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Published in:
Social Welfare in India and China

DOI (link to publication from Publisher):
[10.1007/978-981-15-5648-7](https://doi.org/10.1007/978-981-15-5648-7)

Publication date:
2020

Document Version
Accepted author manuscript, peer reviewed version

[Link to publication from Aalborg University](#)

Citation for published version (APA):
Zeuthen, J. W. (2020). From Peasants to Social Assistance Recipients? Semi-forced Urbanization in China. In *Social Welfare in India and China: A comparative perspective* (pp. 417-434). Palgrave Macmillan.
<https://doi.org/10.1007/978-981-15-5648-7>

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From Peasants to Social Assistance Recipients? Semi-forced Urbanization in China

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Forced and semi-forced resettlement is a re-occurring feature in both China and India where the establishment of infrastructure and urban zones have caused large-scale resettlement (Mertha 2008; Pils 2016; Levien 2018). These resettlement schemes have led to high levels of social mobilization. While the multiparty system in India has put a stop to several large-scale projects in India, Chinese protests have focused more on the amount and type of compensation since decisions regarding plans are harder to change here. Recent data shows that protests caused by land appropriation appear to have declined within the last years in China (Chen and Göbel 2016: 89). When I have asked Chinese state cadres and researchers, who consult Chinese state authorities with establishing forms of compensation, about why resettlements now appear more peaceful than they used to, they all point to more rigid procedures as the main reason. This chapter studies these procedures in order to understand the logic of compensation and why this logic may have paved the way for more peaceful processes. Based on fieldwork around the mega-city Chengdu in Southwestern China, the chapter argues that compensation works more as a social right for those in communities already eligible for social welfare than as a market-based compensation reflecting the property's value for developers. Thus, it is predominantly citizenship and the state's conception of what the function of the housing in question was prior to its demolition that determines the amount and type of compensation.

Introduction

In most places in the world, the term urbanization is primarily used to describe a specific spatial and social change. In China, however, urbanization (or more directly translated either citification (*chengshihua*, 城市化) or townizing (*chengzhenhua*, 城镇化) is as much a policy goal literally built in concrete. Local cadres' career opportunities depend on their ability to comply with specific goals for percentages of urbanization reached, and while Chinese language is usually characterized by disguising the subject of sentences, policy texts are frequently very clear on the party state's control of the urbanization process. The state urbanizes. In China, urbanization, rather than being an ongoing social phenomenon, is frequently quite literally a process of demolishing farmhouses and building urban housing in which former peasants are resettled. Historically, this state-organized urbanization happened vis-à-vis more endogenous processes of urbanization, but with recent crack-downs on "villages in the cities" (*chengzhongcun*, 城中村) and an increased focus on the protection of arable land, the state dominates urbanization processes more and more (Wang and Christiansen 2019; Pils 2016; Hsing 2010; Wu 2015; Lin 2009; Zeuthen 2018).

In informal conversations with cadres in and students of Chinese local politics, I have frequently heard the massive resettlements taking place framed as the state organizing what people would have done anyway, just in a faster and more orderly way, which ensures that former peasants get to live in ordered, newly built urban communities instead of shantytowns. While aspects of this may be true, the state's organization of moving people, however, also means that some of the responsibility that individuals take upon themselves when they themselves move to a city or in other ways become part of an urban logic are taken over by the state. This means that the urbanization processes become politicized.

The chapter first discusses some of the findings from the existing literature on dispossession and rural and urban property rights, then briefly presents the method before presenting legislation on resettlement from three different county-level administrations (500,000 to 1,500,000 inhabitants). The chapter finally analyzes how resettlement has worked in practice in

three different situations:

- 1) Resettlement for infrastructure (dams, railways, motorways etc.)
- 2) Resettlement for urban development
- 3) Resettlement for producing quotas allowing urban development.

In the three counties, resettlement was massive. In the rural areas under the jurisdiction of the mega-city Chengdu alone, close to one million people had been resettled between 2005 and 2017 with the purpose of making space for arable land that could justify urban expansion closer to the city (Zeuthen 2018: 946). This accounts for around one sixth of Chengdu's locally registered rural population, and even there resettlement also happened for other purposes. In many communities, there were hardly any locals who had not been resettled within the last two decades, and some had been resettled more than once.

Dispossession

Marx saw dispossession as a brutal, but necessary, element of capitalist development. Marxist literature on urbanization traditionally sees urban areas as developing in rural areas that gradually become integrated into the capitalist system (Lefebvre 1991). This frequently results in the dispossession of rural subjects who are either rendered unneeded by the capitalist system or are exploited by capitalist urban elites. While this view on the development of capitalism and urbanization, rooted in the 19th century western experiences of industrialization, still dominates urban studies, studies based on non-western experiences point to several instances in which dispossession and urbanization do not seem to be linked with capitalist growth. Davis (2006) thus argues that, in many parts of the developing world (except coastal China), urbanization occurs, to a great extent, in order to make room for rural development. Cities simply contain surplus labour not needed by the capitalist system. Similarly, Levien (2018) argues that massive dispossession on India's rural-urban boundary does not necessarily create development opportunities for most residents in these areas. On the contrary, the big resettlement schemes often destroy existing opportunities without replacing them with something else.

In China, Ong likewise sees the rural-urban boundary as a site where the metropolis, a site of 'neoliberal exception' (Ong 2006), meets its vast hinterlands where traditional political and economic institutions prevail (Ong 2011). While Ong focuses on how capitalism contributes to a deepening of the rural-urban divide, another strand of literature focuses on how this divide is deeply embedded in pre-reform institutions, which also contribute to strengthening the rural-urban divide by making rural resources of land and labour resources available to urban China at a sub-market price (Christiansen 1993; Ho 2015; Wang 2005). Based on a study of compensation allocated for resettlement with the purpose of enabling urbanization, this chapter argues that compensation seeks to maintain the status quo, but does so in a way that risks changing citizens from actively engaged in the urbanization process to becoming speculators in resettlement compensation opportunities resembling social welfare schemes. These schemes may, in turn, have caused the apparent decrease in protests related to land and property issues.

Property and citizenship

Lund (2016), based on studies of property rights in rural and semi-urban areas in Western Africa and Southeast Asia, argues that contestation about property rights is often more an issue of citizenship and who has the right to decide over things than it is a matter of who "owns" a specific piece of land. In rural China, and in the many areas formally categorized as rural but in the process of attaining urban status, citizenship has traditionally been closely linked to property rights. According to Chinese law, all land belongs to the state, so what rural citizens (peasants, *nanongmin* 农民) are left with are different sets of use-rights. These use-rights are divided according to citizenship. Small groups with a few hundred households are given indefinite use-rights to arable land, and according to law, these use-rights are evenly shared between individual households for 30 years with the expectation that the rights will then be renewed. In addition, each household is given indefinite use-

rights to a piece of village construction land used for housing and agricultural facilities. Arable land may only be used for agriculture and it is possible to lease it out. Rural construction land cannot legally be sold to anyone other than fellow villagers. The rural set of property rights is different from the urban. Urban residential land may be leased out for 70 years for a lump sum (which de facto means it can be sold). This division in formal property rights is mirrored in the two basic types of citizenship: non-agricultural and agricultural *hukou* (户口, household registration). In the past, this divide meant that, while the urban population was provided for by the state in terms of housing, welfare and jobs, those in the countryside were assigned land through their villages. The villages not formally incorporated into the state system were supposed to organize their own welfare, but very often could not afford this. When a substantial part of state-owned housing was privatized in the 1990s, urban residents living there were allowed to purchase the property they occupied at very low prices, and thus got a foothold on the emerging real estate market, while peasants usually still provided for themselves. There are vast differences between what a *hukou* in a city, large or small, or a village on the outskirts of a city and a village in the mountains gives access to in terms of welfare and opportunities, irrespective of whether this *hukou* is rural or urban. However, the divide between the types of opportunities assigned to the urban and the rural strata remains within these localities (Chan 2019; Zeuthen and Griffiths 2011). This division is important for understanding the logic of compensation for resettlement, and the division is an important part of the reason why resettlement is very common in China. The state has a monopoly on changing the status of tracts of land from rural to urban, and city governments earn a considerable share of their profit from such conversions (Lin 2009; Ong 2014).

On the ground, of course, understanding Chinese localities and residents as either urban or rural eat many nuances. As in many other countries in the developing world, migrant labour constitutes an important form of income and many villages in more distant parts of the country are almost empty, leaving access to land mainly as a form of security or fall-back plan that renders the risky contracts as a migrant worker attractive (Chuang 2015). In many localities near big cities, a formal registration that includes rights to rural land on the outskirts is very attractive. Such a *hukou* can grant access to revenues from informal forms of urbanization, for instance by letting out housing to rural-urban migrants or through a share in the development of “small property rights” (*xiao chanquan*, 小产权) housing sold at lower rates than regular “market housing” (*shangpinfang*, 商品房) (Hsing 2010; Chan et al. 2009; Zeuthen and Griffiths 2011; Ho 2015). Registration in the periphery is also an opportunity to become part of an attractive resettlement scheme if the status of land is formally changed to urban status. In all these instances, the possibility to remain legally rural while engaging in the urban economy is essential. On the one hand, the duality makes rural residents accept lower wages and a different form of public services than urban residents, and on the other hand, the dual status makes rural residents and rural land available for urban development at a rate lower than it would have on the regular market. It is thus hardly surprising that compensation for the loss of housing aims at maintaining this duality.

Method

In a legal system that understands land and citizens as either urban or rural, formal central state regulations regarding compensation for resettlement are fairly straightforward: Peasants should have access to land that through their labour will enable agricultural production at a subsistence level, and they should have access to a small plot of land on which they can build housing and agricultural facilities. Legislation on resettlement usually reflects this. Peasants are supposed to be compensated in the form of housing with sufficient space to live on and a sum of money and/or improved access to welfare that compensates for the loss of their means of production (arable land). China, however, has four levels of legislative authorities. Each level adds more detail to the formal procedures and levels of compensation. These sets of legislation allow for large local differences, and mainly focus on situations in which resettlement is forced. In most situations, however, resettlement is formally voluntary, and this allows for even larger degrees of variation, also in the form of resettlement. The forms of resettlement studied in this chapter have been selected because they are likely to include a high level of variation. The infrastructure resettlements studied here concern highly prioritized projects and are thus considered politically important, which means that more attention is paid to procedures and there are very limited chances of changing decisions

about resettlement. The resettlement for urbanization studied concerns the urbanization of large cities where the revenues are high and the flexibility regarding whom to resettle is limited. Resettlement for production of more arable land that allows urbanization elsewhere is much less place-specific and often happens through direct bargaining between development companies and those who are resettled. Resettled peasants interviewed during my fieldwork tended to focus more on the compensation for housing than on the land; I, too, therefore focus mainly on compensation for lost housing. Data has been collected by the author through ethnographic fieldwork amongst peasants, former peasants and local cadres in localities undergoing resettlement in 2007, 2015, 2017, and 2018. The main sites (all at county level) were:

Qionglai, a county (technically county-level city) under the jurisdiction of Chengdu and located 50-100 km from Chengdu city proper that has been clearing land for agriculture to justify urban development since at least 2007 (Zeuthen 2018).

Tianfu District in Chengdu, the central district of Tianfu New Area that the provincial and national government has focused on developing into a satellite city of five million by 2030.

Renshou County outside the jurisdiction of Chengdu, but with a small section incorporated into Tianfu New Area. This small section, too, remains outside the jurisdiction of Chengdu.

Comparing county-level legislation on resettlement

Below (see table), I present the formal regulations from the three county-level administrations. In most localities, regulations stipulated that peasants could choose between compensation in kind and cash compensation. While only very few of the resettled individuals that I talked to ever spoke of any choice between compensation in kind and cash, the actual schemes that they presented as the ones that they had been following fit those in formal regulations fairly well. It was probably developers, rather than villagers, who had the choice between forms of resettlement. In all instances, regulations specified that only those properly registered in the area had any rights to compensation.

		Compensation per person		Compensation for 250 m ² – household of five.		Price for 250 m ² of nearest market housing (CNY)
		kind	Cash (CNY)	kind	Cash (CNY)	
Qionglai	Standard compensation	30 m ² /person	2200-2750 CNY/m ² for up to 30 m ²	150 m ²	330,000-412,500	750,000-1,250,000
	Bonuses for clearing on time	5m ² per person	<ul style="list-style-type: none"> • 400 CNY/m² (up to 30 m²) • full compensation for 5 m² extra • 300 CNY/m² for exceeding space. • 10,000 CNY if entire village is cleared on time. 	25 m ²	Up to 195,000	
Renshou (centre)	Standard compensation	55 m ² + 5 m ² at discounted rate	210,000	275 m ² + 25 m ²	1,050,000	1,000,000 (county town) to 4,500,000 (Tianfu border)
	Bonuses for clearing on time		20,000-30,000		100,000 - 150,000	

Renshou (periphery)	Standard compensation	<ul style="list-style-type: none"> • 30m² of rural construction land (max. 5 persons) • Right to build two storeys. • 80,000-100,000 CNY 	90,000-150,000	Right and land to build 300 m ² + 400,000 – 500,000 CNY	450,000 - 750,000	750,000 – 1,000,000
	Bonuses for clearing on time	20,000 CNY (up to 3 persons) + 3,000 CNY per additional person	35,000 – 50,000	66,000 CNY	175,000 - 250,000	
Tianfu	Standard compensation	Housing up to 50 m ² compensated at the same rate as it sold in resettlement compounds. Minimum compensation 30 m ² .	43,000	250 m ²	215,000	2,000,000-3,000,000
	Bonus	3,000 CNY	3,000	15,000 CNY		

Table: Compensation forms according to regulations posted on the counties' websites [retrieved March 2019].

Compensation is either in kind or cash. The exchange rate of CNY was 15 to the USD at the time.

As the table shows, variation between compensation allocated through the various schemes was substantial, both between different counties and between different areas within each county. The compensation schemes, however, also had considerable similarities. There was some variation as to which role existing housing should play for the compensation provided, but in all cases a minimum is provided for everybody who is properly registered as holder of collective land in the village, i.e. any person who has a proper rural *hukou*. There was also a substantial bonus for signing up for resettlement early and willingly and actually clearing the house by an agreed time. This was an important element, since resettlement organized by county level administrations was normally voluntarily, and staying on for as long time as possible in one's house had often proved a viable way of maximizing compensation. In addition, social unrest affected the career patterns of cadres negatively (Chen and Göbel 2016).

While these formal regulations constituted the basis for formal agreements, it was often not a mundane task to decide which scheme was to be followed in particular situations. Below, I study some of the many different forms of resettlement that took place and the ways in which compensation happened in practice. I retain a focus on the formal agreements. My research permission did not allow me to stay long enough in each locality to study how corruption, nepotism and good bargaining skills may have provided specific individuals particularly good deals.

Resettlement for infrastructure

This section studies resettlement in cases in which highly prioritized government policies require the resettlement of people. The county legislation presented in the table above stipulated that projects organized by the central state or the provincial government came with their own sets of compensation and made local regulations obsolete. These forms of resettlement are usually not even formally voluntarily, but they are often among the more attractive forms of resettlement. In a small, newly constructed town populated partly by residents who, at least formally speaking, resettled voluntarily to allow space for an amusement park and partly by residents forcefully resettled to give room for a new rail line, those voluntarily resettled envied those who had been forcefully resettled. While those resettled for the railroad had permanently lost their land and were entitled to urban citizenship with pensions, those resettled for the amusement park were, in addition to their new

houses, only entitled to the rent that they had agreed upon with the private company that had developed the amusement park on their arable land. The company, which worked closely together with the local county government, had not paid any rent for two years, and residents would have preferred a deal directly with the government, because the government would have been more likely to pay.

The forced resettlements for infrastructure come in many different forms depending on the locality. The rail line mentioned above was built around 30 kilometres from the built-up areas in Chengdu in a locality where land had a value as recreational places for people from the city and increasingly also for settlement. In areas in which land was less attractive, compensation often happened simply by supplying a comparable piece of land and a new house. This was the case when resettlement for the large dam projects in Hanyuan a few hundred kilometres from Chengdu took place during the mid-2000s. The resettlement for the dam project had caused an unusually large incident in Hanyuan, mainly focused on the levels of compensation, where the governor of Sichuan Province had been surrounded by protesters during a visit to Hanyuan and as many as 10,000 soldiers were reported to have been sent in (He 2005; Mertha 2008).

2,600 of the Hanyuan households were resettled to Qionglai. Since the resettlement occurred in the aftermath of a sizeable uprising, the relocation was followed intensely at higher political levels. I visited Qionglai in 2007 just before one of the four to five yearly inspections by a national committee, which was considered a very important task by county cadres. When the immigrants arrived, they were welcomed with red flags all over the streets. Immigrants were assigned use-rights to land in the villages where they were resettled. According to a county cadre, villages with relatively much land per inhabitant were normally chosen and then land was redistributed according to the new number of villagers.

Housing was designed the exact same way in different settlements according to a design made by the high-level authorities responsible for the resettlement process. These settlements were usually “centre villages” (*zhongxincun*, 中心村) to which locals were resettled in order to make room for more arable land and with the purpose of building more urban-looking rural communities. Unlike the immigrants, locals were intended to build their own housing according to county government plans for houses (a compensation similar to that of Qionglai in the table above, but with older, lower rates). These houses were designed differently from the Hanyuan houses. The number of square metres with which immigrants were compensated was fixed at 35 square metres per person. Both types of housing, built for immigrants from Hanyuan and by locals through subsidies, frequently provided much space for those actually staying there, because most younger and middle-aged household members were working outside of the village. On one occasion, the many county cadres accompanying me during a visit to one of the Hanyuan settlements were surrounded by dissatisfied immigrants while waiting for me outside of the house in which I interviewed the apparently only content immigrant in the entire settlement. Since the immigrants from Hanyuan were a high priority, county cadres followed the situation and the possible discontent among these immigrants extremely closely. The many direct meetings between Hanyuan immigrants and rather high-level officials gave this group privileged access to the local state.

Each case of compensation arising from the construction of infrastructure had its own specific contexts of bargaining. In Tianfu, compensations for houses demolished in connection with the construction of a highway in 2013 had been quite modest. A few peasants' households who still had arable land were given the choice between resettlement to housing provided by the government and cash compensation together with a new piece of land to build on. The family had chosen the cash compensation, but had, in the end, needed to spend additional money on building a new house to replace the old one. The new house, like the old one, was built on rural construction land and was thus not legally tradable. This contrasted sharply with a project nearby for which buildings were cleared in 2018. That nearby area had been selected as the site for building an incinerator. Early on in the process, the few houses placed where the incinerator was intended to be had been demolished and the compensation had been generous at 320,000 CNY per person, or enough to allow those resettled to invest in a newly built flat in the neighbouring township where real estate prices were rising rapidly. This was a much higher level of compensation and an entirely different form of compensation than the one applied by the local authorities (see table above, Tianfu). Nearby residents feared potential pollution from the incinerator and were perhaps also attracted by

the high levels of compensation available to those who were resettled. After some bargaining, the entire hamlet had thus been resettled with the same generous compensation. Substantial parts of the remaining area were also in the process of resettlement. Most of these resettlements were de facto forced, because residents would have to move away either to make room for a new national park with an artificial lake or, because the government had estimated that their current residences were subject to too high a risk of mud slay. In all these cases, the resettlement scheme referred to was the official county scheme with a relatively low compensation per square meter, but with access to purchasing new housing in designated resettlement compounds at the same rate (see table above, Tianfu). The housing to which peasants were resettled was not legally tradable, but there was a large difference between those resettled to a compound at the township centre where it was expected that legally untradeable flats would, in fact, be tradable and those expecting to be resettled to smaller compounds further away. Disputes about resettlement generally focused on which part of the buildings were residential and thus gave entitlement to larger rates of compensation and which were for agricultural production and therefore entitled residents to much lower rates. The idea of resettlement itself was not much disputed.

Resettlement for urban development

Resettlement for urban development and resettlement for infrastructure can be hard to distinguish from one another, since infrastructure is frequently built to support urban networks. When I choose to distinguish anyway, this is because resettlement in order to clear space for the large-scale construction of residential, commercial or industrial use is usually governed by lower levels of government than are clearances for highways, railroads, dams etc. Another difference between clearing land for infrastructure and clearing land for urban development is that, while infrastructure may be placed at a considerable distance from urban areas, urban development projects frequently take place in localities which are already functionally parts of the city.

Resettlement for urban development where formally rural land is turned into urban land happens in ways that are somewhat similar to resettlement for infrastructure. As in cases of resettlement for infrastructure, the people who are resettled do not usually have a choice. On the other hand, the revenues earned by the local governments are extremely high, and since the individuals formally classified as peasants are not actually farmers, but often landlords renting out or de facto selling their rural housing to migrant labourers, the potential losses for those resettled are also much higher.

In 2006, “somewhat rural” (*shenong*, 涉农) areas on the outskirts of Chengdu were in the process of becoming more urban. These areas were occupied by housing that was formally rural, i.e. owned by individual peasants who had no formal right to sell their properties. This housing was in a great many instances rented out to migrant workers, who outnumbered the locally registered population within these areas and who had in some cases themselves built housing on land rented from locals. Since migrants had no formal citizenship rights they had no right to compensation, so the major concern in the relevant government documents was those registered locally who had legal rights to the areas that were to be demolished. These were the people most likely to launch protests.¹ The local government had estimated that such protests would be caused mainly by generally declining incomes resulting from the resettlement, because the income earned from subletting to migrants declined in the process, but also by large and incomprehensible differences in the levels of compensation. Prices for land used by enterprises perhaps matched at the point when expropriation was agreed upon, but were often far too low compared to market prices at the time expropriation actually took place, and 35 square metres to which residents were legally entitled were regarded as far too little. The solution in 2006 had been that local residents were compensated at a much higher level: 51-60 square metres per person if they were formally peasants and 30 square metres if they were urban residents who usually had less housing. When I returned in 2018, the housing that local residents had been entitled to in 2006 had finally been built. Sometimes former peasants had been without their own housing for up to nine years, but

¹ Note that this was Chengdu, 2006-2007. Later reports from Beijing show that eviction of migrants can cause considerable tensions (Pils 2016). In the localities that I studied, migrants were, however, treated as non-citizens with relative success (Zeuthen and Griffiths 2011).

frequently they had purchased or rented housing elsewhere and then rented the housing that had substituted their previous housing out to migrants, just as they had previously done with their old farm houses.

Perhaps an elderly, well-educated owner of a teashop on the ground floor of a 14-storey resettlement block may serve to illustrate how resettlement was more about ensuring compensation than actually being compensated with a place to live: 'Oh, this is not our apartment. When our village was demolished nine years prior to the building of this complex [approximately 2006], we rented a flat somewhere else. The government provided monthly compensation. Then when this complex was finished around three years ago [2015], we were given flats higher up, but they did not work well for running a business, so we rented out the flats, and rented this flat instead.'

Signs at the gate to the compound revealed how several flats were empty and most of the inhabited flats were rented out rather than occupied by the owners. According to a real estate agent, however, these flats in resettlement compounds did not count as proper market housing and would not be put up for sale by him, because the land on which the housing stood had not been rented out to the developing company for 70 years; instead, the flats were built with the purpose of rehousing for a period of 70 years. This meant that, in the event of renewed resettlement, the original occupant would be entitled to compensation, but not the new buyer. This, in addition to the somewhat lower standard of the housing, rendered this a separate class of housing. In other localities, however, real estate agents had no issues with selling similar housing, even if there were already approved government plans to demolish it. In this area, resettlement might have implied that people who had previously lived in two-storey housing now lived in a city where the first six-storey buildings that were built for resettlement in the early 2000s were bordering on being so low that they would be demolished. This, however, did not really change the opportunities for former local peasants to continue living as what locals called "landlords".

Sometimes the categorization of residents caused seemingly arbitrary differences. When I visited an area in Renshou, bordering Tianfu, that was undergoing very fast urban development in 2018, the only houses that were not demolished yet seemed to be the ones where compensation had not been agreed upon yet. In one case, a house was occupied by a local teacher who was formally an urban resident, because her occupation in the 1990s had entitled her to this, at the time, more attractive status. In the particular area in which she lived this meant, she said, that she had no right to compensation for the 400 square metre large house, most of which was sublet to migrants. Since her husband was a rural resident still registered in another village where he was born and where all their children were registered as urban residents, the household was not entitled to any compensation. Most neighbours had happily accepted the 55-60 m² of housing per person that constituted the standard for compensation in the township (see table above, Renshou (centre)). Other cases of resisting residents included ones who had recently rebuilt their houses. However, the rising real estate prices in the area combined with the ability to sell also housing intended as resettlement meant that many were happy about the opportunities for compensation that resettlement offered them. There had been attempts by the local county government to frame the type of resettlement taking place in the area as town sizing rather than urbanization, implying that compensation would be much lower (see table above, Renshou (periphery)). Protests had, however, been massive and compensation was therefore maintained at the higher rate. The township moreover covered an area that was expected to be turned into a national park. Residents expected compensation to be according to the urbanization standard, but this still remained to be decided.

Resettlement for quota production

In some cases, resettlement simply took place to justify urban development, because regulations stipulated that the total amount of arable land must be maintained despite heavy urban expansion (Zhang and Wu 2017; Yep and Forrest 2016; Lin 2009). While there were restrictions allowing only certain areas (initially those hit by earthquakes, but later also poor areas) to produce more quotas than others, for both local governments and residents, there were much wider choices regarding which areas to resettle. This on the one hand allowed local governments and companies working for local governments to select areas in which expectations for compensation were more modest, and in some cases, but far from all, it also made it easier for individuals to opt out of resettlement schemes.

In some of the most rural localities, official levels of compensation were much lower than elsewhere (see Table, Renshou (periphery)), and people were resettled to housing in locations where the market value remained very low. In principle, many of those resettled did not lose land, but merely rented it out on long-term contracts. In one case, elderly people from a village that had been resettled to a compound, including the party secretary, were hired by the new landlord on a daily basis to do sometimes extremely light work in the fields. These workers, who were around 65 years old on average, were driven some 10 kilometres to their former village, now replaced with a farmhouse. On the day I visited them, it appeared that their main occupation in the farmhouse was to play mahjong, but there were also facilities for sleeping and resting during the day. On paper, at least, they had been compensated for the working opportunities that they had lost by subletting their land, which was now situated a 15-minute drive away from where they lived.

Amongst the counties studied, Qionglai had the longest history of quota trading. It had embarked on this very early and had produced a very large amount of development quotas. Here, resettlement was usually organized by direct negotiation between a company, which was granted this opportunity by the county government, and villagers. The company would visit several villages and pick out ones where it found that surplus rural construction land (the land that could be traded for quotas) was sufficient to make resettlement feasible. Then an agreement was made, usually through the village committee, on the procedure of resettlement, albeit often with individual differences. In Qionglai, the preferred procedure for resettlement was a compensation per square metre which could then be used to buy new housing at a discounted rate in new settlements built by the company for some of the profit made from using the development quota for a real estate project (see Table, Qionglai). While the compensation was sufficient for buying a house in the new central villages, it was not sufficient for buying real estate locally, and it was very far from allowing resettled former peasants to settle down in a large city. This type of resettlement required voluntarily resettlement, perhaps this is why bonuses for complying with resettlement plans make up more than a third of the total compensation in the official compensation scheme issued by the county government (see Table, Qionglai). The schemes applied by private companies tended to follow the principles laid out in schemes issued by the local government. In resettlement for quota production, leftover houses included those that were not feasible for resettling, because they occupied very little land, as well as those individual households that chose not to sign up for the deal. Peasants would sometimes sublet their land and sometimes continue tilling it. Whether peasants would keep or sublet their arable land was mainly a question of whether the local government or village committee was successful in attracting an entrepreneur. In actuality, villagers had very limited choices regarding whether or not to sublet, but most were content with subletting their land as long as agreed fees were paid.

The quota trade in Qionglai had been studied as an experiment of commodification of rural land by the liberal and very influential economist Zhou Qiren from Beijing University. He saw the quota system as one of many interesting beginnings of what he saw as an inevitable process of liberalization where property rights to rural land would eventually become privatized (Zhou 2014). While private companies in fact played an important role in designing projects and even in bargaining levels of compensation with peasants, it was, however, still the criteria set by the local state authorities that were decisive for the compensation offered to peasants. Neither peasants nor developers talked about selling and buying property when enterprises appropriated rural construction land, they saw it as compensation for land. When projects were developed, developers put up for sale notices, and though the projects were either built on land leased for 40 years (business and industry) or 70 years (residency), both developers and buyers talked about selling and buying the properties built on them. Through the appropriation of land, rural construction land was transformed into a commodity, but in the relation between peasants, it was the government's perceived function of holding arable land that decided the price paid for it not the market price obtained for the same amount of land when it was resold as part of a project.

Discussion

In China, urbanization, including its indirect effects on agricultural development and infrastructure, is to a very high extent governed by various levels of state. This includes the resettlement schemes discussed in this chapter. In resettlement,

government regulations are important for the compensations that are paid to those who are resettled, but compensation schemes do not come out of the blue. While most resettlement probably happens according to a government scheme, there is, in fact, very often more than one relevant scheme in play in each instance – all of which, given sufficient pressure either from developers or from those targeted by the resettlement, may become relevant. The levels and principles of compensation depend on where, why and when resettlement takes place and who is resettled rather than what is actually demolished in the process. Subjects may object to resettlement, but usually they know that there is little they can do and they therefore choose to direct their efforts at fighting for compensations instead. Smaller issues very often focused on whether specific buildings were residential or used for farming, the extent to which already dilapidated buildings should be compensated etc. Larger issues were connected to matters of citizenship in the relatively rare cases in which individuals were neither migrants, who did not regard themselves as part of the community, nor holders of a local agricultural *hukou*. Different levels of compensation in different administrative jurisdictions were usually not considered issues by peasants who were undergoing resettlement. Both claims and compensation happened locally, and the intention of formal regulations was clearly that the functions of buildings from which people were being resettled should be upheld in the new context. If “peasants” had previously lived as landlords, they should have a sufficient number of square metres to continue doing so, and if “peasants” had, in fact, lived close to subsistence minimum, this would not necessarily change as a result of resettlement. The context of resettlement, i.e. how much developers needed the land, how much they could pay and how fierce competition was, played a role with regard to the level of compensation, but the most important element was the location in which the resettlement took place and the formal classification of the citizens occupying a property. While location to some extent reflects the market value, it is not a one-to-one relationship. In everyday practice, the criterion for the division of rights to compensation resembles those based on the state-regulated methods used for dividing public goods (citizenship) more than what would be expected in a system governed by the market. By focusing on the function of properties for various categories of citizens rather than on the market price, it becomes possible to pay compensation that is considerably lower than the value for developers. The state-governed urbanization process, at least on the surface, implies that those who are properly registered in areas undergoing urbanization change from being self-providing individuals to becoming subjects relying on social security benefits. The local state expects to hold responsibility for ensuring the resettlement of its subjects, and the subjects themselves likewise expect compensation. This gives the state an extremely central role that enables control of the urbanization process and as long as compensations are below market value also to finance it. It, however, also situates the state in a vulnerable situation, because it will be held responsible for maintaining existing levels of compensation, also if real estate prices decrease.

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