



Uneven compensation and relocation for displaced residents: The case of Nanjing



Yi Hu ^{a,1}, Pieter Hooimeijer ^{b,2}, Gideon Bolt ^b, Dongqi Sun ^{c,*}

^a Urban-Rural Planning Administration Center, Ministry of Housing and Urban-Rural Development, Beijing 100835, China

^b Department of Human Geography and Planning, Utrecht University, Utrecht 3584CS, Netherlands

^c Institute of Geographic Sciences and Natural Resources Research, CAS, Beijing 100101, China

ARTICLE INFO

Article history:

Available online 6 February 2015

Keywords:

Displacement
Uneven compensation
Affordable housing
Purchasing discount
Nanjing
China

ABSTRACT

Land marketization and housing commodification have stimulated inner-city restructuring and urban expansion in China and have also induced a large amount of population displacement. Affordable housing, as part of compensation, tends to be the most common relocation housing for displaced households. It is allocated through two approaches: in-kind compensation and monetary compensation. Local government provides in-kind compensation to displaced households in the form of affordable housing, as direct compensation for demolished houses, and gives priority to those who have received monetary compensation to enable them to purchase affordable housing at a discount from the market price. The process of negotiation between local government and displaced households is complicated. As a result, uneven compensation occurs in terms of compensation approaches, as well as in how much displaced households are paid for similar new affordable houses. This study conducts a detailed analysis of the uneven displacement compensation and relocation process. It uses residential surveys conducted in Nanjing to examine uneven compensation along two dimensions: compensation approaches and the purchasing discount on new, compensated affordable housing.

© 2015 Elsevier Ltd. All rights reserved.

Introduction

Market-oriented reform has brought a series of socio-economic transformations, including land marketization and housing commodification, which have greatly stimulated large-scale inner-city restructuring in China (Gaubatz, 1999; Wu, 2002; Zhang & Fang, 2004). A large amount of real-estate capital is invested in inner-city areas to build commercial housing and upgrade existing buildings, and in turn, to improve both the inner city's image and its living conditions. These redevelopments are caused by increasing land-based interests or rent gaps (Dowall, 1994; Shin, 2009; Smith, 1987). Negative effects of urban redevelopment have been widely discussed in the existing literature (Hartman, 1980; Jacobs, 1961; Kempen & Priemus, 1999). However, redevelopment starts with a large-scale demolition and displacement of old neighborhoods.

A large number of original residents must relocate in the face of increasing urban land values and for real-estate profit generation. Every year in Britain, 144,000 people are forced to leave their original homes because of housing clearance and gentrification (Atkinson, 2000). In the Netherlands, 60,000 dwellings were demolished as a result of the Big Cities Policy in 1994 (Bolt & Kempen, 2010). China is no exception to this trend, as urban redevelopment in contemporary Chinese cities is taking place on an unprecedented scale (Shin, 2009). Between 1990 and 2000, it is estimated that approximately 330 million square meters of housing across China was demolished (Li & Song, 2009). From 2000 to 2010, the city of Shanghai demolished 60.14 million m² of housing, leading to the displacement of more than 646,000 households (Shanghai Statistical Bureau, 2011). In Nanjing, according to Yuan, Zhu, and Ma (2010), 1.2 million m² of housing was demolished in the inner city during the period 2004–2006. During the past decade, displacement has been a growing phenomenon that is closely associated with market-oriented land and housing transformations.

China is undergoing rapid urban expansion because there is insufficient inner-city land to meet the demands of urban development and urban population growth. A large amount of

* Corresponding author. Tel.: +86 18612729027; fax: +86 1064854230.

E-mail addresses: yisarah0504@gmail.com (Y. Hu), p.hooimeijer@uu.nl (P. Hooimeijer), g.s.bolt@uu.nl (G. Bolt), aibidsk@163.com (D. Sun).

¹ Tel.: +86 1057811591; fax: +86 1057811704.

² Tel./fax: +31 302533205.

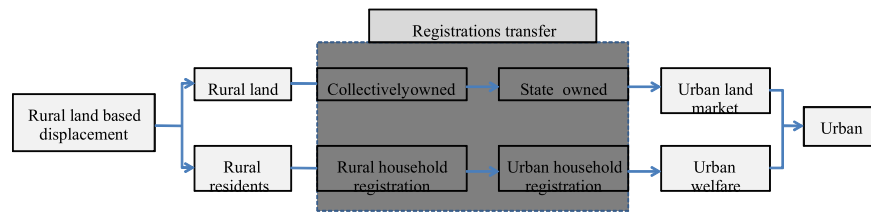


Fig. 1. Rural displacement process.

collectively owned rural land on the urban fringe has been swallowed up by the city, and this has led to many rural residents being displaced. When urban expansion requires more land, local government acquires land from the city's suburbs. According to land ownership regulations in China, this land is owned by the rural committee rather than the state. Therefore, the process of land acquisition requires several steps: relocating rural residents who live on the collectively owned land; shifting their household registration³ (*hukou*) from rural to urban to enable them to gain access to urban welfare (Wang & Murie, 1999); and collectively transferring land-ownership registration to the state⁴ (Fig. 1).

Displacement induced by both inner-city redevelopment and urban expansion in China has prompted many scholars to conduct critical research. The existing literature has focused on the political-economic reasons for displacement. Western classical theories, such as global urbanism, neo-liberalism and gentrification, are used to explain redevelopment mechanisms (Cartier, 2002; He & Wu, 2009; Lee & Zhu, 2006). Other literature has focused on the implementation process involved. Theories of growth coalition, growth machine and urban regime have been used to analyze China's displacement activities that are controlled by local government and developers (Yang & Chang, 2007; Zhang T., 2002; Zhang & Fang, 2003; Zhang & Wu, 2008). Other studies have revealed the socio-economic implications relating to urban redevelopment (Hao, Sliuzas, & Geertman, 2009; Leaf, 1995; Wang & Wu, 2010; Wu, 2004).

In this process it is residents who are most affected. However, there has been little research conducted into the effects on displaced residents of urban restructuring and urban expansion. The exceptions are the studies by Wu (2004) and Li and Song (2009) on displaced residential relocation in Shanghai. Wu examined displaced relocation outcomes resulting from changes in housing tenure, built forms and housing conditions and compared them with pre-relocation. He further used descriptive statistics to evaluate the benefit level, based on per capita housing space, of people who were relocated for different reasons: infrastructure development, real-estate development, workplace housing allocation, and congestion alleviation programs. In his paper, Wu stressed that the process of displacement and relocation is a complicated process of negotiation involving residents, government agencies and demolition companies. Displaced households can bargain for compensation and relocation benefits. Therefore, it is expected that uneven relocated housing distribution exists not only between displaced households and other relocated households, but also within displaced households. This finding is confirmed in the study by Li and Song on the level of satisfaction with dwellings and neighborhoods of displaced residents in Shanghai. The results show that although some displaced residents complain about unfair and

unjust compensation and relocation, they are still more satisfied with their relocated housing conditions than stayers and migrants. In their conclusion, Li and Song also pointed out that displaced residents would try various tactics and strategies to negotiate for better compensation. Thus, they cannot be regarded as passive actors in residential redevelopment.

In the recent process of large-scale redevelopment and displacement relocation, it is critical to study uneven displacement compensation. Although both Wu (2004) and Li and Song (2009) recognized that uneven compensation and relocation exist among displaced residents, they did not conduct detailed analyses on the uneven compensation and relocation process, nor on which factors affect the level of disparity. Based on their work, this paper provides further analysis of the uneven compensation and relocation of displaced residents in China. Following an interpretation of the relationship between land ownership and housing, which are directly related to housing displacement and compensation policy in China, the next section introduces two levels of compensation policies, and this is followed by an explanation of how uneven compensation and relocation occur. We then present an empirical analysis of uneven compensation in two steps: how household-related factors affect compensation approaches (in-kind and monetary) and how household-related factors affect the level of monetary compensation, if households received monetary compensation.

Relationship between land ownership and housing

Land ownership is an important institutional factor that divides housing into two different systems. After the foundation of the People's Republic of China, the central government stipulated two types of land ownership in socialist China: state owned and collectively owned. All urban land is owned by the state, and rural land by rural collective committees. Administrative allocation was the only approach to urban land allocation until 1988, when, as part of the reform of the economy, the Land Administration Law was revised to allow state-owned land-use rights to be transferred to developers for commercial development, following the payment of land-use rights transfer fees. Thus, a nationwide land market was launched (Huang, 2003; Lin & Ho, 2005).

However, collectively owned land cannot be put on the land market, and it is illegal to use it for commercial development. Collectively owned land can only shift its ownership to become state-owned land, and it is only then that the land can be leased for commercial development. But this ownership-transfer process is monopolized by government, which means that only the government can buy the collectively owned land from the collective committee.

As a result of the dual-track land-ownership system, housing built on the two different types of land has different rights in the housing market. Housing on state-owned land can be sold on the housing market and used as collateral for loans. According to the Land Administration Law, housing owners on collectively owned land are allowed to possess, use, and benefit from the ownership of the housing and land (Lin & Ho, 2005). However, the owner has no

³ *Hukou* in China requires each citizen to register in one place for the status of regular residence. This system has long been used to restrict migration (Chan, 1999; Wu, 2004), including migrants from rural to urban areas in the same city. *Hukou* registration status is associated with welfare. Only residents with local urban *hukou* have access to urban services such as education, jobs, housing, and healthcare.

⁴ Collectively owned land cannot be used for commercial purposes.

Download English Version:

<https://daneshyari.com/en/article/1047883>

Download Persian Version:

<https://daneshyari.com/article/1047883>

[Daneshyari.com](https://daneshyari.com)