



**URBAN HOUSING DEMOLITION AND HOUSEHOLD
RELOCATION COMPENSATION:
A CASE STUDY OF COMPENSATION PRACTICES IN
CHINA BASED ON SOCIAL IMPACT ASSESSMENT**

MASTER THESIS

By

Yi Wang

S2057433

yiwang19881207@yahoo.com.cn

Supervisor: Prof. dr. Johan Woltjer

Environmental and Infrastructure Planning Program 2010-2011

Faculty of Spatial Sciences

Rijksuniversiteit Groningen

31th of August, 2011

Abstract

Title: Urban Housing Demolition and Household Relocation Compensation: a Case Study of Compensation Practices in China Based on SIA

Author: Yi Wang

Supervisor: Prof. dr. Johan Woltjer

This research is about the social impacts by compensation which is made for relocated residents involved in urban housing demolition and household relocation projects in China. There are two objectives of this research. One is urban housing demolition and household relocation compensation policy and system, and the other is trial application of so in compensation cases. This research consists of three steps

Academic literature on topics of urban housing demolition and household relocation and compensation and social impact assessment are reviewed to provide basic knowledge and theoretical framework for further elaboration of China's situation and cases. Then, the transition process of Chinese compensation system and policy is explored to link the knowledge with contexts. Finally, six cases in eastern developed coastal areas are selected and divided into two types, sudden wealth by compensation and forced demolition. In these areas, actual compensation measures and standards are given and expressions of social impacts are examined by 8 types of social changes drawing on internet resources as well as official documents. The results of cases study indicate that in first type social impacts by changes of personal and property rights and people's way of life are predominant, while in second type changes of personal and property rights and political system have more significant impacts. In the end, a predicting framework is established as a further step to apply SIA in future compensation practices.

Keywords: Urban Housing Demolition and Household Relocation, Compensation, Social Impact Assessment, China

Preface

After getting an engineering Bachelor Degree in China, I have been admitted to the Master Degree Programme of Environmental and Infrastructure Planning in the University of Groningen. As I will go back to China after this program, it's reasonable to utilize the knowledge and skills I have learned throughout this year to analyze and study a topic to be solved in China. Therefore, I have chosen to focus my thesis research on the compensation system and policy of urban housing demolition and relocating in China, which results from the rapid infrastructure planning and construction.

Combining the theoretical foundation with the contextual situations and practices in China is not easy. As first, I felt greatly confused and worried about whether I choose a topic that could be accomplished within my research competence. Therefore, I would like to appreciate my supervisor, Prof. dr. Johan Woltjer, who have been guiding my thesis work and providing me with the freedom to undertake this research as what I have expected. I am also grate of his help to arrange my thesis finalization within schedule. I particularly appreciated Dr. Ruijie Liu for his suggestion on research outline and direction.

I would also like to thank my friends, especially in China for offering me access to Chinese publication. I am grateful to classmates and friends I met in Groningen for their help and support during this one year program, especially to Shuangzhi Liang, the only Chinese student of EIP program last year who encourages me a lot during the final days of thesis writing so that I didn't give up.

I have to express my appreciation to my cousin, who is doing her Ph.D. in the University of Groningen, for taking care of me during my stay here. Last but not least I want to thank my parents for their material and moral support to offer me such a valuable chance to study in the Netherlands which I will cherish forever.

Groningen, August 31, 2011

Yi Wang

Table of Content

ABSTRACT	I
PREFACE	II
TABLE OF CONTENT	III
LIST OF TABLES	VI
LIST OF FIGURES	VII
Chapter 1 Introduction.....	1
1.1 Background	1
1.2 Problem statement.....	2
1.3 Research objectives and questions	4
1.4 Significance of research	5
1.5 Research methodology	5
1.6 Structure of the thesis.....	7
Chapter 2 Theoretical Perspectives.....	9
2.1 Urbanization and urban housing demolition and household relocation	9
2.1.1 Urbanization	9
2.1.2 Urban housing demolition and household relocation	10
2.2 Compensation for urban housing demolition and household relocation	11
2.2.1 Compensation objectives.....	12
2.2.2 Compensation stakeholders	13
2.2.3 Compensation forms.....	13
2.3 Conceptualizing social impacts	14
2.4 Basic concepts of Social Impact Assessment	16
2.4.1 New definition of SIA	16
2.4.2 Values, principles and guidelines	17
2.5 Summary	18
Chapter 3 Urban Housing Demolition and Household Relocation Compensation	

System and Policy in China	20
3.1 Introduction	20
3.2 Current urbanization process and urban housing demolition and household relocation in China.....	21
3.3 Transitional analysis of compensation system and policy in China.....	22
3.3.1 1949-1978: Planned economy period	22
3.3.2 1978-1991: Early reform and open period	23
3.3.3 1991-1998: Official establishment of urban housing demolition and household relocation compensation system and policy period.....	24
3.3.4 Since 1998: New era of urban housing demolition and household relocation compensation system and policy	25
3.4 Developing tendency of urban housing demolition and household relocation compensation system and policy.....	26
3.4.1 Constitutional administrative foundation for urban housing demolition and households relocation compensation	26
3.4.2 Enact of Property Law	27
3.4.3 People-oriented scientific development perspective	27
3.4.4 Newly issued Buildings Expropriation on State-owned Land and Compensation Regulations	28
3.5 Comparison between international and China's elements of compensation..	28
3.6 Summary	31
Chapter 4 A Case Study of Compensation Practices in China.....	32
4.1 Introduction	32
4.2 Case study	33
4.2.1 Sudden wealth by compensation	35
4.2.2 Forced demolition.....	47
4.2.3 Establishing social impacts predicting framework.....	59
4.3 Summary	59
Chapter 5 Conclusions and Recommendations	63

5.1 Conclusions	63
5.2 Recommendations	68
References.....	70
Appendix	77

List of Tables

Table 4.1: Compensation measures and standards for Dawangjing Village	37
Table 4.2: Social impacts by Dawangjing Village compensation practice	37
Table 4.3: Compensation measures and standards for Xintang Village.....	39
Table 4.4: Social impacts by Xintang Village compensation practice.....	40
Table 4.5: Compensation measures and standards for Gangxia Village	42
Table 4.6: Social impacts by Gangxia Village compensation practice	43
Table 4.7: Significance of social impacts by cases of sudden wealth by compensation ...	44
Table 4.8: Compensation measures and standards for Caohua Town.....	48
Table 4.9: Social impacts by Caohua Town compensation practice	49
Table 4.10: Compensation measures and standards for Meihuli	51
Table 4.11: Social impacts by Meihuli compensation practice.....	52
Table 4.12: Compensation measures and standards for Badahu.....	53
Table 4.13: Social impacts by Badahu compensation practice	54
Table 4.14: Significance of social impacts by cases of forced demolition	56
Table 4.15: Social impacts predicting framework	61

List of Figures

Figure 1.1: Research methodology	7
Figure 2.1: Integrated framework for environmental and social impact	16
Figure 2.2: SIA process.....	18
Figure 2.3: Research framework.....	19
Figure 3.1: Percentage urban population in China	21
Figure 4.1: Chinas' urban development pattern: the four zones	32
Figure 4.2: SEZ and DZ in eastern coastline of China	33
Figure 4.3: Case study framework.....	35
Figure 4.4: Comparison of compensation standard and average price of commodity housing in Beijing, Guangzhou and Shenzhen	45
Figure 4.5: Procedure of applying forced demolition implementation in Mr. Zhang case	49
Figure 4.6: Comparison of compensation standard and average price of commodity housing in Shanghai, Tianjing and Qingdao.....	57
Figure 4.7: Conflicting rules in different regulation and law	58

Chapter 1 Introduction

1.1 Background

With the rapid development of economy and process of urbanization especially after reform and open policy in China, a market-oriented transformation in urban planning has promoted intensive urban redevelopment (He and Wu, 2007). Since the 21 century, the state has loosened the 1980s and 1990s urban development policy which restricted the scale development of big and mega cities to promote development of middle and small cities (Niu and Pan, 2007). The policy transition has made urban redevelopment in the forefront of China's emerging neoliberal urbanization (He and Wu, 2009), which motivates a great number of cities to resort to tremendous urban housing demolition and consequent household relocation to improve the deteriorated environment of the old town and to seek for new development opportunities (He and Wu, 2007).

In this urban redevelopment process, housing demolition and household relocation has become contentious and many social conflicts are emerging (Wu, 2004). Among these issues, compensation is one that draws a lot of attention recently. According to the China Serial Research Report of Urban Demolition and Household Relocation (website: QQ News [2011-08-31]), demolition and household relocation issue has become one of the most prominent problems among various social contradictions. The survey results show that over half of investigated residents are not consent with housing demolition and relocation activities due to unsatisfactory compensation. 35.8% of these residents claim that they are compensated under the market price. 14% of residents claim that they are undercompensated compared to other household of similar conditions. The rest, 9.7%, claim that they get inconsistent compensation rather than what has been promised in contracts at beginning.

The survey results also reflect that only the economic aspects of compensation, e.g. private property rights and consequential financial loss, is mainly concerned by these interviewed residents. Other social impacts by compensation, such as changes of life style and culture by relocation, etc. are barely manifested (website: QQ News [2011-08-31]). With the development of society and improving levels of demands, Chinese people begin to care more about these social rights in urban redevelopment in addition to subsistence rights (Leaf, 1995). Moreover, the

strategic principle by the state, described as establishment of “harmonious society”, also implies the importance of balancing these various social rights of citizens. Improperly dealing with social equity caused by compensation activities in urban housing demolition and household relocation practices might even induce other contradictions among various groups of stakeholders (He and Wu, 2009).

Drawing on these backgrounds, a better understanding of urban housing demolition and household relocation policy and system and consequential social impacts could make endeavors to facilitate urban redevelopment, the social outcomes of which at the neighborhood level is still “insufficient and fragmented (He and Wu, 2007, p.195)”. This research hopes to help planners and other public agencies to better balance the interests involved in urban housing demolition and household relocation compensation practices among all stakeholders, and attempt to alleviate negative and strengthen positive social impacts by compensation practices.

1.2 Problem statement

As clarified in the China’s Constitution (1982), the urban land is owned by the state. Meanwhile, the Amendments to Constitution (2004) also rules that the State may, in the public interest and in accordance with law, expropriate or requisition land for its use and make compensation for the land expropriated or requisitioned. These laws and regulations provide legal foundation of compensation activities. However, when implemented, a lot of problems have emerged.

When local government resorts to compulsory demolition and relocation projects in already built areas, *public interest* should be the starting points, which is clearly prescribed in the China’s Constitution. When land leasing method through negotiation instead of public bidding and auction still took a large proportion of land acquisition, many developers managed to develop business projects on land that was obtained for non-business projects for more profits (He and Wu, 2009). These corruption phenomenon between local government and developers are still existing in many places, which is considered as the tension between central government who hopes to stop speculative and corrupt land leasing through negotiation and local government who hopes to attract more investment by developers and consequential reciprocal deals (He and Wu, 2009).

Actual cases could be found in Badahu in Qingdao, Meihuli in Tianjin and Hunanlu in Nanjing, etc. The mismatched public interests and business interests have made the public question the rationality of compensation measures, scope and standards.

In the old *Urban Buildings Demolition Relocation Administration Regulations* (2001), compensation is only made for the loss of ownership and price of the demolished houses. Chan (2003, p.145) argues some shortcoming of these regulations and subsequent implementation in practices such as unrecognized just terms compensation principle, limited consequential loss compensation, undefined interest in land, etc. In addition, although certain monitoring programs should be established to ensure the property use of allocated compensation, some speculative behaviors are still existing (Wu, 2004). These issues imply potential economic and social loss of the relocated households, who are gradually becoming the deprived groups in housing demolition and relocation projects (He and Wu, 2009). In some practices, the compensation gained by households hardly enable them to buy new housing in a relatively convenient location due to a rapid increase of housing price in central and inner areas (Wu, 2004). They have no choice but to move to other remote areas. Even for those who benefit a lot from improved living conditions, there are enormous disparities between them and their urban neighbors (Leaf, 1995) and some of their original social networks are broken (He and Wu, 2007). Growing social conflicts, protests and unrests between affected residents, demolition companies and developers involved and consequential social impacts in housing demolition and household relocation compensation practices have become the most frequent and severe social problem in China (He and Wu, 2009; Day and Cervero, 2010).

Social Impact Assessment, which aims to “analyzing, monitoring and managing social consequences of planned interventions (Vanclay, 2003, p.5)” has been increasingly applied to deal with social issues in spatial planning and policy making process. For instance, Walker et al. (2000) examine various impacts during anticipation of a proposed tourism developments project in Mola, Indonesia. In this project, various usage of income from land and housing acquisition, less interest in maintaining traditional values and culture, marginalized position of local community related to planning and development decisions, and considerable fear and anxiety due to the uncertainty generated by the proposed tourism are main expressions of social impacts, while the

role of SIA should be further strengthened. Tang et al. (2008) explore the prospects for implementation of SIA and participatory planning in China based on a case study of land requisition in Guangzhou in which assessment of adverse social impacts on community brought by urban development has been carried out and consequent results help to revise and enhance compensation policy. Tilt et al. (2009) apply the tool of SIA to compare effects by two large dam projects in Southern Africa and China both in which relocation programs are designed and compensation are provided to the affected households to mitigate material and non-material loss. Pelton and Sairinen (2010) argue that SIA could play an effective role in managing and mediating conflicting interests in land use planning depending on extent and intensity of stakeholders' participation and linkage between knowledge production and decision-making, based on a case of Korteniitty infill development plan in Jyväskylä. The advantages of SIA in dealing with conflicting social issues in urban planning and previous application of SIA in analyzing compensation policy in large dams projects inspire the author to adopt it to analyze the most tangible tensions between "neoliberal practices and social resistance in the process of urban housing demolition and relocation (He and Wu, 2009, p.291)" involved in compensation practices in China.

1.3 Research objectives and questions

The first objective is to understand basic characteristics of China urban housing demolition and household relocation compensation issues. The second objective is to explore social impacts on relocated households by compensation practices thereby seeking to apply SIA method to deal with problems in future compensation practices.

In accordance with these objectives above, this research will attempt to explore major questions as follows:

1. What are basic theories in terms of urban housing demolition and household relocation compensation and social impact assessment?
2. What is the transition process of China urban housing demolition and household relocation compensation policy and system?
3. What are the categories of local compensation practices and predominant

expressions of social impacts involved in these cases?

4. How to apply concepts of SIA in following urban housing demolition and household relocation compensation practices?

1.4 Significance of research

This research aims to contribute to linking the academic knowledge of social impact assessment with the practical characteristics of current urban housing demolition and household relocation compensation system and policy. As the quantitative knowledge of social impacts on stakeholders involved in compensation practices is scarce and the availability of data is sparse, this research is largely qualitative from the author's perspective based on descriptive resources as only a first step to aspire needed exploration of the subject. By achieving these objectives, this research hopefully would make a example of how to use concepts of SIA to better understand the social impacts of urban housing relocation and household relocation compensation practices in Chinese contexts, and put forward a reasonable evaluating and predicting framework to help planners, politicians and other government officials involved in urban (re)development to lessen the adverse and strengthen the beneficial impacts by proposed compensation practices, as well with endeavors to add to the empirical cases study. After identifying the major social issues involved, further improvement of compensation system and policy could be made to serve two purposes, coordinating various interests to ensure equity and justice, and easing social resistance to ensure stability and order, which are two long-term development objectives of harmonious society. Besides, as there are still a number of, especially in developing countries where the ideology of neoliberalism has extended its influence, social outcomes and impacts emerging from the marker-oriented urban redevelopment which need to be addressed, this research could be considered as empirical lessons for these countries to drawn on in dealing with issues of urban housing demolition and household relocation compensation.

1.5 Research methodology

This research methodology is divided into three steps:

The first step methodological step in this research is the literature review based on academic

journals, books, reports as well as degree thesis, which is composed of four aspects leading to establish a theoretical basis. The first one briefly summarizes urban (re)development and urban housing demolition and household relocation and their relationship. The second aspect mainly focuses on issues in topic of urban housing demolition and household relocation compensation combining international and Chinese perspectives. The third aspect will give insight on social impacts of compensation activities. The last aspect explores concepts of SIA process and establish framework for practical case study.

The second methodological step in this research is a descriptive elaboration of compensation system and policy in China. A brief introduction of Chinese urbanization process and urban land system together with detailed retrospective and prospective analysis of compensation system and policy in China, which are mainly summarized from official reports, laws and regulations, policy and strategic documents as well as some academic literature, will provide political, economic and historical basis for the empirical case study in next chapter, Besides, implications of social impacts reflected in this transition process as well as the current policies and regulations are explored.

The third methodological step in this research involves a case study. This study is based on a profiling of various local compensation practices drawing on newspapers, Internet news, forums, television programs and concrete compensation policies. Based on these resources the research seek to classify the chosen compensation practices and to identify what kind of social impacts are predominant in compensation practices in China, based on which an adjusted SIA tool to predict, mitigate, monitor and evaluate potential social impacts is established.

Based on the findings by these three steps, conclusions are made in the end as well as recommendations about how to strengthen positive and mitigate negative potential or existing social impacts. Some suggestions for prospective application of SIA process in urban housing demolition and household relocation compensation activities will also be given in the end. An overview of the research methodology is shown in figure 1.1.

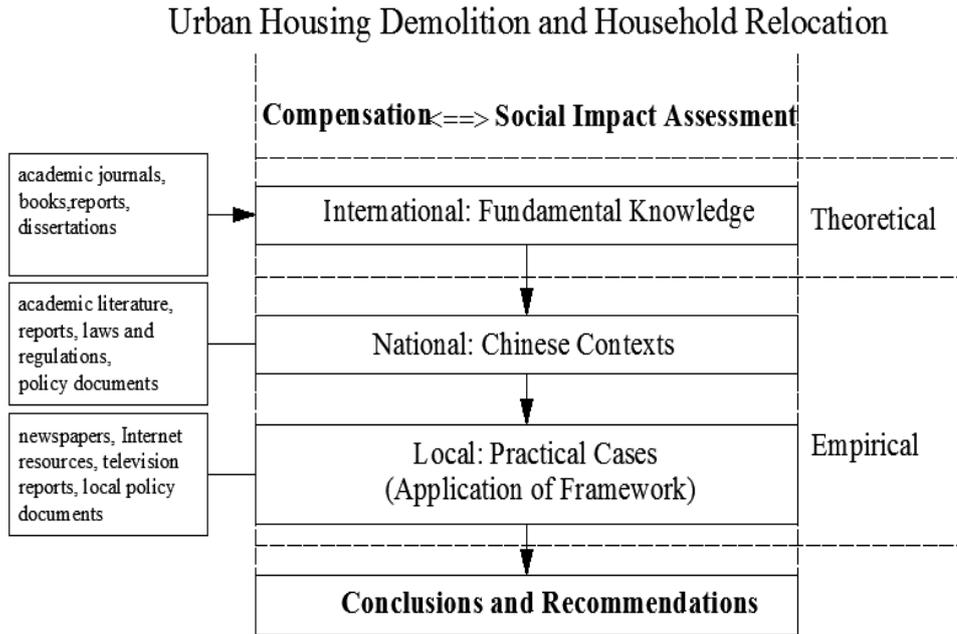


Figure 1.1: Research methodology

1.6 Structure of the thesis

Following chapter one which has been elaborated above, the rest thesis consists of 5 chapters. The structure of the chapters and the content can be described as follows:

Chapter 2: Theoretical Perspectives of Urban Housing Demolition and Household Relocation

This chapter discusses some general perspectives on the subject of urban housing demolition and household relocation compensation from some international literature and the basic theory of SIA. A research a framework to analyze social impacts in practices is established in the end for case study in chapter 4.

Chapter 3: Urban Housing Demolition and Household Relocation Compensation System and Policy in China

In this chapter, the evolution history of Chinese urban planning and urban housing demolition and household relocation compensation system and policy is explored. The implications of social impacts in national policy documents are clarified as backgrounds to introduce SIA process in practical cases.

Chapter 4: A Case Study of Urban Housing Demolition and Household Relocation Compensation

In this chapter, a broad overview of various Chinese cities' compensation practices and social impacts present in these cases is given. The causality between these impacts and reasons are explored. Based on the principal guidelines and revised framework, empirical efforts are made to introduce SIA process in urban housing demolition and household relocation compensation practices in China.

Chapter 5: Conclusions and Recommendations

In the last chapter of this thesis, an overview of the research findings is elucidated. Based on the research conclusions, some prospective recommendations in terms of how to deal with social impacts issues involved in urban housing demolition and household relocation compensation practices are made.

Chapter 2

Theoretical Perspectives

In this chapter, international perspectives are explored based on literature from academic and official sources such as books, articles and dissertations to form the theoretical basis on the topic of urban housing demolition and household relocation compensation and social impact assessment. The characteristics of urban development and urban removing and relocation are discussed in section 2.1. In section 2.2, some elements of urban housing demolition and household relocation compensation from different authors are clarified. In section 2.3, social impacts by urban housing demolition and household relocation are identified. In section 2.4, a brief introduction of concepts of SIA is provided, a research framework following.

2.1 Urbanization and urban housing demolition and household relocation

During the decades, there has been a rapid urban growth in much of the developing countries (Cohen, 2004). Meanwhile, with the rapid growth of urban development, some older neighborhoods hinder urban upgrading and renewal process and don't meet the requirement for further development (Thomsen, A., van der Flier, K., 2009). On these conditions, 'the right to the city' defined by Harvey (2008) makes individuals not only focused on accessing urban recourses, but also depend upon the exercise of a collective power to reshape the processes of urbanization during which ourselves are also by changing the city.

2.1.1 Urbanization

Nowadays, there is not unified definition of urbanization. These various definitions depend on demographical, geographical, social and economic perspectives, etc. The United Nations defines urbanization as "movement of people from rural to urban areas with population growth equating to urban migration (website: Wikipedia [2011-08-31])". Hope (1986) considers that it is the process of growth in the urban proportion rather than merely urban population. According to Wu and Gu (2010), urbanization is referred as "a complex and multifaceted process involving

population migration from rural to urban areas, rural and urban land conversions, spatial reconfiguration of settlements, and changing governance”. It also includes the reorganization of the urban system. Although the implications vary, the population is regarded as appropriate measure of urbanization degree (United Nations, 1980).

Besides the transformation from rural and agricultural land to urban uses (in some situation leading to urban sprawl), the urban renewal projects could also be regarded as an efficient way to facilitate urban redevelopment to meet increasing demands of population by urbanization process (Miceli and Sirmans, 2007). When urban renewal projects are designated for already built urban area with residents’ living, no matter in well-quality housing areas or substandard housing areas such as slums, public agencies are confronted with obligations to embody program of housing demolition and (forced) household relocation in the whole urban renewal project (Mandelker, 1969; Kleinhans and Laan Bouma-Doff, W. van der, 2008).

2.1.2 Urban housing demolition and household relocation

The conventions of and impacts by urban housing demolition and relocation in urban redevelopment vary in different countries and times. In the 1930s, a lot of western countries launched urban renewal movements including projects of slum clearance and large-scale redevelopment involved of housing demolition and household relocation to improve housing conditions (Mandelker, 1969; Carmon, 1999). However, a lack of participation in the renewal projects, inadequate compensation for property loss by housing demolition and insufficient replacement housing, uncertainties about in-site relocation, all these phenomenon resulting from this movement have been criticized for hampering the social-economic development of neighborhoods (Jacobs, 1961; Hartman, 1964). This type of urban renewal projects gave way to a new approach “aiming at improving existing housing and environment instead of demolishing them (Wu and He, 2005, p.77)”. Later on in the 1980s, 1990s and till now, a transition from property-led regeneration based on private-sector property development towards more community-based urban redevelopment involving partnership between the public, private, voluntary and community sectors have stimulated urban restructuring or so-called gentrification process (Wu and He, 2005), in which housing demolition and household relocation projects are

still adopted to facilitate the process (Kleinhans and Laan Bouma-Doff, 2008). An example in this period is that the US Department of Housing and Urban Development (HUD) began a demonstration program called HOPE VI in 1992, in which the household relocation and demolition projects is included as a grant program for revitalizing severely distressed public housing (website: HUD [2011-08-31]). Along with this program is controversy centering on whether public housing demolition projects, (low-income) resident relocation and new sites rebuilding could truly benefit the urban redevelopment (Boston, 2005; Sink and Ceh, 2011).

Overall, the relocated households in these demolition and relocation practices are directly affected positively or negatively, either they are forced to move out of the area where their own house to be demolished are located or they move to other social housing near their current neighborhoods (Kleinhans and Laan Bouma-Doff, 2008). For instance, in the Netherlands, compensation mechanisms may benefit the movers by offering more housing choices, which is in contrast to the majority of literature as well as the situation in China (Wenda and Kleinhans, 2011; He and Wu, 2009). The following attention will also be paid to subject of compensation in literature in particular on three aspects, compensation objectives, compensation participants and compensation forms. Other issues could also be expressed in relationship with compensation.

2.2 Compensation for urban housing demolition and household relocation

Knetsch (1990) explains that conventional economic analyses suggest that when all other conditions are same, compensation, viewed as to a loss associated with harm and a gain of money payment, will normally be a more efficient and preferred means to deal with losses:

The assumed advantage is due to the lack of restrictions attached to a compensation payment which permits recipients to use the funds for whatever good or service is of most value to them. An equal sum spent on mitigation would restrict reparation to the benefits of reducing the particular (Knetsch, 1990, p.232).

Drawing on survey results (Knetsch, 1990), a mitigation measure, with efforts to reduce the loss associated with the harm, may be more preferred than compensation payments by people affected, even providing the money paid exceeds the expenditure for mitigation measure or when

the mitigation seems to serve little beneficial purpose.

However, the beneficial advantage may explain why compensation measure is more widely adopted in property-led development which is criticized by Healey (1992) for its less emphasis on social improvements. When avoidance and mitigation measures are not feasible or the performances are not satisfying, compensation measures, as the most passive ones, are also established and applied by states and countries to interact adverse impacts of infrastructure planning (Cuperus et al., 1990).

2.2.1 Compensation objectives

In Western-based planning system, the rulings on property takings have much in common, and government should compensate for their interference in property rights (OECD, 2004), which is embodied in this research topic for housing property and relocation. In the US, the term regulatory taking stemming from the Fifth Amendment to the US Constitution which clearly reads “(...) nor shall private property be taken for public use, without just compensation” is described by Jacobs (2008, p.52) as “idea that government regulation that is deemed to demand too much from the individual property owner in the pursuit of a public purpose entitles that property owner to some form of compensation from the public.” At the European level, the European Convention on Human Rights has similar article with US Fifth Amendment as:

No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law. The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties.

Although planning intervention might be abstained as a result of lacking sufficient compensation, a constraint on urban development could not be considered subject to compensation unless a vested right is infringed, e.g. indisputable damage is caused by housing demolition (Jacobs, 2008; Renard, 2008). However, Blume et al., (1984) points out that full

compensation allows property owners to ignore the possibility that the social value of their private improvements will be zero if the property is taken for public use. The OECD (2004) put forward three worldwide criteria to determine whether a government must compensate an individual. These are (1) the degree of interference with the property right, (2) the character of governmental measures, which is the purpose and the context of the governmental measure, and (3) the interference of the measure with reasonable and investment-backed expectations.

2.2.2 Compensation stakeholders

Various stakeholders are involved in compensation practices. As is elaborated in the text above, the government is still playing an important role especially in the regulation taking action. Moreover, the transformation from government to governance in western spatial planning theories and practices confront governments with opportunities to facilitate collective action of stakeholders across boundaries between agencies, sectors, areas and hierarchical levels (Stoker, 1998; Healey, 2006). This collective approach broadens the diversity of stakeholders, including planners, government agencies, policymakers, property developers, societal groups, relocated citizens and anyone involves, and enables them to trade interests and seek possibility for better compensation in the negotiating process (Wu and He, 2005). With such a high complexity, boundary analysis (Dunn, 1988) is necessary to find the critical number of stakeholders beyond which cumulation of new concepts almost stops.

2.2.3 Compensation forms

The market-oriented compensation instruments are increasingly adopted by planners and other stakeholders involved in compensation practices as the result of shift from government to governance and increasing requirement for government to compensate private citizens for losses incurred due to planning regulations (van der Veen et al., 2010). Market-oriented compensation consists of financial compensation and non-financial compensation. Compared to financial compensation which implies actual financial means for loss by development, Spaans et al. (2008) defines non-financial compensation in spatial planning as an extra development right instead of

subsidies or financial compensation is granted by a government to landowners or developers for their losses or endeavors.

van der Veen et al.(2010) also points out non-financial compensation is more viewed as measures taken between government and landowners in land and housing expropriation practices, while financial compensation is more common between landowners and housing owners. In some cases of residential housing demolition and resident relocation, non-financial compensation could be replaced by other measures instead of extra development right. For example in the Netherlands, forced relocated residents are entitled to three types of compensation related to their housing, that is, “relocation in a dwelling, comparable in size, type and tenure”, “a reasonable allowance for their relocation expenses” and “extra assistance of the housing association (Kleinhans and Laan Bouma-Doff, 2008, p.569).

However, public agencies are likely to take “easy approach” which pays the legal minimum as compensation without taking other social costs into account Smith (1969). Social equity is less emphasized and gives way to economic and development efficiency, which in turn has hampered urban redevelopment process vice versa (He and Wu, 2009). The social resistance stimulates planners and public agencies to take social impacts into account when dealing with issues of housing demolition and household relocation compensation.

2.3 Conceptualizing social impacts

The social impacts are much broader than the limited issues often considered in EIAs. Besides environmental changes, demographic changes, job issues, financial security, and impacts on family life could also be defined as dimensions of social impacts (Vanclay, 2003). With regarding to compensation made for planned intervention in terms of urban housing demolition and household relocation projects which transform people’s life and urban landscape, the social impacts are also diverse. Vanclay (1999) has expanded Audrey Armour’s list of types of social impacts to the following as important:

- people’s way of life—that is, how they live, work, play, and interact with one another on a day-to-day basis;

- their culture—that is, their shared beliefs, customs, values, and language or dialect;
- their community—its cohesion, stability, character, services, and facilities;
- their political systems—the extent to which people are able to participate in decisions that affect their lives, the level of democratisation that is taking place, and the resources provided for this purpose;
- their environment—the quality of the air and water that people use; the availability and quality of the food that they eat; the level of hazard or risk, dust, and noise in which they are exposed to; the adequacy of sanitation, their physical safety, and their access to and control over resources;
- their health and well-being—where ‘health’ is understood in a manner similar to the World Health Organisation definition: “a state of complete physical, mental, and social well-being, not merely the absence of disease or infirmity”;
- their personal and property rights—particularly whether people are economically affected, or experience personal disadvantage, which may include a violation of their civil liberties; and
- their fears and aspirations—their perceptions about their safety, their fears about the future of their community, and their aspirations for their future and the future of their children.

Any social impacts could result from one or combination of changes. However, it doesn’t mean that these social changes will all lead to social impacts. Slootweg et al. (2001) establishes an integrated framework for conceptualizing social impacts (Figure 2.1). The separation between physical changes and impacts also give insight on the same way thinking about social changes and impacts. Vanclay (2002) also points out that only when actually experienced by humans in either a physical or perceptual sense should social changes be referred as social impacts, which are mainly changed perceptions about the nature of community, changed perceptions about personal attachment to the community and possibly annoyance and upsetness.

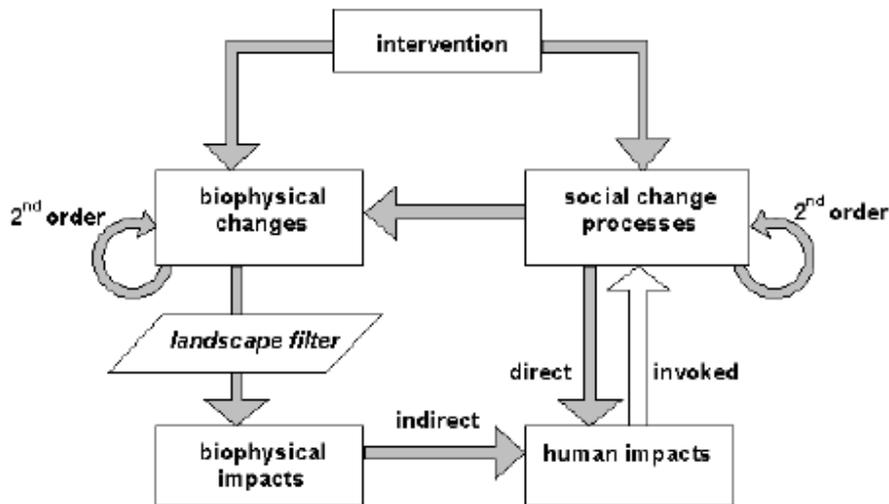


Figure 2.1: Integrated framework for environmental and social impact assessment (Source: Slootweg et al., 2001)

2.4 Basic concepts of Social Impact Assessment

Nowadays, SIA, Social Impact Assessment, is being paid more attention in many countries. The definition of SIA has evolved with the development of this research field. Burdge and Vanclay (1996, p.59) defines SIA as “the process of assessing or estimating, in advance, the social consequences that are likely to follow from specific project development, particularly in the context of appropriate national, state, or provincial environmental policy legislation”. This definition implies the focus of SIA was mainly on the ex ante activities predicting the possible consequences of particular projects.

2.4.1 New definition of SIA

A five-year period program was carried out across the world to provide international principles for social impact assessment, resulting in *International Principles for Social Impact Assessment*. In this international instrumental document, the importance of ex post activities such as evaluating and monitoring the impacts to give feedback for future learning cycle is manifested. The definition of Social Impact Assessment is described as:

“the processes of analyzing, monitoring and managing the intended and unintended social

consequences, both positive and negative, of planned interventions (policies, programs, plans, projects) and any social change processes invoked by those interventions (Vanclay, 2003, p.5)”.

The application of SIA in policies, programs, plans, projects aims to ensure that on one hand benefits of development could be maximized, and on the other hand the costs brought by development could be minimized to a certain extent (Vanclay, 2003). This nature of SIA facilitates its application in comprehensively estimating the physical and mental loss by demolition and relocation activities and making corresponding compensation.

2.4.2 Values, principles and guidelines

Core values, principles and guidelines are three related but different concepts in process of SIA, which act at macro, meso and micro level respectively. Vanclay (2003) explains the meanings of these concepts as follows:

- Core values of SIA are concerned with human rights and related topics such as physical and social well-being and involvement in decision making;
- Principles can provide general outlines of what should to be done to achieve more favorable human rights status;
- Guidelines vary contextually in different practices.

They are often established based on specific conditions and situations. Application of local knowledge and experience in planned interventions are important in making guidelines. Vanclay (2003, p.8) describes the relationship between them as “values determine principles, from which guidelines can be written”.

These basic concepts emphasizes SIA as “a process oriented to ensure that social issues are included in project design, planning, and implementation, as well as ensuring that development is acceptable, equitable, and sustainable (Vancley, 2002, p.190)”, which demands monitoring and evaluation to discover new changes and impacts occurring before, during or after the planned intervention and subsequently makes adaptation to consequent course of actions. Furthermore, better understanding of interconnectedness and causality of various domains involved in practice will probably lead to accountable reasons for emergence of these impacts and facilitate effective

reactions to unexpected impacts when changes happen (Vanclay, 2003). This process is summarized as follows:



Figure 2.2: SIA process (Source: Esteves and Vanclay, 2009)

2.5 Summary

At first beginning of this chapter, an international literature provides the fundamental knowledge of urban housing demolition and household relocation compensation. Urbanization and urban (re)development process in both developing and developed countries generate new or change old land use demands in urban areas. Urban housing demolition and household relocation projects are designed as alternatives to facilitate urban construction. Compensation measures are preferred over avoidance and mitigation measures to deal with negative impacts by compensating parties while compensated parties often hold the opposite opinions. Making just compensation to protect legal private property rights being infringed is shared compensation objective among different countries. Transforming governance among four types of stakeholders involved in compensation practices, that is, relocated households, the local government, developers or demolition companies and service providers, promotes collective planning approach in urban housing demolition and household relocation projects. Financial and non-financial compensation are two major forms. Monetary compensation belongs to the first form, while extra development rights or property right exchange are typical measure in the other.

Basic concepts of social impact assessment are introduced as theoretical basis of practical application. Meanwhile, elaborating existing social impacts in housing demolition and household relocation practices is the main research topic. Therefore this research framework is mainly focused on the steps of understanding the issues, conceptualizing the existing social impacts, and establishing an adjusted evaluating framework, which is based on the cases study results, to facilitate reflective and adaptive SIA process for further research.



Figure 2.3: Research framework

- *Understanding the issues*

Firstly, the analysis of transition process of Chinese urban housing demolition and household relocation system and policy provides the contextual background for understanding the issues. Besides, a basic introduction of the interventions, namely in this research a description of compensation policy of chosen cases in terms of measures and standards are needed.

- *Conceptualizing the existing impacts:*

Social impacts by 8 types of social changes are examined in this phase. Vanclay (2002) manifests it's impossible to identify all these social change processes and consequential impacts. Therefore, several representative expressions of social impacts are manifested, based on whose extent of significance corresponding perspectives are taken to elaborate the reasons for these impacts.

- *Establishing social impacts predicting framework*

Predicting framework will be established based on the results of case study introducing SIA into future policy, plan, program and project making process in terms of urban housing relocation and household relocation compensation. This framework is adjusted from the SIA tool in combination with significant items of social impacts revealed in case study.

Chapter 3

Urban Housing Demolition and Household Relocation

Compensation System and Policy in China

This chapter mainly focuses on urban housing demolition and household relocation compensation system and policy in China. It starts with a general introduction of China, followed by an overview of the urban land system transition in China in section 3.2. The urban housing demolition and household relocation compensation system and policy also has transformed with planning patterns, which is divided into 4 periods in retrospective analysis of section 3.3. Based on the characteristics elaborated above, prospective development is explored and influencing factors are manifested. The purpose of this chapter is to provide contextual perspectives for the case study in chapter 4.

3.1 Introduction

China is a country located in south East Asia and west Pacific Ocean with the largest population approximately of 1.33 billion in the world. The total area is about 9.6 million square kilometers, ranking 4th in the world after Russia, Canada and USA. The urban population is 47% of total population. Beijing, located in East China Plain, is the capital of the nation and an estimated permanent population of 19.61 million lives in urban area of Beijing. Other major cities include Shanghai (22.20 million), Tianjin (12.94 million), Guangzhou (12.7 million), and Shenzhen (10.36 million) (National Bureau of Statistics of China, 2011). Furthermore, China is divided into 25 provinces, 5 autonomous regions, 4 municipalities and 2 special administrative regions (Hong Kong and Macau) which are all subdivided into different levels of regions, cities, counties and villages. China's central government is seated in Beijing, which is the political and cultural center of the country. China had a leading position in leading civilization, outpacing the rest of the world in the arts and sciences. After the foundation People's Public of China was declared, the country became a socialist state under the people's democratic dictatorship. After

reform and open strategy in 1978, China has developed in diverse areas dramatically and is gradually gaining reputation and playing an increasingly important role in international affairs (website: CIA [2011-08-31]).

3.2 Current urbanization process and urban housing demolition and household relocation in China

With the implementation of market-oriented economy after reform and open strategy, the process of industrialization has accelerated rapidly and thereby promoting urbanization process. Shown in figure 3.1, during the last few decades especially in 1980s and 1990s, urbanization process in China is dramatically rapid, and prospectively urban population is still increasing in the next 40 years. Between 1980 and 2000, 268 million Chinese entered into the urban areas. This figure was almost twice as large as the increase of the urban population in the rest of East Asia (Shahid Yushf and Tony Saich, 2008). Increasing population in urban area by urbanization process confronts Chinese cities with challenges to provide increasing urban necessities for citizens, which stimulates urban (re)development especially in the post-reform period (Wu and He, 2005).

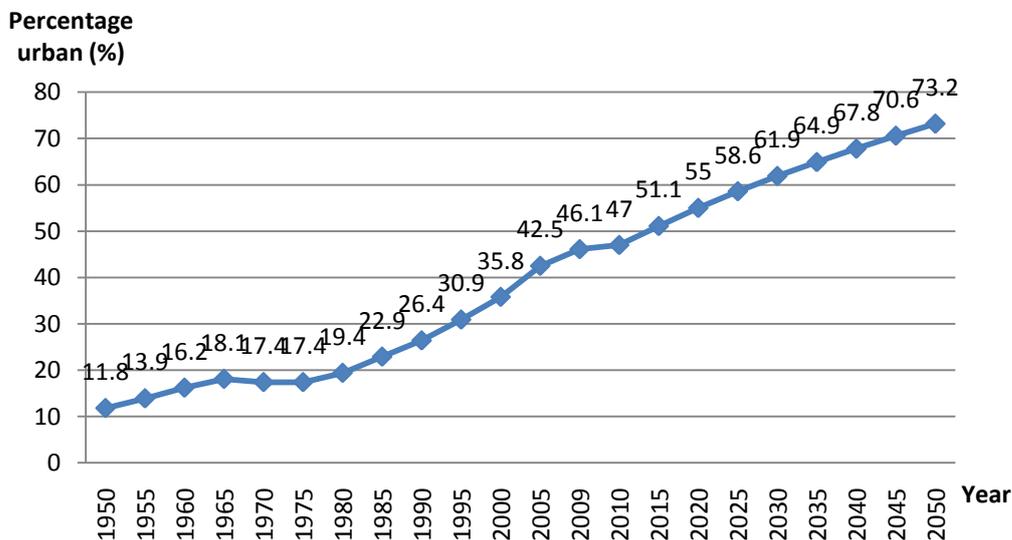


Figure 3.1: Percentage urban population in China (Source: website UNDESA [2011.08.31])

Besides rural land expropriation into urban use, optimal urban reconstruction and resource (re)distribution of urban land, which are similar to urban gentrification that is common in western

developed countries, have been adopted as approaches to cope with increasing needs by migrants in urban areas where there are existing buildings (Tang, 2009). The booming of urban redevelopment has quickly been transformed into a large-scale form of development involving massive housing demolition and household displacement (Zhang and Fang, 2004). This trend is particularly expressed in urban village¹ renewal projects where official policies often aim foremost at demolition and redevelopment of these areas into large-scale modern living and service facilities (Hao et al., 2011). Besides urban renewal projects for urban villages, for public interests such as infrastructure development, landscape improvement and environmental protection (e.g. the widening of roads, and creation of new green space and parks), etc, housing demolition and passive relocation also apply to already built residential quarters (He and Wu, 2004).

Compensation, rather than avoidance and mitigation measures, is obligatory for and most widely accepted by government or developers to be paid for the relocated residents for their potential and existing loss by demolition and relocation practices in China (Dowall, 1994).

3.3 Transitional analysis of compensation system and policy in China

Along with the urban land reform transition, urban housing demolition and household relocation compensation system and policy since 1949 could also be summarized into 4 landmark periods, mainly from the problem-oriented perspective to give insight on causes and consequences of certain policies in each period.

3.3.1 1949-1978: Planned economy period

During this 30-year period after foundation of China P.R., there were only a few urban housing demolition and household relocation cases in projects of dilapidated house renovation, as post-war new housing construction projects dominated the urban development (Shi, 2009). The land for urban construction and development was mainly obtained by two means, partially of

¹ Urban village refers to rural villages which have been spatially encompassed or annexed by the expanding city initially forming a distinctive rural landscape within the urban areas. The administrative status and land use of those villages often remain unchanged as the formal urban development simply leapfrogs the villages' settlement components. (Hao et al., 2011, p.214)

which was confiscated from the previous real estate owned by imperialism, bureaucrat and other counter-revolutionaries, and the other of which was redeemed or rent from national capitalists and other private land owners. The proprietors whose private properties were requisitioned freely for housing renovation projects by government could be compensated through public housing allocation, which could be regarded as non-financial compensation. The land was assigned administratively and used freely and indefinitely, while the housing was distributed freely and rent at a low price, primarily serving a public welfare purpose (Shi, 2008). Government and relocated households were major stakeholders in this phase.

In 1950s, the state began to promulgate laws and regulations concerning urban housing demolition and household relocation issues, e.g. Regulations of Land Requisition for State Development (1953). Constrained by the completely planned economy system, there were three major problems. Firstly, the low-rent policy undermined the virtuous cycle of housing funds. Secondly, freely and indefinitely assigned land use right system made the economic value of land can't be recognized rationally. The criteria of just compensation were hard to identify. Thirdly, as the only investor for all construction projects, the state held too much responsibility to effectively promote urban development. There were seldom collective planning and negotiation processes among stakeholders. At that time, there was still not independent law and regulation for urban housing demolition and household relocation activities. Rules about compensation measures and standards were always comprised in regulations for land expropriation and requisition as complementary terms.

3.3.2 1978-1991: Early reform and open period

Transition of Chinese urban development came into the take-off phrase shortly after the Third Plenary Session of the Eleventh Central Committee (*Shiyijie Sanzhong Quanhui* in Chinese) in 1978, as reflected in a series of market-oriented reforms in various realms (Hu and Wu, 2009). With the absence of uniform regulations by central state, local governments issued a series of regulations and rules based on specific contexts.

In 1983, the State Council issued *Urban Private Housing Administrative Regulations*, emphasizing two points: construction parties should well compensate for the relocated

households and removing parties should properly relocate the affected households. The construction parties were manifested as another type of stakeholders. The Constitution revised in 1988 changed the previous freely and indefinitely assigned land use right system and promoted marketization and privatization of housing provision, providing facilitating conditions for progress of real estate industry (Hu and Wu, 2009). During this period, paid land use right system, housing commercialization, housing system reform and integrated real estate development gave booming of real estate business (Shi, 2008). Non-financial compensation in form of in-kind on-site relocation dominated in compensation practices in this phase. Decentralized governance among local governments, enterprise and individual investors in housing construction projects contributed to balancing increasing housing demands and lacking housing supplies (Hu and Wu, 2009). These factors strengthened citizens' consciousness to protect their private property rights and demands for a more communicative approach in urban planning and policy making.

3.3.3 1991-1998: Official establishment of urban housing demolition and household relocation compensation system and policy period

Since 1990s, emerging neoliberal urbanization and urban redevelopment gave rise to a large number of commodity housing, infrastructure and public facilities construction (Hu and Wu, 2009). Urban housing demolition and household relocation were becoming extensive, leading to a corresponding increase of compensation practices.

On March 22th, 1991, the State Council enacted *Urban Buildings Demolition Relocation Administration Regulations*, which was the first and most fundamental legal document in terms of removing and relocation issues. The Act clearly prescribed various aspects of urban housing demolition and household relocation system, including administrative system, procedure of examination and approval, principle of compensation measures, legal responsibilities, etc. Novelty, it is the first time that financial monetary compensation was explicitly introduced in law as a legitimate measure to be paid for the loss by demolition and relocation, as alternatives for housing property exchange and a combination of these two measures. Another significant transformation was that monetary compensation was appraised based on reset estimated value, multiplied legitimate building area by unit housing price, of housing to be demolished, which is

considered as reflection of transition from planned to market economy system (Chan, 2003). Besides, other related laws and regulations were put into force to legalize the protected status of stakeholder's property rights as the compensation objectives.

Although still large proportion of public housing provision and equivalent in-kind housing compensation considered as non-financial measure contributed to the less amount of conflicts in compensation practices in this phase, there was increasing potential that tensions between stakeholders, that is relocated households and government and developers/demolition companies, gradually became more prevalent (Shi, 2008).

3.3.4 Since 1998: New era of urban housing demolition and household relocation compensation system and policy

Ongoing urban redevelopment under market economy system has subsequently stimulated urban housing demolition and household relocation projects. However, contradictions emerging in demolition and relocation practices are contentious and triggering heated debate recently (Hu and Wu, 2007). The state has begun to take more comprehensive actions to deal with these problems.

On July 3th, 1998, the State Council issued *Notice on the Further Deepening of the Reform of the Urban Housing Construction System*, which regulated that "in-kind housing provision system should be replaced by monetized housing provision". On June 20th, 2001, the State Council issued newly revised edition of *Urban Buildings Demolition Relocation Administration Regulations*, further stipulating compensation objective with prior emphasis on guaranteeing the legitimate property rights of relocated households and other stakeholders and manifested legality of monetary compensation measures. The land use right shall be taken into consideration when formulating compensation standards based on the actual market value appraised by authorized agencies. The financial measures have begun to take an increasing portion in local compensation practices.

Meanwhile, with regard to increasing complaints and lawsuits in terms of demolition and relocation compensation practices, a great number of complementary guidelines, rules and

communicative information platform were established to lessen in intensive interactions among stakeholders, especially between relocated residents and government/developers (Shi, 2008). A new type of stakeholders, namely service parties who aim to provide services for the other three parties, such as designing demolition and relocation plans, real estate value and compensation appraisal, supervision and audition of compensation procedure, legal assistance for stakeholders, representation for more vulnerable groups, etc, are increasingly participating in compensation practices. The service parties are usually expected to take a relatively neutral position in mediating various conflicts (Tang, 2009).

3.4 Developing tendency of urban housing demolition and household relocation compensation system and policy

These tendencies are mainly of legal and political perspectives. Compensation objective is clearly legalized in the *Amendment to Constitution and Property Law*, based on which specific compensation forms vary in practices. People-oriented development perspective implies increasing importance of harmony among stakeholders and hopes to ease social conflicts.

3.4.1 Constitutional administrative foundation for urban housing demolition and households relocation compensation

Codes on legal expropriation of private property for public interests can be found in Constitutions of many countries, e.g. the Fifth Amendment in the US and Article 14 (3) in Germany's Basic Law. In China, the power which grants government the privilege of compulsively expropriating citizens' private property right is also legislated by *Amendment to the Constitution* (2004) as "citizens' legal private property rights shall not be infringed upon", "the state protects by law the right of citizens to own and inherit private property", and "the state, in the public interest and in accordance with the provisions of law, shall expropriate or requisition private property of citizens and compensate". It clearly claims the constitution-protected status of citizens' private property for the first time. The legal perspective of compensation objective is strengthened. It has made a great contribution to improving compensation legal system by providing constitutional basis for other legislations and regulations

making process which shall be accountable for specific expropriation and compensation procedure and measures (Chan, 2003). Particularly, when confronted with specific legal ambiguousness or deficiencies in urban housing demolition and household relocation compensation, local government shall have the initiatives to make specific regulations in compliance with *the Constitution*.

3.4.2 Enact of Property Law

Property Law, put into power in 2007, also claims a similar article as *the Constitution*, namely “in public interests, land and units of collective ownership and private housing as well as other real estate shall be requisitioned based on authority and procedure stated by relevant law”. However, in some practices (e.g. Minhang case which would be discussed in next chapter) instrumental procedures stated in *Urban Buildings Demolition Relocation Administration Regulations*, which empower government the legal administrative right of forced demolition, couldn’t properly guarantee objective of just compensation shall be achieved before housing demolition from viewpoint of relocated households. Therefore, the State Council together with the Construction Ministry has drawn up a *Draft Amendment to Urban Real Estate Administration* to ensure that current living standard of the removed should be guaranteed. In other words, in the case of financial compensation, the amount of monetary compensation should be adequate for the removed to afford another house; in the cases of non-financial compensation of relocation housing, the living standard should not be worse than is before the removing project. Besides, in the case of combination of two methods, the removed household should be provided with the right to choose freely. The trend that the relocated parties are becoming the crucial role in compensation system is strengthened by enact of *Property Law*.

3.4.3 People-oriented scientific development perspective

In Third Plenary Session of the Fourth Central Committee in 1993, the central government has put forward the governance principle described as “giving priority to efficiency with proper consideration to fairness”, which stems from the emphasized economic development objective

established in reform and open strategy. After 20-year rapid economic development and urbanization, the increasing gap between the rich and the poor, scarcity of resource per capital and deteriorating environment all have become the bottlenecks for urban redevelopment in China (Niu and Pan, 2007).

In order to deal with these problems, the collective leadership of central committee Communist Party of China put forward the strategic thought of scientific development in 16th National Party's Congress in 2003. This strategic thought is specified as "five balances", namely balances between urban and rural development, regional development, economic and societal development, human being and natural development, and domestic and abroad development. The original ideology of this strategic thought mainly based on the perspective of "harmonious society" and "people-oriented development". Improvement of human rights involved urban housing demolition and household relocation projects are increasingly paid attention to (Wu and He, 2005). It also holds the same with core values of social impact assessment aiming at improving "social and physical well-being" of humans and participation in decision making process (Vanclay, 2003). Meanwhile, by implementing these perspectives, governments and public agencies will seek to make principles and guidelines concerned of social consequences of compensation practices. The interest and rights of the vulnerable groups being better taking account of reflects one of requirements of harmonious society as ensuring equity and justice.

3.4.4 Newly issued Buildings Expropriation on State-owned Land and Compensation Regulations

Buildings Expropriation on State-owned Land and Compensation Regulations (referred as *New Regulation* below), lately issued State Council in 2011, is regarded as the overall principles for urban housing demolition and household relocation compensation practices. It has been prescribed that government at different administrative levels should organize departments in charge of housing demolition and household relocation activities in compliance with this regulation. The upper government, conducted by the departments of housing and urban and rural development of the State Council and different administrative levels, should supervise compensation practices of the lower government. The former one, *Urban Buildings Demolition*

Relocation Administration Regulations, is abolished at the same time the New Regulation is issued.

Day and Cervero (2010) argue that compensation for involuntarily relocated households should be expanded to encompass urban location changes, household needs and relocation costs more than just housing value. This argument is partially manifest in the New Regulation. In article 17, it's stated that compensation should be made for: 1) value of demolished housing; 2) removal and temporary settlement resulting from housing expropriation; 3) loss of business or production suspension resulting from housing expropriation. Extra subsidies and rewards also should be made for removed households who coordinate actively in housing demolition and household relocation projects.

Compensation for value of demolished housing is directly related to personal and property rights as whatever compensation relocated households choose their housing would be demolished. Compensation for removal and temporary settlement resulting from housing expropriation and loss of business or production suspension resulting from housing expropriation mainly account for social impacts of people's life as it changes how relocated households live and interact with others by moving to new living communities and how they work by suspension of business. These changes by forms and amount of received compensation could bring about other social changes, e.g. changes of community and environment, as second order of social impacts. However, there are no particular articles explicitly accounting for the social impacts of these types of compensation. These articles stated in New Regulation mainly clarify the compensation principles and procedures.

3.5 Comparison between international and China's elements of compensation

- *Compensation objectives*

The definition of housing demolition and household relocation compensation is concluded as the material return that the government make for the values of removed residents' housing and adjunct parts within demolished scope of planned housing demolition projects (China Regulation Center, 2005), and expenses in temporary settlement and loss of business appended in *New Regulations*. The compensation made for the relocated household aims to reflecting the equity

issues and facilitating urban redevelopment in demolished areas for development efficiency purposes (Tang, 2007). Therefore, the three criteria by OECD (2004) are also applicable in China's contexts. Meanwhile, the international principle that just compensation should be made for expropriation of private property be taken for public use are also identified in Chinese compensation system and policy with the improvement of legal system. Protecting legal rights of relocated households is the premise for urban housing demolition and household relocation, with the final objective to stimulate urban redevelopment (Tan, 2009). The objective of development of harmonious society may be unique characteristic of China's contexts.

- *Compensation stakeholders*

The transforming governance between stakeholders is also emerging in China with increasing complication of relationships in inner city housing demolition and relocation projects (Wu, 2004). In order to simplify the complexity of stakeholders in policy analysis, Tan (2009) identifies 4 types of stakeholders as administrative subject, service subject, participating subject and compensated subject, based on the responsibility and position these compensation stakeholders taken in urban housing demolition and household relocation projects. The administrative subject is referred to relevant institutional departments of government which are responsible for social stability and the public good. The service subject, on one hand can be public agencies or market organizations who provide services such as real estate compensation appraisal and implementation supervision, and on the other hand can be the statement representatives composed of the removed residents who will negotiate with the administrative or participating subjects. The participating and compensated subject mainly referred to the parties responsible for demolition and relocation activities, e.g. developers/demolition companies and the relocated households.

- *Compensation forms*

Compensation forms for relocated households are also divided into two major measures, non-financial measure and financial measure. Monetary compensation is legislated in regulations and laws as financial measure in urban housing demolition and household relocation, while property right exchange method is legislated as primary non-financial measure. He and Wu (2009, p.292) argues that monetary compensation "aims to increase the feasibility of urban

redevelopment and provide more housing choices. This also reflects the state's attempts to transfer redevelopment into market operations", while property right exchange method "was considered ineffective for redevelopment by developers and the state, as it is time-consuming and provokes arguments when residents are not satisfied with their relocated houses". There is a transitional process from in-kind and on-site compensation to monetary and off-site compensation (He and Wu, 2009).

3.6 Summary

Chapter 3 has provided an overview of different factors influencing of urban housing demolition and household relocation compensation system and policy in China. Judging from the results of retrospective and prospective analysis, it is manifested that emerging legitimate status of private property right protection and change of housing provision style is the driving force for the evolution of compensation system and policy. Besides, legal and political changes have also significant impacts on compensation system and policy. The Constitution, laws together with various regulations provide the basic legal principles for compensation system and policy, while more concrete policy need to be made on account of local situations. The people-oriented scientific development outlook also implies potential demands of compensating the social impacts of urban housing demolition and household relocation activities. The exploration of the New Regulation reveals the insufficiency of implications of social impacts involved in compensation practices, which inspires an attempt to introduce SIA method into case study in next chapter. The comparison between international and China's compensation elements mainly show a few similarities between them.

Chapter 4

A Case Study of Compensation Practices in China

4.1 Introduction

As a vast country, the degree of urbanization is not balanced in four different regions (shown in figure 4.1). The eastern provinces are far more urbanized than the middle, western and northeastern provinces of the country. This 916 thousands square kilometers land, 9.5% of total area, holds a population of 484 million, 36.8% of the total population. These eastern coastal areas take the leading role in promoting the economic growth of China. The GDP proportion of eastern provinces in total country is 53.8%, much higher than those of middle, western and northeastern provinces, 19.3%, 18.3% and 8.5% respectively (China Statistical Yearbook, 2010).



Figure 4.1: Chinas' urban development pattern: the four zones (Source: Zhang 2007)

In this chapter, 6 compensation practices, 5 of which have the top 5 largest permanent population among all Chinese cities (figure 4.2), mostly located in more developed eastern provinces are chosen to elaborate the existing and potential social impacts particularly on removed households involved in this variety of cases based on internet and newspaper resources. Drawing on the similarities and differences in terms of social concerns and impacts reflected in these compensation practices, some suggestions could be made to improve the social impact assessment process to better take their physical and mental needs into account when dealing with compensation activities.



Figure 4.2: Special Economic Zones and Development Zones in eastern coastline of China (Source: website NGMCHINA [2011-08-31])

4.2 Case study

When searching for urban housing demolition and household relocation compensation practices on Internet, a seemingly paradox has generated considerable debate. On one hand a lot of compensation cases, draw people's attention by extremely high compensation standards and total

amount of compensation funds, especially those involved in *urban village* redevelopment projects. For residents involved in these cases, “urbanization means easy money (website: China Daily [2011-08-31])”. Some villagers become millionaires because of currency or house property compensation they get from urban demolition and household relocation projects. On the other hand, underpaid compensation, forced housing demolition and violent behaviors against forced relocation always make these radical cases headlines of various media (e.g. CCTV, Xinhua News, Sina, local news in appendix). Except fewer more developed cities where the government or developers could exactly stick to compensation principle and afford such high compensation standards based on market price, the underestimated compensation standards are more common in less developed cities and regions (website: Xinhua News [2011-08-31]). The tremendous discrepancy of compensation treatment between these two types arouses feelings of inequality and inequity among households involved in diverse cases, which brings about different social impacts. Based on this context, 6 cases are mainly classified by these two categories in the process of cases profiling, *sudden wealth by compensation* and *forced demolition*.

The procedure for this case study is based on the first character of SIA process as analyzing and conceptualizing intended and unintended social consequences (figure 4.3). The social consequences on relocated households are examined by 8 types of social changes, that is, people’s way of life, culture, community, political system, environment, health and well-being, personal and property rights, and fears and aspirations.

Similar to description of significance by Department of Environmental Affairs and Tourism (1998), the significance of social impacts involved in this case study can be described as high, medium, low and not applicable, which are determined by the frequency that one-hand expressions of a specific type of social impacts are referred to in major resources available (appendix 1). The criteria are:

- High: referred by (almost)all resources
- Medium: referred by several resources
- Low: referred by little resources
- Not applicable: not referred to at all

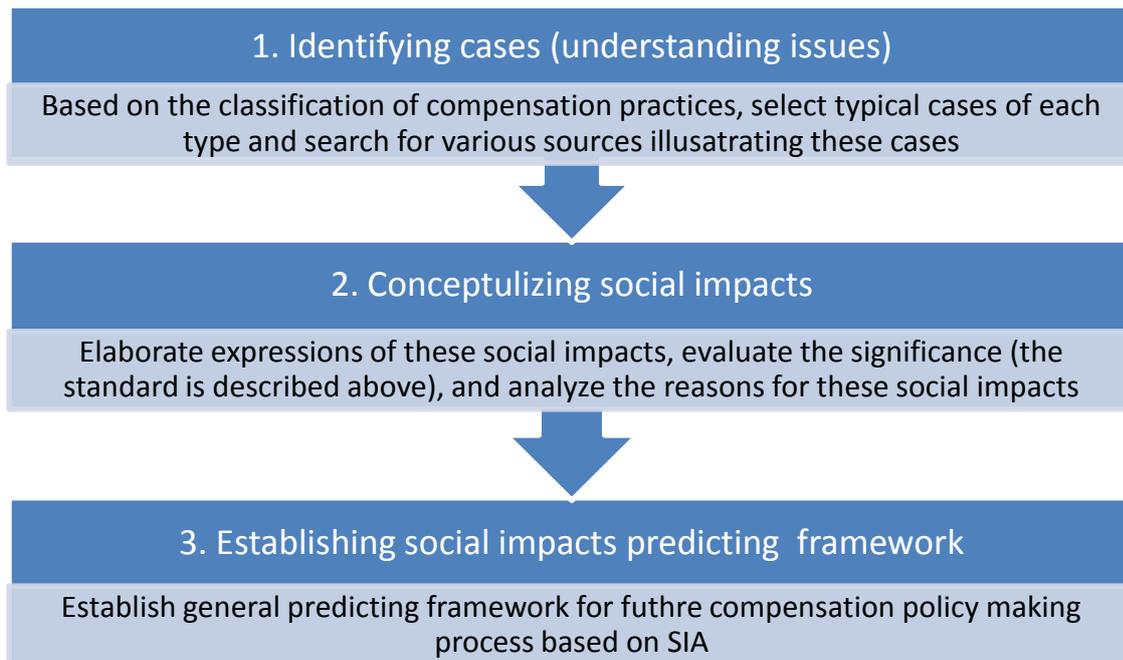


Figure 4.3: Case study framework

4.2.1 *Sudden wealth by compensation*

Cases in three developed mega cities, Beijing, Guangzhou and Shenzhen, are chosen as typical examples of sudden wealth by urban housing and household relocation demolition compensation. Following a brief introduction of each case, tables of social impacts are given drawing on the internet resources. The reasons for these social impacts are explored.

Dawangjing Village, Beijing

Dawangjing Village is located in between 4th and 5th ring, at northeast peri-urban area of Chaoyang District, Beijing, with the total area of 105.6 hectare. This area is adjacent to Wangjing business core zone and electronic technology zone, playing an important role in improving the image of capital city. The current registered population is 2998 consisting of 1692 households, of which 2100 are urban *Hukou*² and 998 are rural *Hukou*. The *floating population*³ is

² *Hukou* is a unique Chinese institution for administrating rural and urban population, according divided into two types, rural and urban. It is written on the place where people registered and it is originally the place where the person is born or his/her parents registered. *Hukou* can be changed mainly for working or education reasons (Liu, 2004).

³ *Floating population* is defined as “those migrants who have moved across a township-level boundary for more than 6

approximately 30 thousands. The overall area of demolished housing is 250 000 m², finished merely in 28 days without petitioners and forced demolition activities. As the pilot project for Beijing urban and rural integration and development, its success promotes the experience of so-called “Dawangjing Mode” for rural and urban integration and redevelopment projects in other urban villages of Beijing.

- ***Compensation measures***

The financial compensation fees calculated by the formula stated in *Dawangjing Village Housing Demolition and Household Resettlement Compensation Method* are firstly provided to relocated stakeholders. The households could use the compensation fees either to purchase designated relocation housing or merely as monetary compensation to meet other demands as they like.

Compensation Fee = (Baseline Land Price × K + Baseline Housing Price + Coordination Subsidy + Comprehensive Subsidy + Incentive Subsidy) × Confirmed Housing Area to be Compensated + Housing Depreciation Value

K = Correction Coefficient of Volume Rate, depending on particular characteristics of demolished housing;

Baseline Land Price = 2500 RMB/m²; Baseline Housing Price = 800 RMB/m²;

Coordination Subsidy = 1600 RMB/m². It is especially paid for Dawangjing Village as the pilot project of urban and rural integration and development;

Incentive Subsidy = 500 RMB/m². It is paid for those who have accomplished removing activities before prescribed deadline;

Comprehensive Subsidy = 3000 RMB/m², for households who merely choose monetary compensation;

Confirmed Housing Area to be Compensated and Housing Depreciation Price are estimated by qualified companies.

months without changing their places of household registration in the 2000 census.” (Zhu, 2007,p.65)

Compensation Measures	Detailed Standards	Rewards and Subsidies
Monetary compensation	Compensation fee calculated by formula above; Villagers whose Hukou are registered in this village without housing property could benefit from monetary compensation standard of 50 m ² per capita.	Coordination subsidy and incentive subsidy with extra subsidy of 45000 RMB per household is compensated for those who sign contract between May 9 th and June 7 th , 2009. From then on until June 17 th , only extra subsidy is provided
Designated relocation housing compensation	Compensation fee calculated by formula above; Relocation housing price: 4500 RMB/m ² , maximum area: 50 m ² per capita.	

Table 4.1: Compensation measures and standards for Dawangjing Village

• ***Existing and potential social impacts***

Almost all villagers made a fortune by this compensation project. They got millions of money no matter what compensation measures they chose. Most of them used the money to buy several houses and a large sum of currency remained to afford daily expenses. As Dawangjing compensation practice was accomplished before the time when Beijing's house price began to dramatically increase, the values of houses they bought also added even doubled, making them become wealthier (*Beijing News*, 2010-05-19). This sudden wealth gives insight on other social impacts as elucidated below.

Type of Changes	Expressions of Social Impacts	Significance
People's way of life	<ul style="list-style-type: none"> • Convenience by buying cars and other high technological products, etc • Taking a job as a means of time killing or interest instead of means of livelihood 	High

	<ul style="list-style-type: none"> • Improved social and medical insurance • Loneliness as a result of separating with old friends and relatives 	
Culture	<ul style="list-style-type: none"> • Memorizing the history and old times 	Low
Community	<ul style="list-style-type: none"> • Improved community services, facilities • A lack of sense of belonging to community especially with a lot of urban residents around • Inadaptable to new community management 	High
Political system	<ul style="list-style-type: none"> • Demand for combination measure of designated relocation and monetary compensation 	Low
Environment	<ul style="list-style-type: none"> • Comfortable physical living quality • Inadaptable to new environment 	Medium
Health and well-being	<ul style="list-style-type: none"> • Older people not accustomed to living in high buildings leading to relevant illness • Potential illnesses of affluence • Higher mortality than average per year 	High
Personal and property rights	<ul style="list-style-type: none"> • More lawsuits as a result of disagreement of distribution of compensation within families • Trend of wealth show-off • Unwise consumption and financing values • Increasing social status as a result of being wealthy • Public concerns about the rationality of high compensation standard 	High
Fears and aspirations	<ul style="list-style-type: none"> • Worries about livelihood after the compensation fees are run out • Collective property development as non-financial compensation 	Medium

Table 4.2: Social impacts by Dawangjing Village compensation practice

Xintang Village, Guangzhou

Xintang Village is an urban village located in triangle peri-urban area among Gaotang Software Park, Guangzhou Science City and Olympic Sports Center of Tianhe District, Guangzhou. The spatial layout structure of this village is in chaos. It has been identified as one of the urban renewal pilot projects for 2010 Asian Olympic Games. This project involves relocation activities involved of a quantity of 2135 households. About 2700 houses will be demolished by the end of this project. Total area of this renewal project is about 780 000 m². Life style in Xintang Village remains traditional to some extent. The overall spatial planning for this renewal project also stipulates to retain 4 heritages of ancestral temples undamaged within the boundaries of this region. The total cost for this project is 4.655 billion mainly supported by fiscal revenue. It's normal in this village that households own houses of more than one hundred square meters. Therefore, based on the housing price around this area it's obvious that after compensation a number of new millionaires are emerging, which makes this compensation practice a realistic myth of “becoming millionaire in one day” (*BWCHINESE*, 2010-10-26).

• ***Compensation measures***

They compensation measures are also divided into financial and non-financial measures, namely monetary compensation and equivalent property exchange compensation.

Compensation Measures	Detailed Standards	Rewards and Subsidies
Monetary compensation	3500 RMB/m ² × legitimate area under maximum; Extra area compensated for its building material cost: Frame structure: 1000 RMB/m ² Composite structure: 825 RMB/m ² Brick and timber structure.	Temporary settlement subsidies: 20 RMB/m ² /month for residential housing for residential housing and 50 RMB/m ² /month for the others, distributed to households until they get relocation housing (planned period is 3 years); Rewards: 10000 RMB per building before August 18 th ,

	662 RMB/ m ²	2010; 5000 RMB per building
Equivalent property exchange compensation	Relocation housing area is equal to the demolished housing area within the limitation of maximum 4 floors*	before the September 6 th , 2010

Table 4.3: Compensation measures and standards for Xintang Village

* The excess building area is compensated by monetary compensation standard.

• ***Existing and potential social impacts***

Xintang Village renewal project has not been accomplished. Instead of receiving a sum of money to buy relocated housing as is the designated relocation compensation measure in Dawangjing Project, equivalent housing area relocation compensation has its particular social impacts. In terms of monetary compensation, the compensation standard of Xintang Village is lower than Dawangjing Village. However, this seemingly lower standard still stimulates emergence of numbers of millionaires. Further implications of social impacts are shown below.

Type of Changes	Expressions of Social Impacts	Significance
People's way of life	<ul style="list-style-type: none"> • Faced with challenges to find new jobs instead of relying on leasing housing and running business to support daily life • Improved life quality by buying new products such as cars, etc • Demand for better education and training opportunities for families and children 	High
Culture	<ul style="list-style-type: none"> • Efforts for reserving traditional culture and customs 	Medium
Community	<ul style="list-style-type: none"> • Willingness to move back to Xintang community after renewal project is finished 	Low
Political system	Not applicable	Not applicable

Environment	<ul style="list-style-type: none"> • Improved physical living quality 	Medium
Health and well-being	<ul style="list-style-type: none"> • Potential illnesses of affluence 	Low
Personal and property rights	<ul style="list-style-type: none"> • Trend of wealth show-off • Unwise consumption and financing values • Increasing social status as a result of being wealthy • Financial institutions begin to attract villagers interests to invest various financial services • Exaggerated effects and purchasing power of the large sum of monetary compensation 	High
Fears and aspirations	<ul style="list-style-type: none"> • Worries about whether they could move back to relocation sites as schedule • Worries about livelihood after the compensation fees are run out 	Medium

Table 4.4: Social impacts by Xintang Village compensation practice

Gangxia Village, Shenzhen

As the only remaining urban village in Central Business Zone in Futian District, Gangxia Village renewal project has a significant impact on the overall development strategy of Shenzhen. Gangxia Village is located in the central part of Futian District of Shenzhen. Total area of this renewal project is about 150 000 m², on which hundreds of self-built housings with diverse types of property right are existing, as described the largest urban village renewal project at that time (*Shanghai Securities News*, 2009-12-26). There had been rumors since 1998 that this urban area would be demolished. Stimulated by potential benefits from high compensation made for demolished housing, a lot of villagers began to extent their housing with the purpose of obtaining more compensation, some of which were illegal building. Furthermore, the case where a household named Cai who refused to make agreement on housing demolition and relocation activities because they thought the compensation standard was not reasonable, finally obtained

120 million RMB, almost as much as their desired sum of monetary compensation, mostly as a result of newly enacted national document which prohibited administrative forced demolition projects, had greatly impacts on the consequent negotiation process among villagers and developers, reducing the approval rate of villagers for compensation standard from 85% to 50%. These factors led to the fact that although this project officially started in 2007, the long-term negotiation and failure of making consensus with stakeholders postponed the actual large-scale housing demolition activities until 2009. With the establishment of new compensation measures and standards, a lot of millionaires are emerging (*National Business Daily*, 2009-11-12).

• ***Compensation measures***

Through long time negotiation process with villagers, the compensation principle is finally established as “two standards and three modes, multiplying to six options”. Two standards refer to: 1) housing area under 480 m² is compensated by houses at the ratio of 1:1 (old housing area: new housing area), while the beyond area is compensated by apartments at the ration of 1:0.88; 2) the ground floor is compensated by centralized commercial property at the ratio of 1:0.9, while the upper floors are compensated by houses or apartments at the ratio of 1:0.9. Three modes refer to complete financial compensation, non-financial compensation and a combination of these two measures.

Compensation Measures	Detailed Standards	Temporary Resettlement Subsidies:
Monetary compensation	Residential housing: 12800 RMB/m ² ; commercial property: 23800 RMB/m ² ;	Housing rent subsidies: 30 RMB/m ² /month; extra rental subsidies for households whose houses exceeded
Housing property exchange compensation	Based on legitimate housing area determined by housing property exchange ratio stated above and proportion of whole housing area decided by households	120 m ² Rewards: 30000 RMB per building and use right for a fixed parking space before the January 16 th , 2009.

Table 4.5: Compensation measures and standards for Gangxia Village

• ***Existing and potential Social impacts***

Gangxia Village renewal project drew public attention by emergence of a large number of millionaires, which was not common at that time. In this project, phenomenon such as building extra areas to ask for more compensation, perseverance of specific households refusing to be removed, and reactions of other households to these rejections, etc. trigger relevant social impacts to be considered.

Type of Changes	Expressions of Social Impacts	Significance
People's way of life	<ul style="list-style-type: none"> • Faced with challenges to find new jobs instead of relying on leasing housing and running business to support daily life 	Low
Culture	<ul style="list-style-type: none"> • Growing attention paid to protection of memorial monuments in this region 	Low
Community	<ul style="list-style-type: none"> • Valuing cohesion and characters of previous community 	Low
Political system	<ul style="list-style-type: none"> • Enhanced negotiation process • Increasing demand for participation in policy making process • Increasing government's credibility 	High
Environment	<ul style="list-style-type: none"> • Deteriorative physical living quality for those who are not consent with compensation standard and continue living in demolished area • Improved physical living quality in new relocated area 	Medium
Health and well-being	Not applicable	Not applicable
Personal and property rights	<ul style="list-style-type: none"> • A growing number of newly built illegal housing areas for more compensation • Increasing economic investment for whole renewal project 	High

	<ul style="list-style-type: none"> Public concerns about equality and justice issues involved such as whether such high compensation is reasonable More villagers refuse to move learning from the Cai's success for more compensation 	
Fears and aspirations	Not applicable	Not applicable

Table 4.6: Social impacts by Gangxia Village compensation practice

Drawing on the significance of social impacts in different cases, change of personal and property rights brings about predominant social impacts for these cases, and other social impacts could also be regarded as the results of or related to changes of personal and property rights. Besides, change of people's way of life is another main factor for social impacts. Therefore, the economic and social perspectives are chosen to explain the reasons.

Type of Changes	Dawangjing	Xintang	Gangxia
People's way of life	High	High	Low
Culture	Low	Medium	Low
Community	High	Low	Low
Political system	Low	Not applicable	High
Environment	Medium	Medium	Medium
Health and wellbeing	High	Low	Not applicable
Personal and property rights	High	High	High
Fears and aspirations	Medium	Medium	Medium

Table 4.7: Significance of social impacts by cases of sudden wealth by compensation

Explanations for these social impacts

• Economic perspective

The compensation measures for these three cases are all composed of financial and non-financial compensation, while the last one also includes the combination of these two

measures. Drawing on average price of representative⁴ commodity housing nearby of Dawangjing⁵ and Gangxia cases, monetary compensation measures added with rewards and subsidies could enable them to buy houses or apartments of the approximate housing area, while in Xintang Village case this measure is not such attractive as compensation standard of 3500 RMB/m² is much lower than the average price of 9600 RMB/m² of a representative residential quarters nearby. In these cases, a lot of villagers owned a large building area of housing (e.g. one household owned 6000 m²). For them, housing is not only for owner occupation, and getting monetary compensation immediately could save them waiting time for relocation housing to be built, enable them to improve their life quality and make financial investment such as purchasing housing for rent as daily incomes or for profits made between selling and buying rate.

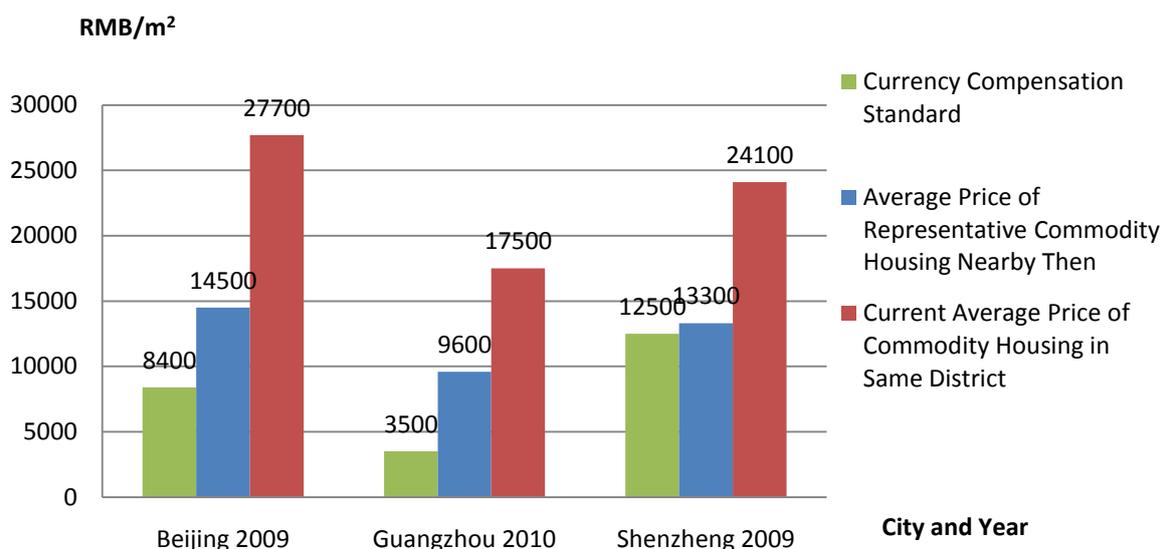


Figure 4.4: Comparison of compensation standard and average price of commodity housing in Beijing, Guangzhou and Shenzhen (Source: Fangjia.com)

From viewpoints of those who chose designated relocation measure, although they couldn't get as much as compensation money as those choosing monetary compensation, they would

⁴ The average price of representative commodity housing refers to average unit price of certain real estate property near the area to be demolished which is considered by households as alternatives for relocation sites or is selected by the author as representative to illustrate the housing price level of this area.

⁵ The compensation standard for Dawangjing case is approximate value without taking Housing Depreciation Value of specific housing into account. Actual compensation is higher than this standard.

obtain housing property of same or approximate area as exchange and buy extra areas at lower price than market price. The price differentials would be regarded as an increase of real estate property. It is a major reason why a lot of residents preferred this compensation measure. Besides, no matter what measures they chose, the households benefit a greatly increased value of commercial housing property from overall booming of real estate industry in China these years. For example in Dawangjing case, the value of housing has even doubled.

Furthermore, as some households rely on houses for rent and other commercial usage as major income sources, no matter what compensation they choose, their owned houses would be demolished and the income is suspended for a certain period until they find other alternative housing. The compensation for this kind of economic loss is only explicitly and separately stated in compensation standard of Gangxia case rather than the other two.

- *Socio-cultural perspective*

These compensation practices are all implemented in urban villages. The contrasting landscape with surrounding well-developed environment and the potential economic benefits incite government's efforts to redevelop urban areas, which leads to inevitable demolition and relocation compensation (Hao et al., 2011). In terms of impacts on indigenous villagers by compensation, specific performances are that monetary compensation paid enable these villagers to live a more modern and technological life style as is of most urban citizens, such as buying cars, high-tech products, traveling abroad, etc. Despite of fact that living environment of newly built designated relocation or residences bought by currency compensation has improved greatly, these villagers prefer the advantages of "abundant room space, drastically cheaper living costs, the local social network, the familiar environment in their villages and the necessity of managing their property renting business (Hao et al., 2011)". Besides, some traditional cultural events and customs which are still preserved in many urban villages are faced with risk of disappearing as the traditional rural atmosphere is lost by relocation. On the other hand, due to the relatively low education level, it takes a bit longer time for villagers especially older people to adjust to these changes by modern life style.

Meanwhile, as these villagers seldom receive psychological education. A few of them couldn't properly deal with the mental changes resulting from sudden compensation. Negative

impacts such as addicting to gambling and drug, increasing family economic disputes leading to more lawsuits, extravagant and unsustainable consumption, etc. are even strengthened by bandwagon effects. It is urgent that more psychological counseling institutions should be available to those villagers to guide them to a healthy lifestyle.

4.2.2 Forced demolition

Cases in three cities, Shanghai, Tianjin and Qingdao, and are chosen and expressed in ways that suspected illegal forced demolition by demolition parties or government and protests by certain removed households are appearing in these practices as a result of not reaching agreement of compensation measures and standards among stakeholders. The elaboration of these cases also follows an analysis process including brief introduction, tables of social impacts drawing on the internet resources and ends up with an explanation of these social impacts.

Caohua, Shanghai

The housing demolition and household relocation project in Caohua Town, Minhang District, is a sub-project of the Hongqiao Integrated Transport Junction Construction Project from the public interest, which is planned for Shanghai 2010 Expo and to be accomplished before March, 2010. The overall demolition area in Caohua Town is 128 000 m², involving 3873 households. This demolition and relocation activities began in June, 2006 and was due to completion for one and a half year on schedule. However, until June 12th, 2008 when the Mr. and Mrs. Zhang drew public attention by their violent actions against administrative demolition of their housing the project was still not completed.

• Compensation measures

According to the local official document stipulating minimum financial compensation, the overall financial compensation fee is determined by the standard below:

Compensation Fee = (Baseline Price of Land Use Right + Reset Appraised Construction Cost of Demolished Housing) × Legitimate Housing Area to be Compensated × (1+X)

X = Coefficient of Monetary compensation, for loss resulting from housing demolition and household relocation activities, in this case X=25%;

Baseline Price of Land Use Right = 1480 RMB/m²;

Reset Appraised Construction Cost of Demolished Housing, depending on particular characteristics of demolished building, such as building material, structure types, etc.;

Reset Appraised Construction Cost of Demolished Housing and Legitimate Housing Area to be Compensated are determined by authorized real estate appraisal institutions.

Compensation Measures	Detailed Standards		Rewards and Subsidies
Combination of monetary compensation and assigned relocation housing compensation	Legitimate housing area < 260 m ²	Unit price: 3200 RMB/m ²	Other specific subsidies and rewards will depend on concrete negotiation process between households and demolition parties
	Legitimate housing area > 260 m ²	Unit price: 4200 RMB/m ²	

Table 4.8: Compensation measures and standards for Caohua Town

The relocated households could use financial compensation to buy assigned relocation housing with maximum area of 260 m² at different privileged prices according to their legitimate demolished housing area (see table 4.8). According to the evaluation report by local government, average financial compensation for each household is approximately 1.25 million RMB (Minhang District Government, 2006).

· ***Existing and potential social impacts***

This project aroused public debate by violent resistance of the households against demolition activities. Mr. and Mrs. Zhang, who had joined nationality of New Zealand, received 6 one-storey houses from their parents in 1994, and expanded it to 538.75 m² in 2005, 338.75 of which was illegally built property. After several times of negotiation with the demolition party, the couple was still not satisfied with the provided compensation that included monetary compensation of 1.5 million and three relocated apartments, the area of which were equal to their legitimate housing area of 240.5 m² and could be purchased at the price of 3200 RMB/m².

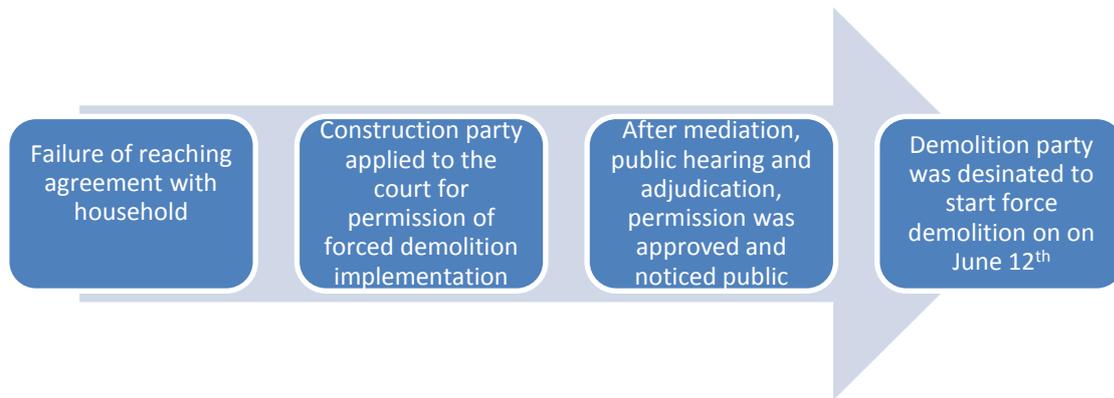


Figure 4.5: Procedure of applying forced demolition implementation in Mr. Zhang case

After the administrative procedure shown in figure 4.5, demolition party began to dismantle Mr. Zhang's house on June 12th, 2008. The bulldozer and roter were not stopped by oral communication asking demolition parties for legal document and continued pulling down their house. Evoked by strong and irrational emotions, the couple filled some bottles with gas, burned and threw them to prevent the house from being demolished. They kept on fighting with the removers and finally these extreme behaviors were stopped and Mr. Zhang was accused of crimes of disrupting public service. This incident was reported by a lot of media. Consequential social impacts resulting from this incident and the whole project are explored below.

Type of Changes	Expressions of Social Impacts	Significance
People's way of life	Not applicable	Not applicable
Culture	Not applicable	Not applicable
Community	<ul style="list-style-type: none"> Increasing convenience to have access to Hongqiao Integrated Transport Junction 	Low
Political system	<ul style="list-style-type: none"> Increasing consciousness of protecting property right in negotiation process Conflicting explanations in terms of protecting private property right in two different documents, leading to improvement of regulations Concerns about disparity between domestic and foreign system concerning private property right 	High

Environment	<ul style="list-style-type: none"> Increasing noises as a result of more traffic volume 	Medium
Health and well-being	<ul style="list-style-type: none"> Discomfort due to noisy conditions Getting hurt by resistance to forced demolition 	Medium
Personal and property rights	<ul style="list-style-type: none"> Monetary compensation could only afford to buy apartments in assigned relocation site instead of everywhere else around Households are dissatisfied with compensation standard Protests against demolition and refuse to move 	High
Fears and aspirations	<ul style="list-style-type: none"> Fears for their housing being demolished Fears for consequences of their violent criminal behaviors 	High

Table 4.9: Social impacts of Caohua Town compensation practice

Meihuli, Tianjin

Meihuli block is located in the central area of Nankai District, Tianjin, which only covers an area about 30 000 m² with almost 400 households. The existing buildings on this block are 5 or 6 floors commodity buildings of timber and brick structure built in 1994. The planned reward removing period is from Dec 15th, 2009 to Jan 24th, 2010. However, until the beginning of April 2010 only 100 households have made agreement with demolition party. One significant problem of this project is that elaborate planning of this block for commercial development purpose was not confirmed at the moment when the demolition project was approved, which means this project is initially against the law which stipulates that land use right acquisition through bidding, auction and listing for commercial real estate development should precede housing demolition and household relocation projects. This illegal land use right acquisition could be regarded as root why households are against the project and reluctant to move.

• **Compensation measures**

Compensation Measures	Detailed Standards	Temporary Resettlement Subsidies:	
Monetary compensation	Appraised unit price* × legitimate area to be compensated	4000, 6000 or 8000 RMB***	Extra rewards of 30000 RMB provided for households who move before Jan 24 th , 2010
Relocation housing compensation	176 1-bedroom, 178 2-bedroom and 30 3-bedroom <i>affordable apartments</i> ⁶ for removed households who own apartments of corresponding layout to choose, at the price of 8800 RMB/m ² **	1200, 1600 and 1800 RMB per household/month***	

Table 4.10: Compensation measures and standards for Meihuli

* It should be set based on the average unit price of new built commodity housing in this block, firstly 12500 RMB/m² and then add up to 15000 RMB/m².

** The balance of this purchase will be refunded or paid for overpayment or deficiency when transacting the apartment delivery procedure in the end.

*** These three prices are set for households owning 1-bedroom, 2-bedroom and 3-bedroom apartments respectively.

• **Existing and potential social impacts**

The demolition activities of Mahuli Block have been accomplished. As the services and facilities of Meihuli Block as well as its cohesion to surrounding area are quite developed and favorable compared to cases of urban villages explored in section 4.2.1, the residents mainly concern why this block should be replanned and demolished.

⁶ In China, affordable housing (*Jingji shiyong fang* in Chinese) is commodity housing with the purpose of social security for low-income families. It has characteristics of both economy and serviceability and could be applied to buy by citizens with local Hukous whose incomes are below a certain standard. Although it's commodity housing, it can't be traded by the households within 5 years. If there is an indeed need to sell this property after 5 years, it should also be repurchased by local housing bureau at the temporal price of similar affordable housing type (Huang, 2004)

Type of Changes	Expressions of Social Impacts	Significance
People's way of life	<ul style="list-style-type: none"> • Less contact with former friends and neighbors 	Low
Culture	Not applicable	Not applicable
Community	<ul style="list-style-type: none"> • Favor of services, facilities, characters and cohesion of current community and reluctant to move • The assigned relocation site is quite remote and inconvenient 	Medium
Political system	<ul style="list-style-type: none"> • Public query about legality of this demolition and development project and ask for rational explanations • Demand of communicate and effective participation and negotiation in process of mediation, public hearing and adjudication instead of mere formality • Conflicting explanations in terms of protecting private property right in different documents 	High
Environment	Not applicable	Not applicable
Health and well-being	<ul style="list-style-type: none"> • Getting hurt by resistance to forced demolition 	Low
Personal and property rights	<ul style="list-style-type: none"> • The values of households' housing are underestimated • Monetary compensation can afford to buy apartments of similar standard nearby • Relocation apartments are affordable housing • Dissatisfaction with compensation standard and refuse to sign on relocation agreement 	High

Fears and aspirations	<ul style="list-style-type: none"> • Fears of their housing being demolished • Fears of illegal threats and intimidation by demolition party 	High
-----------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------	------

Table 4.11: Social impacts of Meihuli compensation practice

Badahu, Qingdao

Badahu Residential Quarter is located in Shinan District of Qingdao. An integrated redevelopment project which is included in the overall urban renewal plan of Qingdao, is planned on this site for including residential, commercial, business, hotel buildings, etc, with a total space of 4.45 hectares and building area of 289188 m². It involves relocation of 1014 households, starting from April to Jun 7th, 2010. However, in the survey conducted by households themselves, 746 of them, over 70 % of total residents, expressed their disagreement and opposition of this demolition and relocation project. They primarily questioned the rationality of this project as a part of urban renewal plan, as this residential quarter has just been built for 21 years with good construction and environmental quality and complete community services and facilities. It has been honored titles such as Model Residential Quarter of Afforestation in Shangdong Province. Apparently, it would be developed for merely business purpose, which goes against with the general principle that urban land could be expropriated or requisitioned for public interests. More surprisingly, the land use right of this area had been transferred to the developers in December, 2009 before the government actually negotiated with the households about this demolition project and concrete compensation measures.

• ***Compensation measures***

Compensation Measures		Detailed Standards	Rewards and Subsidies***
Monetary compensation		Appraised unit price* × legitimate area to be compensated	Removal subsidies: 600RMB per household for residential housing and 40 RMB/m ² for the others. Temporary settlement subsidies:
Relocation	On-site	Apartments with area of	

housing compensation**	relocation	70, 80, 90, 100 and 120 m ² ,	25 RMB/m ² per month for residential housing and transition period is negotiated between households and removers; 60 RMB/month/ m ² by period of 10 months for commercial buildings
	Off-site relocation	100 apartments with area of 65, 80 and 90 m ² , average unit price is 4574 RMB/m ²	

Table 4.12: Compensation measures and standards for Badahu

* It should be based on the average unit price of new built commodity housing in this block, about 9500 RMB/m²

** Area of relocation apartments should be approximate to and a little larger than the area of demolished apartments, and the excess area could be purchased at the average unit price of surrounding commodity building.

*** The sooner the households deliver their housing, the better privilege they could get when choosing relocation apartments. Temporary settlement subsidies are distributed to households who choose relocation housing compensation until relocation housing is built.

Existing and potential social impacts

Badahu Residential Quarter demolition project has been investigated by CCTV (China Central Television) for the illegal demolition activities by government and developers. However, although this project is illegal originally, the compensation practices have been finished.

Type of Changes	Expressions of Social Impacts	Significance
People's way of life	<ul style="list-style-type: none"> • Loss of close interaction with neighbors • Loss of comfortable and adaptive life style • Suspension of stores running as a result of demolition of their housing 	High
Culture	Not applicable	Not applicable
Community	<ul style="list-style-type: none"> • Inconvenience of remote relocation site • Less complete services and facilities of other relocation communities 	Medium

	<ul style="list-style-type: none"> • Favor of on-site relocation community 	
Political system	<ul style="list-style-type: none"> • Doubts about the legality of land use right acquisition procedure • Questioning about the rationality of renewal project for commercial housing development instead of public interests • Conflicting explanations in terms of protecting private property right in different documents 	High
Environment	<ul style="list-style-type: none"> • Decreased environmental quality in relocation site 	Low
Health and well-being	<ul style="list-style-type: none"> • Mental and physical illness resulting from violent disturbance by removers to force them leave • More mortality of older people who can't suffer the mental pressure and physical violence 	High
Personal and property rights	<ul style="list-style-type: none"> • Perceived low monetary compensation standard • Protecting property rights from being infringed • Eager to have privilege for selecting better relocation apartments • More expenses for purchases of extra housing area and decoration of new apartments 	High
Fears and aspirations	<ul style="list-style-type: none"> • Fears of their housing being demolished forcedly • Fears of illegal threats and intimidation by demolition party 	Medium

Table 4.13: Social impacts of Badahu compensation practice

For this type of forced demolition practices, changes of personal and property rights (3H), and political system (3H) are overwhelming among others. Accordingly in the following part, economic and political/legal perspectives are chosen to elucidate the reasons for these social impacts.

Type of Changes	Minhang	Meihuli	Dadahu
People's way of life	Not applicable	Low	High
Culture	Not applicable	Not applicable	Not applicable
Community	Low	Medium	Medium
Political system	High	High	High
Environment	Medium	Not applicable	Low
Health and wellbeing	Medium	Low	High
Personal and property rights	High	High	High
Fears and aspirations	High	High	Medium

Table 4.14: Significance of social impacts by cases of forced demolition

Explanations for these social impacts

• ***Economic perspective***

Economic perspective could explain some reasons for social impacts of personal and property right as well as some others. For Meihuili and Dadahu case, the demolished areas are residential quarters located in the urban center. The financial compensation will mainly be used to buy apartment for residential purposes. However, as is shown in figure 4.6, the standard is much lower than the average prices of nearby commodity housing and even the whole district, which runs counter to the principle stated in local document appraised unit price should be set based on the average unit price of new built commodity housing in this block. This disparity brings about some households' dissatisfaction and query about rationality of compensation standard and rejection to sign the contract. For those who are willing to accept the compensation standard, it basically implied that they had to buy smaller or resold apartments in same area or move to other remote area of lower housing price, leading to impacts of living quality, community, environment, etc. In Minhang case, especially for Mr. and Mrs. Zhang case, as their house was self-constructed building, a large portion of which exceed permitted building area, their perceived area to be compensated (538.75 m²) was far more less than the legitimate area (240.5 m²). On one hand, different perceptions of area to be compensated account for the disparity between the actual and

expected financial compensation; on the other hand, the compensation standard was based on baseline price of land use right instead of average market price of commodity housing as stated in *Urban Buildings Demolition Relocation Administration Regulations*. From this point of view, monetary compensation standard is much underestimated.

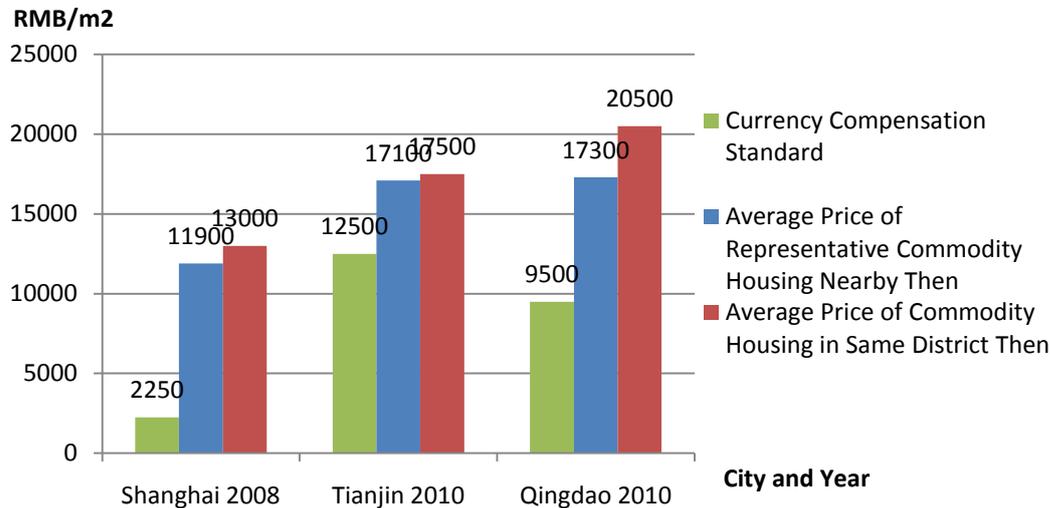


Figure 4.6: Comparison of compensation standard and average price of commodity housing in Shanghai, Tianjing and Qingdao (Source: Fangjia.com; Soufun.com)

The relatively lower compensation standard in all these cases made households more favor of buying designated relocation housing if they agreed with this demolition project. In these cases, the prices of designated relocation housing, 3200 RMB/m², 8800 RMB/m² and 4574 RMB/m² are much affordable compared to that of representative commodity housing. If they choose relocation compensation, they have to find temporary housing before their relocation housing having been built, while the temporary compensation fee hardly covers the increasing rent. For example in Badalu case, a lot of households owned housing area about 60 m². Multiplying it by compensation standard of 25 RMB/m²/month is 1500 RMB/month. The rent of similar apartments nearby is over 2000 RMB/month (based on historical data in www.fangjia.com). Besides, for those households in Badahu whose on-site relocation apartments are larger than their demolished housing, they have to buy the excess area at the current average housing price, which means that they needed to spend a lot of extra more money to own their new apartments. These economic factors explain why some social impacts related to personal and property right are emerging.

· ***Political and legal perspective***

In all these cases, households' expressed their doubts about the rationality of forced demolition by local housing demolition administrative department or relevant demolition parties. The conflicting rules in two different regulation and law, *Urban Buildings Demolition Relocation Administration Regulations* and *Property Law* account for these doubts (figure 4.7). According to the Property Law, for public interests, the government should firstly acquire the land use right and housing property right from the households and make reasonable compensation for this acquisition action, and then the demolition activities shall be legal.

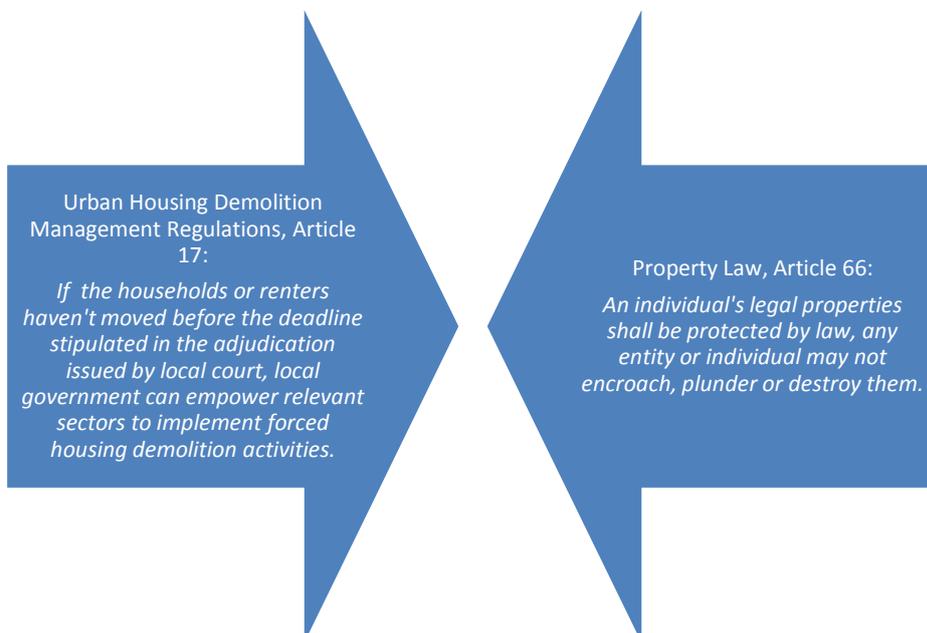


Figure 4.7: Conflicting rules in different regulation and law

However, in Minhang case, the demolition activities were finally carried out without reaching agreement about the compensation. Similarly the households in Meihuli and Badahu also received forced demolition notice stating deadline. The households took Property Law as legal grounds for protecting their private property while demolition parties implement forced demolition in compliance with *Regulation*. These contradictory legal grounds promote law making process to improve the legal system in terms of urban housing demolition and household relocation, leading to the enact of *Regulation on the Expropriation of Buildings on State-owned Land and Compensation*, which entitles household to apply for administrative reviews or to resort to lawsuits before deadline stated in demolition resolution. Besides, different illegal behaviors

involved in these cases, such as ambiguous expropriation purposes, and reverse expropriation procedures, etc, also make the households ask for more collective participation and transparency in the whole planning process as well as in the demolition and relocation phase.

4.2.3 Establishing social impacts predicting framework

Combined with two categories of compensation practices, the framework (shown in table 4.15) is established on the basis of SIA tool with expressions of social impacts resulting which are induced from those shown in case study with higher significance and taken as items to be predicted, mitigated, monitored and evaluated in the SIA process. The indicators and are chosen based on principle of SMART indicators, while methods for forecasting are selected from the followings (Vanclay, 2011):

- Comparison with similar cases studies and reports;
- Trend projection;
- Population multiplier methods;
- Statistical analysis;
- Scenario building using expert panels;
- Impact pathway analysis or impact mapping.

As every project has its own particular conditions and characteristics, the framework doesn't intent to include all major potential social impacts and the social impacts included may not be present in some cases. It merely hopes to give some aspirations to policy or strategy makers involved in urban housing relocation and household relocation compensation practices to consider the social impacts which are primary in cases study. The blank columns in the framework, namely migration measures, residual impacts, and significance rating, will be accomplished by actual users according to specific contexts. Meanwhile other items could also be added into this framework.

4.3 Summary

In this chapter, 6 cases located in more developed cities are chosen to illustrate existing social impacts resulting from urban housing demolition and household relocation compensation practices. There are some differences between major social impacts in these two categories.

- *sudden wealth by compensation*

Relatively high compensation standard and average large housing property area by household explains the main reasons why they seem to get a large sum of monetary compensation or relocation housing area in newly built relocation quarters. Besides, as these areas to be demolished are all in urban villages. Their current cohesion of community and relationship with friends, neighbors and relatives accounts for their feelings of loneliness and aspirations to live with acquaintances. The change of living environment and life style also leads to inadaptation especially among older people. A lack of psychological and financial assistance to help villagers to manage the mental and financial changes resulting from high compensation leads to some expressions of uncertainties and worries about future life as well as irrational consumption behaviors.

- *forced demolition*

The economic perspective could be regarded as major reason for several social impacts. Relatively low compensation standard could not insure removed households to afford similar housing nearby or of a smaller size. Differential perceptions about housing area to be compensated make the households insist that their property right being infringed. The dissatisfaction about compensation standard also leads to long-term negotiation and discussion process, which could contribute to the democratic improvement of political system. In addition, increasing questioning and query about probably illegal behaviors and conflicting rules taken by different stakeholders as legal grounds impel the transition process of legal system, arousing more participation by stakeholders especially households in the policy making process

Drawing on these expressions with high significance, a framework for predicting social impacts in compensation practices are revised from existing SIA tool. Based on this ex ante predicting framework, policy or strategy in terms of compensation could be made with accessory measures to strengthen positive impacts, e.g. improvement of living quality, and mitigate negative impacts, e.g. loss of contacts with friends, as the third step in complete SIA process. During the implementation phase of policy and strategy, monitoring and evaluation programs are carried out based on impact indicators, as the ex post measures to assessment the actual impacts resulting from policy and strategy, and give aspirations for further improvement of compensation practices.

Aspects of social changes	Potential impacts	Possible mitigation or enhancement measures	Likely Residual Impact	Stakeholders that are affected	Impact indicator (SMART)	Baseline measure	Method for forecasting	Significance (risk rating)
People's way of life	<ul style="list-style-type: none"> • Different types, purposes or places of work, • Improved or depressed life quality • Loss of contact with former friends 			<ul style="list-style-type: none"> • Service subject • Participating subject • Compensated subject 	<ul style="list-style-type: none"> • Job satisfaction • Life satisfaction • Times of getting together with friends per month 	<ul style="list-style-type: none"> • Current satisfaction of job and life • Current contact times 	<ul style="list-style-type: none"> • Scenarios • Impact mapping 	
Culture	<ul style="list-style-type: none"> • Disappearing traditional customs, values • probably damaged historical relics 			<ul style="list-style-type: none"> • Service subject • Participating subject • Compensated subject • Government 	<ul style="list-style-type: none"> • Cognition of traditional customs and values among residents • Degree of preservation 	<ul style="list-style-type: none"> • Current understanding of traditional customs and values among residents • Current condition of relics 	<ul style="list-style-type: none"> • Impact mapping • Preservation plan 	
Community	<ul style="list-style-type: none"> • Inadaptation to new community • Improved or degraded physical services, facilities • Loss of belonging to new community 			<ul style="list-style-type: none"> • Service subject • Participating subject • Compensated subject 	<ul style="list-style-type: none"> • Adaptability • Standard of services or facilities • Participation in community activities 	<ul style="list-style-type: none"> • Conditions of services or facilities and • Participation in activities of current community 	<ul style="list-style-type: none"> • Scenarios • Field investigation 	
Political system	<ul style="list-style-type: none"> • Increasing demand of negotiation and participation in policy making process • Public query in terms of 			<ul style="list-style-type: none"> • Service subject • Participating subject • Compensated 	<ul style="list-style-type: none"> • Number of complaints, lawsuits, protests, 	<ul style="list-style-type: none"> • Number of those without compensation practices 	<ul style="list-style-type: none"> • Scenarios 	

	rationality and legality of project and policy			subject • Government	petitions, etc			
Environment	• Improved or worsen environmental conditions			• Participating subject • Compensated subject	• Environmental indicators	• Current environmental situations of living quarters	• EIA method	
Health and wellbeing	• Increasing illness • Poor physical conditions			• Compensated subject • Participating subject	• Average visits to doctors • Mortality	• Current health conditions of households	• Trend projection	
Personal and property rights	• More illegal building for more compensation • Unreasonable usage of compensation • Underestimated values of property rights • More money than monetary compensation to by new housing			• Service subject • Participating subject • Compensated subject • Government	• Compensation standard and measures	• Average housing unit price and rent nearby • Present property value	• Statistic analysis of real estate business • Comparative analysis	
Fears and aspirations	• Fears about legal rights being infringed • Fears about illegal threats to force demolition activities • Worries about livelihood after the compensation fees are run out			• Service subject • Participating subject • Compensated subject • Government	• Concerns in terms of compensation expressed by stakeholders	• Primary concerns except those by compensation	• Impact mapping • Field investigation	

Table 4.15: Social impacts predicting framework

Chapter 5 Conclusions and Recommendations

This research is mainly focused on topics of urban housing demolition and household relocation, compensation and consequential social impacts, at international, national and local levels. By the research process including literature review, context exploration and case study, four research questions proposed at the firstly beginning in chapter one will be answered.

5.1 Conclusions

1. What are basic theories in terms of urban housing demolition and household relocation compensation and social impact assessment?

The urbanization process is still accelerating in developing countries. Besides expropriation of rural and agricultural land for urban use, developing countries has also began to resort to urban renewal projects to promote urban redevelopment with the purpose to meet needs by increasing population and improving urban quality. Urban housing demolition and household relocation could be considered as an effective way to facilitate the urban redevelopment process. The social implications of these demolition and relocation activities have also been paid increasing attention firstly in developed countries and subsequently developing countries.

Compensation, as the third measure after avoidance and mitigation, has been preferred by government and other parties to pay for loss and deal with other adverse impacts in demolition and relocation as well as environmental projects, although it has received criticism for less concerns about social outcomes. Just compensation is prescribed similarly in laws and regulations of different countries to entitle the affected proprietors for regulatory taking of private property by government in public use or interest. It aims to protecting equity of legal property rights and facilitating urban (re)development. Different stakeholders, including government, public agencies, developers and demolition companies, societal groups, relocated citizens, service providing parties and anyone concerned are involved in negotiation process through collective governance hopefully to reach a win-win situation. The compensation are mainly divided into financial and

non-financial forms, while the former one is more widely to be made for residents' financial loss and the latter one is increasingly adopted by government to landowners by means of right exchange.

Social impacts are generated by 8 types of social changes happening on people concerned, people's way of life, their culture, their community, their political systems, their environment, their health and well-being, their personal and property rights and their fears and aspirations. Social impact assessment is a process oriented method aiming at analyzing, monitoring and managing all kinds of social change processes and social consequences by planned interventions. The process includes four steps: understanding the issues, predicting the likely impacts, developing mitigation strategies and developing monitoring programs.

2. What is the transition process of China urban housing demolition and household relocation compensation policy and system and embodied implications of social impacts?

The transition process of China urban housing demolition and household relocation compensation system and policy is related to the transformation of urban land use right and housing provision system as well as evolving legal system. It could be divided into 4 phases, firstly in the period of planned economy system, the land and housing provision shared a strong characteristic of public welfare service. Compensation was mainly in non-financial form as housing use right exchange and corresponding laws to regulate these activities were insufficient. Secondly, with the implementation of reform and open policy since 1978, the land use right and housing provision system gradually transformed to market orientation and the property value began to be stated in established and amended laws and regulations. Initial development of real estate industry was facilitated by marketization and privatization process. Then since 1990s when urban (re)development expanded, there was a booming of urban housing demolition and household relocation and a corresponding increase of compensation practices, while there was little controversy about these issues. Financial compensation measure, that is to say monetary compensation, was legitimized in the first specific regulation in terms of removing and relocation

issues, which was appraised based on estimated market value. Finally since 1998, the compensation system and policy has adjusted to deal with growing tension between relocated residents and government and developers, which places more emphasis on protecting private property right from being infringed. During this period, monetary compensation and off-site relocation have been increasingly preferred by governments and developers for its facilitating impacts on demolition and relocation projects. Constitutional governing grounds for demolition and relocation administration, improving legal system to protect property right and people-oriented development perspective with emphasis on establishment of harmonious society are three major prospective contexts for urban housing demolition and household relocation system and policy in China. The lately issued *Regulation on the Expropriation of Buildings on State-owned Land and Compensation* explicitly states for the first time that compensation should be made for removal and temporary settlement resulting from housing expropriation and loss of business or production suspension resulting from housing expropriation besides already legitimized compensation for value of demolished housing. However, there is still a lacking of specific rules and diversity of compensation measures in terms of how these social implications should be dealt with.

3. What are the categories of local compensation practices and predominant expressions of social impacts involved in these cases?

This research seeks to divide compensation practices in China into two categories: *sudden wealth by compensation* and *forced demolition*. Based on the classification, 6 cases happening in six major cities where urban (re)development is accelerating are chosen to explore the expressions of social impacts resulting from 8 types of social change variables.

General introduction and specific compensation measures and standards are given as contextual backgrounds of each case. Even though some scholars criticize less effectiveness of non-financial measures in urban redevelopment, property right exchange measures still take a large portion in China's practices. Compared to completely in-kind housing compensation, assigned relocation housing property right exchange with different forms of monetary

compensation as financial grounds hopes to trade off the advantages and disadvantages of each compensation form. The actual social outcomes will depend on the specific standards and implementation process.

In *sudden wealth by compensation* cases, social impacts by changes in personal and property rights and people's way of life are most predominant, while in the *forced demolition* cases changes of personal and property rights as well as political (legal) system are also having significant impacts on relocated householders. With regards to *sudden wealth by compensation* cases, on one hand the large sum of monetary and housing property exchange compensation at least prevent life quality of relocated households from decreasing and further improve it to a large extent, and on the other hand also give rise to adverse impacts such as unwise consumption values and show-off trends. The socio-cultural structure of urban villages explains the importance of traditional life style, culture and community in residents' values. As for *forced demolition* cases, the underpaid compensation is economic reason why these residents are unsatisfied with the standards and strongly against with these demolition and relocation projects, while the conflicting rules in terms of compensation implementation account for residents' doubts about rationality and legality of demolition and relocation projects and in some cases consequently social resistance, leading to improvement of legal and political system.

These expressions also give insight on what should be paid more attention when analyzing social impacts on relocated households for future practices. Based on these expressions, a predicting framework which indicates specific types of social impacts needed to be considered is established as an empirical tool.

4. How to apply concepts of SIA in future urban housing demolition and household relocation compensation practices?

Vanclay (2005) proposes a four phase framework. It is adopted as doing-by-learning and learning-by-doing guideline for SIA application in urban housing demolition and household relocation compensation practice.

- *Identifying and understanding the issues associated demolition and relocation practices*

In this phase, a comprehensive understanding of the knowledge and context in terms of urban housing demolition and household relocation compensation are necessary. Then, stakeholder scoping could be made to understand the relationship between stakeholders especially with relocated residents who are becoming weaker side in practices. Retrospect and comparative study with other practices could also contribute to identifying a wider range of social impacts. Some problem structuring methods such as SODA (Strategic options development and analysis), SSM (soft system methodology), etc, could be applied to deal with compensation practices in characteristics of multiple actors, perspectives, conflicting interests and uncertainties (Mingers and Rosenhead, 2004).

- *Projecting and predicting of likely impacts from compensation policy from different aspects of measure, standard, procedure and others*

The predicting framework (an example proposed in the last of chapter 4) is to give insight on what social impacts by compensation policy need to be paid attention to. Issues learning process helps SIA conductors to give priority to more influential impacts such as dissatisfaction of compensation standards, favor of old community and less belonging to new community, while also giving sound consideration to less influential ones. In this process, practical projection and predicting methods based on the characteristics of each type of social impacts, should be adopted to anticipate the possible impacts before mitigation/enhancement measures implemented as baseline measure. For instance, statistical forecasting could be made to estimate the prospective housing price, compared with which the extent of impacts by monetary compensation is manifested, and scenario measures could be applied to predict the plausible development path of new community. Along with predicting process, evaluating and monitoring indicators on the principle of SMART would be put forward to be used in the last phase.

- *Developing proactive strategies to manage social impacts*

After predicting the possible impacts, proactive mitigation/enhancement strategies should be established to maximize or minimize the positive and negative impacts by compensation. These strategies could be implemented as additional terms in compensation policy with regulatory obligations to improve the effectiveness and efficiency. Projecting and predicting measures are

also applicable in this phase to predict residual impacts after strategies.

- *Developing evaluating and monitoring programs to identify unexpected social impacts*

Evaluating and monitoring programs are also important for policy analysis as a reflective process (Dunn, 2007). In this phase, indicators established in phase 2 are evaluated and monitored. Two comparative studies can be taken. Firstly, the difference between predicted possible social impacts without mitigation/enhancement strategies implemented and actual social impacts after mitigation/enhancement strategies implemented can reflect the effectiveness of strategies. Secondly, the second the difference between predicted possible and actual social impacts both after mitigation/enhancement strategies can reflect the performance of strategies implementation process.

5.2 Recommendations

After exploring urban housing demolition and household relocation compensation policy and system in China and focusing at the cases in more developed cities in particular, it becomes clear that social impacts by compensation have become increasingly contentious in practices. Some suggestions could be made.

As personal and property right is still the major concern by relocated households, more comprehensive compensation measures and standards are expected provided for them to choose the most proper ones. The compensation mechanisms should manifest the principle of equity. Neither should it be overpaid for relocated households leading to a show-off life style, nor should it be underestimated and not able to guarantee their current life quality. Therefore, uniform compensation standards and measures at the national level are not applicable.

Community-based approach could contribute to deal with the impacts by changes of people's life as it will reflect the actual requirements by relocated households and their feelings about compensation practices, and therefore drawing on local knowledge potential social resistance would be reduced. Some community organizations could also play an active role as service subjects in compensation practices to speak for themselves.

Negotiation process should also be strengthened in the policy making as well as

compensation implementation in which political procedure and legal system could be improved. Balancing legal rights of relocated stakeholders and objectives of urban (re)development is important. Effective supervision mechanisms would be necessary to avoid speculative and corruptive behaviors especially between government and developers.

In the end, the evaluating and monitoring phase of SIA process should also paid more attention as it contributes to the empirical case study for other comparative analysis for social impacts involved in urban housing demolition and household relocation compensation practices.

The conclusions and recommendations hope to make a contribution to ensuring social equity and justice by making reasonable compensation measures and standards based on current compensation system and policy, and social stability and order by alleviating increasing social tensions especially between relocated households and other stakeholders according to the predominant social expressions in practices, with the purpose of promoting harmonious development of society.

References

Literature

- Blume, L., Rubinfeld, D.L., Shapiro, P. (1984) The taking of land: when should compensation be paid? *Quarterly Journal of Economics* 99, 71-92.
- Boston, T.D. (2005) The effects of revitalization on public housing residents: A case study of the Atlanta housing authority. *Journal of the American Planning Association* 71(4), 393-407.
- Burdge, R., Vanclay, F. (1996). Social impact assessment: a contribution to the state of the art series. *Impact Assessment* 14(1), 59-86.
- Carmon, N. (1999) Three generations of urban renewal policies: analysis and policy implication. *Geoforum* 30, 145–158.
- Chan, N. (2003) Land acquisition compensation in China: problems & answers. *International Real Estate Review* 6(1), 136-152.
- China Regulation Center (2005) *Laws and Regulations on Housing Removing (房屋拆迁法律手册)*. Law Press China, Beijing, pp. 1-4, 192-197, 229-240.
- Cohen, B. (2004) Urban growth in developing countries: A review of current trends and a caution regarding existing forecasts. *World Development* 32(1), 23–51.
- Council of Europe (2003) *European Convention for the Protection of Human Rights, Article 1, Protocol No. 1*, available at: <http://conventions.coe.int/treaty/en/Treaties/Html/005.htm>
- Cordes, J.J. (1979) Compensation through relocation assistance. *Land Economics* 55(4), 486-498.
- Cuperus, R., Canters, K. J., Udo de Haes, H.A., Friedman, D. S. (1990) Guidelines for ecological compensation associated with highways. *Biological Conservation* 90, 41-51.
- Day, J., Cervero, R. (2010) Effects of Residential Relocation on Household and Commuting Expenditures in Shanghai, China. *International Journal of Urban and Regional Research* 34(4), 762-788.
- Dowall, D. E. (1994) Urban residential redevelopment in the People's Republic of China. *Urban Studies* 31, 1497-1516.
- Dunn, W. N. (1988) Method of the Second Type: Coping with the Wilderness of Conventional Policy Analysis. *Policy Studies Review* 7(4), 720-737.
- Dunn, W.N. (2007) *Public Policy Analysis: An introduction*, 4th edition. Prentice Hall, New Jersey.
- Esteves, A. M., Vanclay, F. (2009) Social Development Needs Analysis as a tool for SIA to guide corporate-community investment: Applications in the minerals industry. *Environmental Impact Assessment Review* 29,137-145.

- Government of China P.R. (1982, 2004) *Amendment to and Constitution of the People's Republic of China* (中华人民共和国宪法及宪法修正案), available at:
http://www.gov.cn/gongbao/content/2004/content_62714.htm
- Gu, C. and Wu, F. (2010) Urbanization in China: processes and policies. *The China Review* 10 (1), 1-10.
- Hao, P., Sliuzas, R., Geertman, S. (2010) The development and redevelopment of urban villages in Shenzhen. *Habitat International* 35, 214-224.
- Hartman, C. (1964) The housing of relocated families. *Journal of American Institute of Planners*. 30(4), 266-286.
- Harvey, D. (2008) The right to the city, *New Left Review*, 53 (Sept-Oct), 23-40.
- He, S.J., Wu, F.L. (2007) Socio-spatial impacts of property-led redevelopment on China's urban neighbourhoods. *Cities* 24 (3), 194-208.
- He, S.J., Wu, F.L. (2009) China's emerging neoliberal urbanism: perspectives from urban redevelopment. *Antipode* 41 (2), 282-304.
- Healey, P., Davoudi, S., O'Toole, M., Usher, D., Tavsanoğlu, S. editors. (1992) *Rebuilding the City, Property-led Urban Regeneration*. Spon Press, London.
- Healey, P. (2006) Transforming governance: Challenges of institutional adaptation and a new politics of space. *European Planning Studies* 14(3), 299 -320.
- Hope, K.R. (1986) Urbanization and economic development in the Third World. *Cities* 3(1), 41-57.
- Huang, Y.Q. (2004) Housing markets, government behaviors, and housing choice: a case study of three cities in China. *Environment and Planning A* 36, 45-68.
- Jacobs, J. (1961) *The Death and Life of Great America Cities*. Random House, New York.
- Jacobs, H.M. (2008) The Future of the Regulatory Takings Issue in the United States and Europe: Divergence or Convergence? *The Urban Lawyer* 40, 52-72.
- Kleinhans, R., Laan Bouma-Doff, W. van der (2008) On priority and progress: forced residential relocation and housing chances in Haaglanden, the Netherlands. *Housing Studies* (23), 565-587.
- Knetsch, J.L. (1990) Environmental Policy Implications of Disparities between Willingness to Pay and Compensation Demanded Measures of Values. *Journal of Environmental Economics and Management* 8, 227-237.
- Lall, S., Wang, H.G. (2009) China Urbanization Review: Balancing Urban Transformation and Spatial Inclusion. In: *The World Bank's Urbanization Review Flagship Study*, available at:

http://siteresources.worldbank.org/INTEASTASIAPACIFIC/Resources/226262-1291126731435/EOEA_Somik_Lall_Hyoung_Gun_Wang_March2011.pdf

- Leaf, M. (1995) Inner city redevelopment in China: Implication for the city of Beijing. *Cities* 12(3), 149-162.
- Li, L.H. (1999) *Urban Land Reform in China*. Martin's Press, Macmillan and New York.
- Liu, Z. (2004) Institution and inequality: The Hukou System in China. *Journal of Comparative Economics* 33, 133-157.
- Mandelker, D.R. (1969) Housing Codes, Building Demolition, and Just Compensation: A Rationale for the Exercise of Public Powers over Slum Housing. *Michigan Law Review* 67(4), 635-678.
- Miceli, T. J., Sirmans, C.F. (2007) The holdout problem, urban sprawl, and eminent domain. *Journal of Housing Economics* 16, 309-319.
- Mingers, J., Rosenhead J. (2004) Problem structuring methods in action. *European Journal of Operational Research* 152, 530-554.
- Minhang District Government (2007) Appendix 1: Households resettlement plan for Hongqiao Integrated Transport Junction Construction Project (附一：虹桥综合交通枢纽建设原住户动迁情况). In: *Minhang District Yearbook 2006*, available at:
http://www.shmh.gov.cn/mhgl_nj_details.aspx?NJID=2041&CatalogID=11118&ContentID=48381
- National Bureau of Statistics of China (2011) *China Statistical Yearbook 2010*, available at:
<http://www.stats.gov.cn/tjsj/ndsj/2010/indexch.htm>
- National Bureau of Statistics of China (2011) *The Sixth National Population Census of China 2010*, available at:
http://www.stats.gov.cn/tjgb/rkpcgb/qgrkpcgb/t20110429_402722510.htm
- Niu, F.R., Pan, J.H. editors. (2007) *Annual Report on Urban Development of China No. 1 (中国城市发展报告 No.1)*. Social Sciences Academic Press, Beijing.
- OECD (2004) Working Papers on International Investment, No. 2004/04: 'indirect expropriation' and 'the right to regulate' in *International Law*. OECD Directorate for Financial and Enterprise Affairs, Paris.
- Peltonen, L., Sairinen, R. (2010) Integrating impact assessment and conflict management in urban planning: Experiences from Finland. *Environmental Impact Assessment Review* 30(5), 32-337.

- Tan, Y. (2009) *A Study on Compensation Institution in Urban Housing Demolition: Current, Situation, Issues and Countermeasures* (城市房屋拆迁补偿制度构建: 现状、问题与对策). M.Sc. Thesis, Chongqing University, China.
- Tang, B., Wong, S. and Lau, M. C. (2008) Social impact assessment and public participation in China: A case study of land requisition in Guangzhou. *Environmental Impact Assessment Review* 28(1), 57-72.
- Tang, X.C. (2007) *Study on Compensation Problem of Urban Housing Demolition* (城市房屋拆迁补偿问题研究). M.Sc. Thesis, Chongqing University, China.
- Tilt, B., Braun, Y., He, D. M. (2009) Social impacts of large dam projects: A comparison of international case studies and implications for best practice. *Journal of Environmental Management* 90(3), 249-257.
- Thomsen, A., van der Flier, K. (2009) Replacement or renovation of dwellings: the relevance of a more sustainable approach, *Building Research & Information*, 37(5-6), 649-659
- Thomsen, A., van der Flier, K. (2010) Demolition in Europe; volume, motives and research approach. Paper presented at the IAHS World Congress on Housing Science: Design, Technology, Refurbishment and Management of Buildings, Santander, Spain
- Thomsen, A., Schultmann, F., Kohle, N (2011) Deconstruction, demolition and destruction. *Building Research & Information*, 39(4), 327-332.
- Renard, V. (2008) Non-financial compensation from an economic perspective. In: Janssen-Jansen, L., Spaans, M., Van der Veen, M., editors. *New Instruments in Spatial Planning: An International Perspective on Non-Financial Planning*. IOS Press, Amsterdam, pp. 197-212.
- Shi, H.H. (2008) *Public Policy Analysis on Compensation for Urban Building Removal in China* (我国城市房屋拆迁补偿的政策问题研究). M.Sc.Thesis, Northweat University
- Shi, S.S. (2009) *Assessment of the Compensation of House Demolition and the Use of Land Resources in the Urban Renewal* (城市更新中房屋拆迁补偿与土地资源利用评析). M.Sc. Thesis, Tianjing University, China.
- Sink, T., Ceh, B. (2011) Relocation of urban poor in Chicago: HOPE VI policy outcomes. *Geoforum* 42, 71-82.
- Slotweg, R., Vanclay F., van Schooten, M. (2001). Function evaluation as a framework for the integration of social and environmental impact assessment. *Impact Assessment and Project Appraisal* 19 (1), 19-28.
- Smith, W.F. (1969) Relocation dilemma. *The Appraisal Journal* 37, 424-432.
- Spaans, M., Van der Veen, M., Janssen-Jansen, L. (2008) The concept of non-financial compensation in spatial planning. In: Janssen-Jansen, L., Spaans, M., Van der Veen, M.,

- editors, *New Instruments in Spatial Planning: An International Perspective on Non-Financial Planning*. IOS Press, Amsterdam, pp. 121-139.
- Stoker, G. (1998) Governance as theory: five propositions. *International Social Science Journal* 50, 17-28.
- State Council of China (1983) *Urban Private Housing Administrative Regulations* (城市私有房屋条例), available at:
<http://vip.chinalawinfo.com/newlaw2002/slc/slc.asp?db=chl&gid=1873>
- State Council of China (1988) *Urban Land Using Tax Provisional Regulations* (城镇土地使用税暂行条例), available at: http://www.gov.cn/banshi/2005-08/19/content_24813.htm
- State Council of China (1991) *Urban Buildings Demolition Relocation Administration Regulations* (城市房屋拆迁管理条例), revised in 2001, available at:
http://www.gov.cn/zwgk/2005-06/06/content_4252.htm
- State Council of China (1998) *Notice on the Further Deepening of the Reform of the Urban Housing Construction System* (国务院关于进一步深化城镇住房制度改革加快住房建设通知), available at: http://www.china.com.cn/law/flfg/txt/2006-08/08/content_7058347.htm
- State Council of China (2011) *Buildings Expropriation on State-owned Land and Compensation Regulations* (国有土地上房屋征收与补偿条例), available at:
http://www.gov.cn/zwgk/2011-01/21/content_1790111.htm
- United Nations (1980) *Patterns of Urban and Rural Population Growth No 68*. United Nations Population Studies, New York, pp 33-34.
- Van der Veen, M., Spaans, M., Janssen-Jansen, L. (2010) Using compensation instruments as a vehicle to improve spatial planning: Challenges and opportunities. *Land Use Policy* 27, 1010-1017.
- Vanclay, F. (1999) Social impact assessment. In: Petts, J. editor. *Handbook of Environmental Impact Assessment*, vol. 1. Blackwell, Oxford, pp. 301-326.
- Vanclay, F. (2002) Conceptualising social impacts. *Environmental Impact Assessment Review* 22(3), 183-211.
- Vanclay, F. (2003) International principles for social impact assessment. *Impact Assessment and Project Appraisal* 21 (1), 5-11.
- Vanclay, F. (2011) Lecture of Course of Social Impact Assessment, in Environmental and Infrastructure Master Program 2010-2011.
- Walker, J.L., Mitchell, B. and Wismer, S. (2000) Impacts during project anticipation in Molas, Indonesia: Implications for social impact assessment. *Environmental Impact Assessment Review* 20(5), 513-535.

- Wenda, D., Kleinhans, R. (2011) Residential outcomes of forced relocation: lifting a corner of the veil on neighbourhood selection. *Urban Studies* 48(4), 661-680.
- Wu, F.L. (2004) Residential relocation under market-oriented redevelopment: the process and outcomes in urban China. *Geoforum* 34, 453-470.
- Wu, F.L., He, S.J. (2005) Changes in traditional urban areas and impacts of urban redevelopment a case study of three neighbourhoods in Nanjing China. *Tijdschrift voor Economische en Sociale Geografie* 96 (1), 75-95.
- Yusuf, S., Saich, T. (2008) *Optimizing urban development*. In: Yusuf, S., Saich, T. editors. *China Urbanizes: Consequences, Strategies, and Policies*. The International Bank for Reconstruction and Development/World Bank, Washington, D.C, pp. 1-40.
- Zhang, T.W. (2007) Urban development patterns in China: The new, the renewed, and the ignored urban space. In: Song, Y., Ding, C.R. editors. *Urbanization in China: Critical Issues in An Era of Rapid growth*. Lincoln Institute of Land Policy, Cambridge, MA, pp.3-27.
- Zhang, Y. and K. Fang (2004) Is history repeating itself? From urban renewal in the United States to inner-city redevelopment in China. *Journal of Planning Education and Research* 23(3), 286-298.
- Zhu, Y. (2007) China's floating population and their settlement intention in the cities: Beyond the Hukou reform. *Habitat International* 31, 65-76.

Website

- CIA (2011) *The World Factbook, China*, accessed on 2011.08.31
<https://www.cia.gov/library/publications/the-world-factbook/geos/ch.html>
- China Daily: *For Some, Urbanization Means Easy Money*, accessed on 2011.08.31
http://www.chinadaily.com.cn/cndy/2010-06/08/content_9946079.htm
- UNDESA (2010) *World population prospects: the 2010 version*, accessed on 2011.08.31
<http://esa.un.org/unpd/wpp/index.htm>
- Wikipedia: Definition of urbanization by UN, accessed on 2011.08.31
<http://en.wikipedia.org/wiki/Urbanization>
- Wikipedia: Text of the Fifth Amendment to the US Constitution, accessed on 2011.08.31
http://en.wikipedia.org/wiki/Fifth_Amendment_to_the_United_States_Constitution
- HUD.GOV: HOPE VI Program, accessed on 2011.08.31
http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/hope6/about
- National Geographic Magazine China: Special Economic Zones and Development Zones in Eastern Coastline, accessed on 2011.08.31

http://ngmchina.com.cn/bbs/attachments/month_0711/20071121_8bfc4e98232b4aa8a731hHVyIp3VG4zy.jpg

Soufun: Average housing unit price of various residential quarters in Shanghai, Tianjin and Qingdao, accessed on 2011.08.31

<http://www.soufun.com/>

Fangjia: Average housing unit price of various residential quarters in Beijing, Guangzhou, Shenzhen, Shanghai, Tianjin and Qingdao, accessed on 2011.08.31

<http://www.fangjia.com/>

QQ News: China Serial Research Report of Urban Demolition and Household Relocation survey results, accessed on 2011.08.31

<http://news.qq.com/a/20110623/000041.htm>

Xinhua News: *Sudden Wealth by Compensation and Forced Demolition are Outcomes of Chinese High Housing Price* (暴力拆迁与暴富拆迁都是中国高房价的产物), accessed on 2011.08.31

<http://world.people.com.cn/GB/11834042.html>

Appendix

Appendix 1

List of major Internet recourses on social impacts by compensation practices

Sudden wealth by compensation:

Place of compensation practice	Resource type		Website link
Dawangjing, Beijing	Newspaper	<i>Beijing News</i>	http://news.sohu.com/20100519/n272199100.shtml
		<i>People's daily</i>	http://www.rmlt.com.cn/News/201107/201107071317353121.html
		<i>Beijing Morning News</i>	http://beijing.aifang.com/news/2011-05-10/88791.html
	Netnews	<i>Xinhua Net</i>	http://news.xinhuanet.com/politics/2011-07/05/c_121626261_2.htm http://finance.people.com.cn/GB/11648606.html
		<i>Caixing Online</i>	http://english.caing.com/2010-04-29/100139899_1.html
	Video interview	<i>CCTV</i>	http://news.sohu.com/20101123/n277831298.shtml
Xintang, Guangzhou	Newspaper	<i>Guangzhou Daily</i>	http://qingyuan.people.com.cn/GB/14748/12480245.html
		<i>Information Times</i>	http://news.dichan.sina.com.cn/gz/2010/07/13/184134.html
		<i>New Express</i>	http://news.xkb.com.cn/fangchan/2009/0827/9190.html
	Netnews	<i>BWCHINESE</i>	http://www.bwchinese.com/article/1012433_2.html
	Forum	<i>Daxintang</i>	http://www.daxintang.com/thread-16567-1-1.html
	Video interview	<i>TVS</i>	http://v.ku6.com/show/z0Wg-eHg282jhZ7G.html

			http://v.youku.com/v_show/id_XMjAwODU4NDEy.html
Gangxia, Shenzhen	Newspaper	<i>Shanghai Securities News</i>	http://news.dichan.sina.com.cn/2009/12/26/103022.html
		<i>Shenzhen Special Zone Daily</i>	http://sz.focus.cn/news/2009-01-04/600258.html
		<i>National Business Daily</i>	http://biz.cn.yahoo.com/09-11-/137/ujso.html
		<i>Southern Metropolis Daily</i>	http://money.163.com/09/1027/09/5MKFJS14002534NU.html
	Netnews	<i>Shenzhen Real Estate Information</i>	http://www.louhome.com/news/news/ms/13415.html
	Forum	<i>CNTV BBS</i>	http://bbs.cntv.cn/thread-14725216-1-1.html
		<i>SOUTH CN</i>	http://bbs.southcn.com/thread-579021-1-1.html
	Video interview	<i>OTV</i>	http://video.sina.com.cn/p/news/s/v/2009-11-05/213160426972.html

Forced demolition:

Place of compensation practice	Resource type		Website link
Minhang, Shanghai	Newspaper	<i>Xinmin Evening News</i>	http://news.dichan.sina.com.cn/2009/11/29/90954.html
		<i>Chongqing Evening News</i>	http://news.sohu.com/20091123/n268381981.shtml
		<i>Today Morning News</i>	http://news.sohu.com/20091123/n268385196.shtml
	Blog	<i>Boxun Blog</i>	http://blog.boxun.com/hero/200911/youpaiershi/1_1.shtml
	Magazine	<i>Caijing Magazine</i>	http://magazine.caijing.com.cn/2009-12-21/110341595.html
	Video interview	<i>CCTV</i>	http://www.youmaker.com/video/sv?id=d40b5f7f16a04814b0817755f93b

			9192001
Meihuli, Tianjin	Newspaper	<i>Guangzhou Daily</i>	http://qingyuan.people.com.cn/GB/14748/12480245.html
	Netnews	<i>Tianjin Net</i>	http://tj.house.163.com/news2/100904/1/698251-1.shtml
	Forum	<i>Soufun BBS</i>	http://tjbbs.soufun.com/1110145863~-1~1224/79487847_79487847.htm
		<i>Local Government Message Board</i>	http://liuyan.people.com.cn/viewthread.php?tid=492775&extra=page%3D1 http://liuyan.people.com.cn/viewthread.php?tid=538410&extra=page%3D31
		<i>Ifeng BBS</i>	http://bbs.phtv.ifeng.com/viewthread.php?tid=5116202&extra=page%3D1
Blog	<i>Sina Blog</i>	http://blog.sina.com.cn/s/blog_4a4325550100j60g.html	
Badahu, Qingdao	Newspaper	<i>Peninsula Metropolis Daily</i>	http://qd.focus.cn/news/2010-04-09/901412.html
		<i>Qingdao Morning News</i>	http://house.focus.cn/news/2010-04-07/898837.html
	Netnews	<i>Bandao Community</i>	http://club.bandao.cn/showthread.asp?boardid=20192&id=1222818 http://club.bandao.cn/showthread.asp?boardid=20192&id=1205719
		<i>Canyu Net</i>	http://news.boxun.com/news/gb/china/2010/05/201005230647.shtml
	Forum	<i>Pingdu BBS</i>	http://bbs.pingdu.gov.cn/dispbbs.asp?boardid=11&Id=66932
		<i>Forum China</i>	http://forum.china.com.cn/thread-682918-1-1.html
		<i>Ifeng BBS</i>	http://bbs.ifeng.com/viewthread.php?tid=4588392&extra=page%3D1
	Video interview	<i>CCTV</i>	http://news.cntv.cn/china/20100612/103178.shtml

