally speaking, in the concentrated resettlement sites water supply, power, road, education and other municipal services are better than before. But it still has some challenges in sustainable livelihoods especially in some rural families which resettled nearby the reservoir.

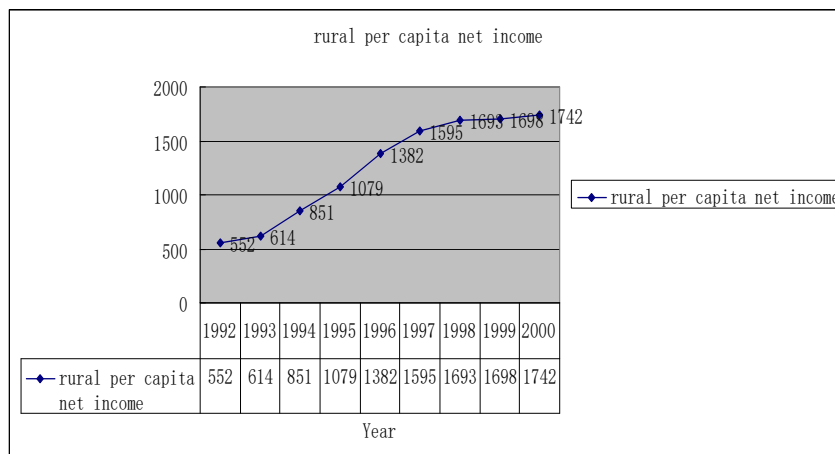


Fig 2. Rural Per Capita Net Income of Resettlers in Chongqing Reservoir Areas

Resettlement outside Chongqing

Great changes have also taken place on the resettlers who moved out and were relocated in other provinces. A nationwide survey organized by Office of State Council Three Gorges Construction Committee was conducted in 2003 to find the restoration status of these resettlers' living standard and production. The target population was 1756 rural households with 7321 persons, who migrated to Shanghai, Zhejiang, Anhui, Fujian, Jiangxi, Shandong, Hubei, Hunan, Guangdong and Sichuan Province from Chongqing City. Sample size and distribution is showed in table 4.

Table 1.4. Sample Size and Distribution of the Nationwide Survey in 2003

Province	Guangdong	Shandong	Anhui	Hunan	Fujian	Sichuan	Jiangsu	Zhejiang	Shanghai	Hubei	Jiangxi	Total
Sample size (HHs)	31	40	42	30	40	65	40	39	51	37	25	440
Proportion (%)	7.0	9.1	9.5	6.8	9.1	14.8	9.1	8.9	11.6	8.4	5.7	100.00

Generally speaking, findings of this survey indicated that the resettlement for Three Gorges Project have got staged achievement. Most of the surveyed resettlers were satisfied with the resettlement policies and their living and production condition have been widely improved.

Production Condition

- Per capita land holding of resettlers was 1.60 mu, while that before resettlement was only 1.3mu;
- 63% of the interviewees thought the level of farming mechanization was improved;
- While most of the resettlers still kept their agricultural production, more and more people gained income from non-agricultural jobs;

Living Condition

- The structure of the resettlers' houses was improved a lot. 60.3% of the people were living in storied houses while the percentage was 44.1% before the resettlement;
- Regarding to the convenience of various living conditions, more than 75% of the interviewees thought they were convenient. Details see Table 5.
- More than 90% of the interviewees had been accustomed to the new living environment.

Table 5. Convenience of the Living Condition

	Very convenient	Relatively convenient	Commonly convenient	Inconvenient	Very inconvenient
Purchasing daily necessities	40.5	42.0	13.4	2.5	1.6
Purchasing non-staple food	38.4	43.4	14.8	2.0	1.4
Purchasing means of production	34.2	44.2	13.9	5.9	1.8
Medical services	35.3	40.5	14.6	6.4	3.2
Transportation to other places	45.0	33.6	16.8	3.2	1.4

Figure 3. Adaptability of Production and Living Condition

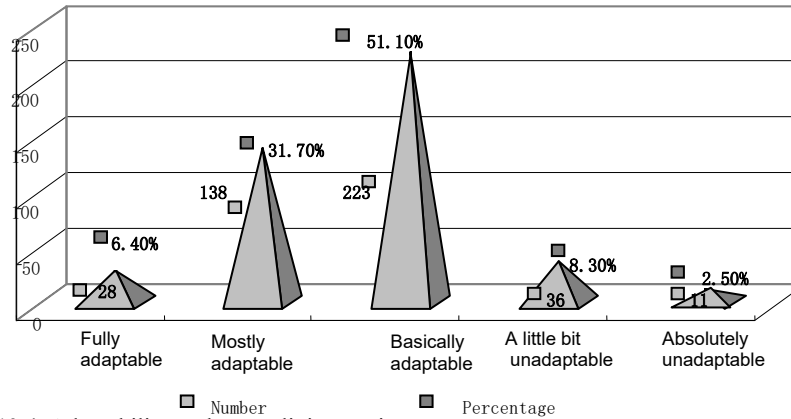


Figure 10.4. Adaptability to the new living environment

In general, most resettlers have been accustomed to the new life in the host area, although to different extent. 166 persons, about 38.1% of the interviewees, thought they could totally or mostly get used to the new environment. 223 persons, about 51.1%, said they just got used to the new environment. Only 10.8% interviewees reflected that they could not adapt to the new life.

7 Experience and Lessons

7.1 Experience of Success

According to the resettlement policies and practices in the past 40 years, especially the last 20 years, we can conclude that the success of resettlement are mainly attributed to: high degree of attentions paid to resettlement, forceful leadership and efficient government institutions at each level; well established resettlement policy and legal framework, which ensure the resettlement to be carried out in an order and efficient way; high importance attached to the resettlement planning, social-economic investigation, and income recovery of displaced persons; take various methods and development-oriented resettlement to restore or improve the production and livelihood of the displaced persons; active involvement of displaced persons; external monitoring and ensuring system. In recent years experiments have been conducted on the benefit sharing mechanism. Through this mechanism, resettlers and project owners will share the benefits from the development of the hydro-power projects.

7.2 Lessons of Failures

Resettlement policies and practices before 1980s showed that the failure of resettlement are mainly attributed to: the guiding ideology of “value civil works of projects above resettlement”; lack of efficient agencies of project owners and governments; lack of laws and regulations to guide the houses demolishing from 1950s to the beginning of 1980s, which led non-standardization and capriciousness to the compensation and rehabilitation; neglecting resettlement planning; incorrect administrative interference; few failure resettlement investment which lead to difficulties of income recovery; in some projects, the compensation standards for land acquisition and resettlement are not publicized, the opinions of displaced persons to resettlement programme were not sufficiently respected, the involvement of

displaced persons was not enough; the research and training on resettlement could not meet the actual needs.

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