



Has Farmers' Livelihood Improved?

Case Studies about the Impacts of Compulsory Land Acquisition on Farmers' Livelihood in China

Mi Zhou

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Keywords: Compulsory land acquisition, Chinese farmers' livelihood, Compensation,
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Abstract

Compulsory land acquisition is an inevitable phenomenon in the process of urbanization in developing countries. To respond to the establishment of Economic Development Zone and the rapid expanding of urban area, lots of land has been acquisitioned in the recent decades in China, as a result of which, large amount of farmers lost their land for agricultural production and living, and have to seek for jobs in non-agricultural sectors.

In order to understand the impacts of compulsory land acquisition on farmers' livelihood in China, the study, based on the cases at two places in China, could represent the general situation herein. One case is from Xiema Town which is located in Chongqing Municipality, the other is the fieldwork in Dongfanghong Town which is situated in Changsha City. The studies apply both the quantitative and qualitative methods together to explore the situation of affected farmers' livelihoods before and after the compulsory land acquisition.

The influences of compulsory land acquisition on farmers' livelihood are multi-dimensional. Though the affected farmers' in the two cases demonstrated largely different attitudes to compulsory land acquisition and the degree of satisfaction about livelihood after compulsory land acquisition, there are common impacts on their livelihood, such as unsuccessful employment, low social welfare, lack of supporting social network due to the compulsory land acquisition. Meanwhile, the results revealed that the compensation plays a vital role in their livelihood temporarily after compulsory land acquisition, however, their sustainable livelihood is still worth due consideration.

Keywords: Compulsory land acquisition, Chinese farmers' livelihood, Compensation, Policies, China

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Abbreviations & Glossary

MLR	Ministry of Land and Resources of People's Republic of China
LALPRC	Land Administration Law of People's Republic of China
IRLALPRC	Implementing Regulation of Land Administration Law of People's Republic of China
RCLACRCC	Regulation of Compulsory Land Acquisition Compensation and Resettlement in Changsha City
IMCLACC	Implementation Measures of Compensation Land Acquisition in Changsha City
URSWS	Urban Residents Social Welfare System
<i>shidi nongmin</i>	The people who lost their land
<i>hukou system/huji zhidu</i>	Household registration system
<i>hukou souzaidi</i>	The place of registration
<i>hukou leibie</i>	The type of registration
<i>nongye</i>	Agriculture
<i>tudi zhengshou</i>	Compulsory land acquisition
<i>tudi chuanrang</i>	Land transaction
<i>tudi zhengyong</i>	Land expropriation
<i>zhengfu xingwei</i>	Government behaviour

Introduction

It is widely accepted that the environment and the natural resources form the basement of all human activities from a certain extent (Fehlere et al., 1988). Land, one of the fundamental and basic resources, in no doubt plays the crucial role in social and economic development. Reviewing the history of several developed countries, such as America, Australia, and European countries, compulsory land acquisition is inevitable in the process of urbanization (Zhang & Lu, 2011).

China is a country with a large rural population and scarce land per capita. Therefore, the conflict between dense population and comparatively meager land use has been staying serious and critical for a long time. During the past two decades, the man-land relationship has undergone a remarkable change in that cities are regarded to be the engines of growth, hence urbanization considered to be a very critical way to solve the agricultural problems (Zhang & Lu , 2011). In rural areas, as a result of the shift of labor force migration, man-land conflict has been alleviated. Meanwhile, such a conflict has been remitted in urban areas as well, due to the city sprawling. On the contrary, this conflict is intensifying in urban-rural fringe area, for the reason that the speed of compulsory land acquisition from agricultural land to construction land grows faster than the speed of population urbanization. Moreover, due to the requirement of urban development, it is necessary to use more land for urban construction and expansion. For most Chinese local governments, land is badly needed for setting up a large number of ‘development zones’ in the urban frontier for the growth and expansion of the local economy (Deng & Huang, 2003). From 1987 to 2003, it has approximately acquisitioned the area of 2 million hectare cultivated land for non-agricultural construction in China (Hu et al, 2008). Therefore, the compulsory land acquisition, which has been one of the “externalities of development” primarily responsible for the proliferation of rural conflicts with the fast pace of urbanization, has become one of the most common phenomena in China (Guo, 2001; Zou & Oskam, 2007).

The compulsory land acquisition has been accompanied by socioeconomic transitions, especially for those farmers who lost their land. They have earned themselves a special group,

labeled as '*shidi nongmin*' (meaning farmers in loss of their land). According to official data from MLR (Ministry of Land and Resources of the People's Republic of China), there are no specific and accurate figures during 1978-1998, but only an estimate of more than 45 million farmers who suffered from land acquisition during 1999-2008 (Zhang & Lu, 2011). However, Zhang Xueying, the scholar from Tianjin University of Technology and Education, and Lu Haiyuan who is the officer of Ministry of Human Resources and Social Security of the People's Republic of China, believe that the real number is much larger than 45 million. They estimated over 83 million acquisitioned farmers have appeared during 1978-2008 (Zhang & Lu, 2011). Though there is a disputation about the total population of affected farmers, there is no doubt that at least 2 million "*shidi nongmin*" are still increasing with the compulsory land acquisition every year in China (Hu et al., 2008). Farmers who lost their land have to face multiple transitions: from a farmer or villager to an urban resident, from agricultural activities to non-agricultural production, and from rural to urban environment (Lou, 2007). In addition, they must adapt to the transition from predominantly collective ownership to more diversified ownership, simultaneously aimed the rapidly evolving socioeconomic landscape and rapid technological progress. Besides, adjusting to the new industries and employment is another big challenge for the affected farmers (Lou, 2007). All these factors have resulted in lots of social problems. For example, around 5 million affected farmers live under the poverty line^①(Ye, 2007). Chinese government has taken several measures to improve the situation, for instance, the State Council set several documents (No. 28 Document etc.) to ensure that the living standard of farmers will not decrease and the livelihoods will be sustainable after the compulsory land acquisition in 2004, but the achievements were not impressive.

The studies related to "*shidi nongmin*" always concentrate on their compensation standard from economic perspective, refers to the protection of their rights from the angle of equality, such as their employment opportunity as urban residents and their in-cooperation into the social welfare system like other urban residents, or on the social welfare from political aspect. Lots of studies claim that the life of the farmers has been worsening on both the economic and social conditions after the issue of compulsory land acquisition policy. However, from my

^① According to Chinese government, the poverty line is 1500 yuan /person annually. It is definitely lower than the international poverty line standard which is 1 dollar per person everyday (World Bank).

own experience, living condition of farmers who lost land live around me is not worse. On the contrary, most of farmers who got amount of compensation fees and depend on the rent for living have lived in big apartments and bought cars. In this regards, their living condition is better than before. Such a difference therefore inspires me to explore what the life of affected farmers will be after the implementation of the compulsory land acquisition, and what they think and how they feel their life afterwards. Therefore, all the thoughts lead me to view it by adopting comparative method from the perspective of livelihood.

The main objective of this thesis is to explore the impacts of compulsory land acquisition on farmers' livelihoods in the context of urban-rural fringe, focusing on farmers' income, employment, compensation and resettlement. Through comparison of the two cases, one is from Xiema Town, and the other is from Dongfanghong Town, the paper attempts to analyze the similarities as well as the differences of the impacts of livelihoods after compulsory land acquisition. The empirical data of first case is from the journals and second-hand data; the second one is based on a fieldwork undertaken in the Town of Dongfanghong located in the southern part of China in March and June 2011.

This thesis includes seven chapters organized as follows. It begins with outlining the relative background information, which includes the household registration system, the processes of urbanization, and the institutional framework of compulsory land acquisition in China. In Chapter 2 is presented the objective of the research and the research questions that guided this study. A review of the primary conception and theories is demonstrated in Chapter3. Chapter 4 mainly deals with the way guides to study and the methods utilized during the fieldwork to seek the answers to the research questions presented before. Then the main findings of two cases from China are used to examine what the situation of compulsory land acquisition is as well as how it influenced the livelihoods of local residents are in Chapter 5. Results of the cases will be further discussed in Chapter6 that compares and contrasts the similarities and differences between theses two cases. Besides, reasons for the differences will be explored. Lastly, conclusions of the study will be summarized in Chapter 7.

1 Background information of the country

In order to explain compulsory land acquisition situation which is one of the requirements of city development as well as the results of urbanization in China, it is necessary to introduce the Chinese household registration system (*hujū zhīdù*), and take an overview on the land reforms as well as the processes of urbanization during the last 60 years in China. Meanwhile, for better understanding of how residents' livelihoods are affected by compulsory land acquisition, an introduction to institutions of compulsory land acquisition and the resettlement policies for those people whose land has been requisitioned is also unavoidable.

The household registration system

The household registration system or hukou system, namely *hujū zhīdù* in Chinese, is an administrative institution for managing population in China, determining people's access to jobs, children's education, housing, health care, and even the rights to move freely (Wu & Treiman, 2004). It was implemented initially in cities in 1951 and then extended to rural areas in 1955 largely as a monitoring but not a way to control mechanism of population migration and movements (Chan & Zhang, 1999). However, in order to stop influxes of farmers into the cities, the central government established a fully-fledged household registration system in 1958, which granted the state agencies much greater manipulation powers in controlling citizens' geographical mobility through a system of migration permits and recruitment and enrolment certificates (Chan & Zhang, 1999).

There are two classifications in Chinese household registration system. The first one is the "type" of registration or "nature" of *hukou* (*hukou leibie*), commonly referred to as "rural" and "urban" *hukou* or "agricultural" (*nongye*) and "non-agricultural" *hukou* (Chan & Buckingham, 2008). This classification has created a pronounced distinction in socio-economic eligibility among Chinese citizens and has significantly shaped the order of social stratification in the country (Wu & Treiman, 2004). Especially before 1980s, it is used to determine a person's entitlements to state-subsidized food grain or other prerogatives (Chan & Zhang, 1999; Chan & Buckingham, 2008). The second one is the place of registration (*hukou suozaidi*), which is based on one's residential location (Chan & Zhang, 1999). Every

citizen is required to register in one and only one place of permanent residence. In other words, in addition to the agricultural and non-agricultural classification, everyone is also distinguished by whether or not they have local hukou with respect to an administrative unite. The local regular hukou registration defines one's rights for many activities in a special locality (Chan & Buckingham, 2008).

Obviously, the household registration system played an important role in sustaining social order and keeping security in the central planned economy period; but it intensified the inequality among different social stratification. For instance, there were more economic and social resources and less people in urban areas, and the people who have urban hukou could get more money, better education, social welfare and decent jobs. However, due to the restrict of household registration system, those people who have rural hukou got less money cannot be educated in a better school and no social welfare to share despite of their hard work. Such differences on one hand were caused by the differences of the functions of urban and rural regions, such as urban areas have more industries which could rapidly promote the economic growth; but the agricultural production is the main function in rural area, which represents the low economic efficiency. On other hand, the limitation of household system made a further gap between urban and rural population through the political social stratification. Therefore, the household registration reforms have been carried out in order to lessening the rural-urban gap since 1980s. From *nongzhuangfei* policy (the agricultural hukou becomes a non-agricultural hukou) to starting abolishing the first classification hukou, the household registration system becomes increasingly flexible. For instance, one of most significant changes is the introduction of two special types of residential registration: temporary residential permit (*zanzhuzheng*) and the blue-stamp hukou (blue card). While the temporary resident permit can be issued to anyone who has a legitimate job or business in the city, the blue-stamp hukou is issued to investors, buyers of property, and professionals (Liu, 2004). All these changes give people more opportunities to migrate from rural areas to urban areas and reduced the urban-rural inequality. Meanwhile, it also promotes the urbanization with increasingly people getting the urban hukou.

Despite these changes, the hukou system continues to differentiate probability of getting

opportunities for the entire population on the basis of position within a clear defined spatial hierarchy. Although agricultural hukou holders can now attend schools in urban areas, they must pay special fees and tuitions that are substantially higher than those paid by local residents. Additionally, the job opportunities, the social welfare, the pension and so on have still a big gap between rural and urban area (e.g. it set the basic cost of living allowance in urban, but there is no such allowance for rural residents), so do different cities (e.g. the basic cost of living allowance in economic developed-cities like Shangsha, Beijing is much higher than in economic developing-cities as Ningxia) (Liu, 2004).

The urbanization process in China

Since 1949, China has been going through three urbanization periods. From 1949 to 1978, the speed of urbanization was very slow, and the rate of urbanization only grew 8 percent, from 10.6% to 18% (Kojima, 1995). However, since 1978, when Economic Reform and an Open-door Policy (EROP) were initiated, the speed of urbanization has been obviously increased rapidly. Currently, of the 1.3 billion people in China, 700 million live in rural areas, and the urbanization rate^② reached 46 percent, which has more than doubled compared with the previous 30 years (Wen, 2008 ; Chinses Statistical Year Book, 2010). Compare with the world average level 46%, it is a little above, but below that of other developed countries and regions (High-income countries are around 77%; medium-income countries are about 50%; low-income countries are around 31%). In recent decades, Chinese cities are growing at an unprecedented rate, and it is expected that the urbanization rate will increase by nearly 1.5 percent annually (Wen, 2008).

However, the measure to calculate the urbanization rate is based on the population who has the urban hukou and regularly lives in the urban area, it may actually be over the estimated the level of urbanization (Wang, 2006). Have those formerly farmers who are currently permanent residents in urban areas been really urbanized? Have they been adapting to the urban way of living? These questions raise disputation on China's urbanization. It can be found that the land and population in certain urban-rural fringe is labeled as urbanization, but

^② percent of the population that lives in urban areas

essentially still sticks to rural way of living, and the public services still lag far behind in comparison with those of the cities. In China, urbanization has become one of the administrative tools to assess the development level of the city. Wen (2008) pointed out that urbanization is not simply a process that farmers move to cities. As a matter of fact, it is a complex process that not only requires co-development with industries and the entire economic system but also needs to be compatible with the conditions of employment, security, education, public transportation, medical insurance, environmental protection and infrastructure (Wen, 2008).

Institutional framework of compulsory land acquisition in China

As is known, the foundation of Chinese land institution is non-private ownership. During the process of urbanization, there have been three major land reforms since 1949. Time and main contents are presented in the Table 1. Based on the Constitution of People's Republic of China (1998, 2004), all urban land is owned by the state, and land in the rural and suburban areas is owned by rural collectives except for those portions which are owned by the state as specified. It means that no organization or individual could appropriate, buy and sell, or illegally transfer land in other ways (Lou, 2007).

The basic law for compulsory land acquisition in China is "Land Administration Law of People's Republic of China (LALPRC)" and "Implementing Regulations of Land Administration Law of People's Republic of China (IRLALPRC)" (Liao,2009). The LALPRC (revised 1998, amended 2004) clarifies that "The state charges fees for the use of state-owned land in accordance with law, except for the circumstances in which the state grants land use rights free of charge as specified by the law" (Luo, 2007).The last amendments to the Constitution of People's Republic of China (2004) prescribe that the villagers have "property rights" over their lands and that the conversion of agricultural land to non-agricultural use should come into force through land expropriation and acquisition by the state. Prior to these amendments, the land ownership of rural collectives was substituted into state ownership only through expropriation by the state (LALPRC, 1998, 2004; Lou, 2007).

It is obvious that the land rights of rural collectives are quite limited under Chinese land

institution. On the one hand, ‘all units and individuals that need land for construction purpose shall, in accordance with law, apply for the use of state-owned land’. On the other hand, ‘no use-right of land owned by rural collectives may be assigned, transferred or leased for non-agricultural construction’, with only a few exceptions as permitted by the law (Lou, 2007). In other words, only the use-right of state-owned land can be transferred, and the villagers have no rights to sell or lease their collectively owned land, or to convert the land for construction and urban use (Lou, 2007).

Therefore, the only way to transfer the land ownership is compulsory acquisition or expropriation from rural collectives by the state. *The Land Administration Law* provides that the State may, for the sake of the interest of the public, lawfully expropriate or acquire land and give compensation accordingly (Liao, 2009). The figure 2 illustrates the institutional framework of compulsory land acquisition in China. To expropriate or acquire the below categories’ land, it ought to get permission from the State Council: (1) the fundamental cultivated land^③; (2) the cultivated land which covers an area of over 35 hectare (exclude the fundamental farmland); (3) Other land which covers an area of over 70 hectare. Besides these lands, the other land expropriation or land acquisition should grant the permission from local governments and put records in the State Council (LALPRC, 1998, 2004).

When governments take over land ownership from rural communities, they must compensate the affected villagers/farmers. Before the mid-1990s, the governments have the responsibility of the job replacement for the affected villagers/farmers and for some supplementary compensation after compulsory land acquisition (Lou, 2007). In 1998, the *Land Administration Law* amendment eliminated this item regarding employment settlement, and accordingly increased the highest compensation for the acquisitioned land and the settlement fee from 20 to 30 times the average annual yield per *mu*^④ (Lou, 2007). According to the current *Land Administration Law of People’s Republic of China*, those villagers whose land is requisitioned by the government will receive compensation which includes the following components: (Zou&Oskam, 2007)

^③ The fundamental cultivated land is the high quality cultivated land that can not be occupied. The area of fundamental cultivated land is decided by the population of certain period and the demands for the agricultural products.

^④ Mu is a tradition measure in China. 1 *mu* ≈ 667 square meters.

1. Compensation for the property (including housing) on the land.
2. Compensation for the land requisitioned and costs of the resettlement. The compensation is usually calculated on the basis of area, or per *mu*, and the highest total compensation for the requisitioned land and cost of resettlement has been 30 times the value of the average annual yield over the past three years. In general, this resulted in a compensation of about 30,000 per *mu* in 2003.
3. The villager's collective economic organization, namely, the village community, distributes the collectively-owned assets accumulated in the past among its members.

Besides the national regulation above, the local governments have rights to set out more detailed compensation standard for compulsory land acquisition based on local economic condition. In principle, it can not be lower than the national standard (LALPRC, 2004).

Table1: The major land reforms in China

Time	Main contents
Early 1950s	Expropriate land from landlords and distribute it to landless peasants; create a stratum of private smallholders. The land ownership belongs to country; the land can be used without payment and time limitation, but cannot be transferred.
Mid-1950s	Like well-known model of the Soviet Union, created cooperative organizations, and then developed an institution called the People's Commune finally. Collective ownership and unified collective operation Centrally controlled the land and egalitarian principle of distribution, and the land use right cannot be transferred among users.
Early 1980s	Household responsibility system: giving farmers freedom of land use rights and the rights to make decisions. The ownership of city land belongs to the country; and the ownership of farmland belongs to collectives.

(Source: Chen, 1999)

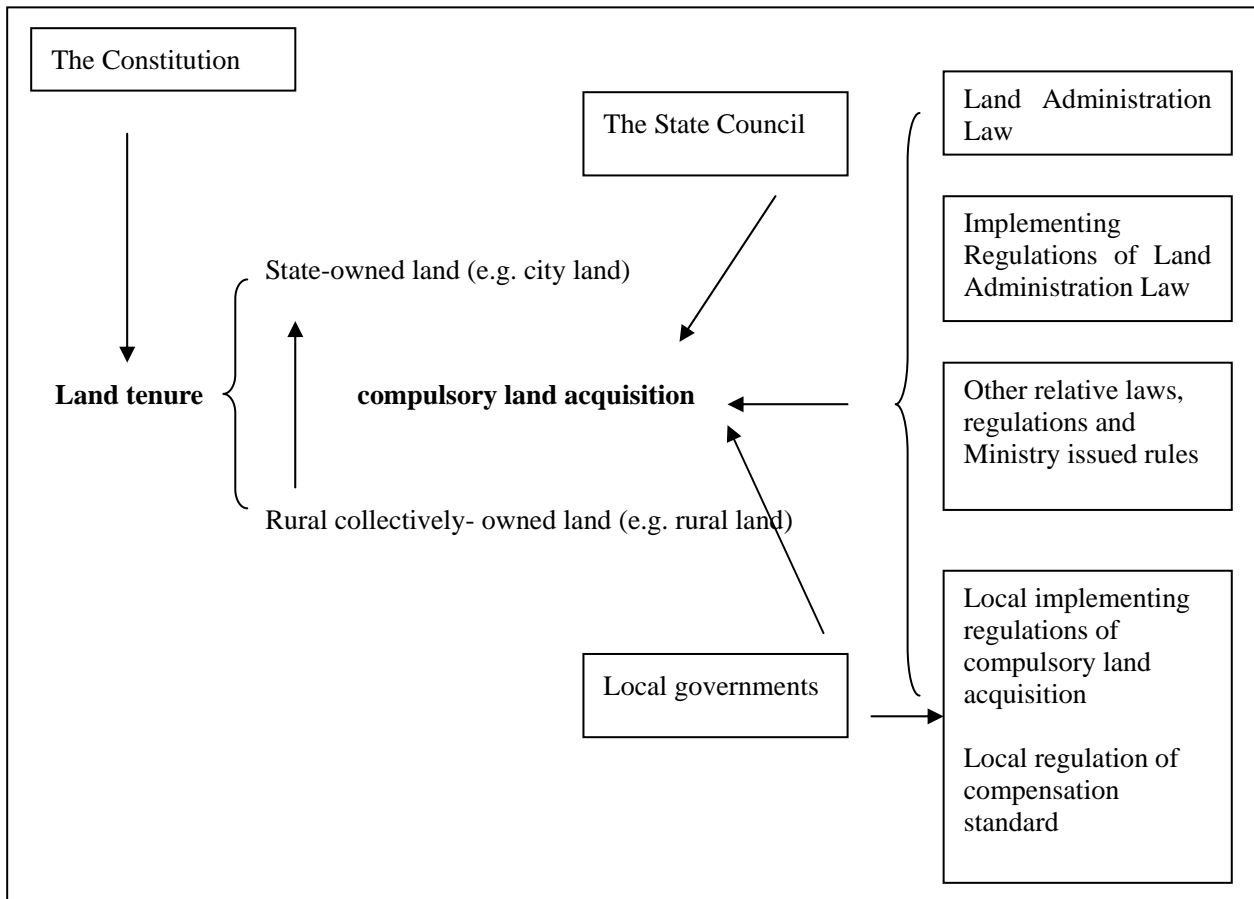


Figure1: The institutional framework of compulsory land acquisition in China.

2 Research problem

Based on the acquired experiences and knowledge, the major research problem is formulated as:

What are the impacts of compulsory land acquisition on farmers' livelihood?

To be specific, a set of *research questions* according to the main research problem are presented as below:

- What are the institutions and policies of compulsory land acquisition in China?
- What is the situation of household livelihood in Xiema Town and Dongfanghong Town before and after the compulsory land acquisition?
- How do people cope with and make sense of the changes of their livelihoods, caused by the land acquisition?
- What are the similarities and differences in livelihoods conditions in the two cases?

Objectives

- To explain the institutional framework and current policies of compulsory land acquisition in China.
- To realize the affected farmers' livelihoods situation in Xiema Town and Dongfanghong Town before, more important, and after the compulsory land acquisition.
- To obtain the understanding of the affected farmers' attitudes to the impacts of the compulsory land acquisition in Xiema Town and Dongfanghong Town.
- To discuss the impacts of compulsory land acquisition on farmers' livelihoods by comparing the similarities and differences of two cases.

3 Theoretic frameworks

Compulsory land acquisition

The most common instruments that the state has and can apply to access land are negotiations and persuasions or legalized force and through compulsory acquisition (Kombe, 2010). The latter is normally comes into effect through the power of eminent domain, which gives the state powers to expropriate private property for public use without necessarily seeking the owner's consent; however, this is subject to payment of fair and prompt compensation (Ndjovu, 2003; Kombe, 2010). In other words, compulsory land acquisition means that the state or government, according to the legislation, has the power to acquire the land for public use, and should offer the compensation for the affected person accordingly. Due to the different legislation in different countries, there are different explanations about this concept. For example, it has been called compulsory land purchase in several literature; in Tanzania compulsory land acquisition laws stipulate that persons whose land is expropriated for public interest have to be fairly and promptly compensated (Kombe, 2010).

In China, compulsory land acquisition (*tudi zhengshou*) mainly refers to the process of transforming the rural collective's land to urban land, and is known as a form of "government behaviour" (zhengfu xingwei) which is described as "using coercive measures to acquire private land under compensatory arrangement by the government in the public interest" (Guo,

2001; Zou&Oskam, 2007). It should distinguish the compulsory land acquisition from land expropriation (*tudi zhengyong*). Land in both conditions is occupied by the state or government for public interest, but the former means that the change of ownership while the latter means that the change of use right. Besides, land expropriation also implies that there is no compensation for the people who are affected. Normally, compulsory land acquisition involves eight key steps as it is shown below in figure2: (1) makes an application for using rural land to local government; (2) gets the permission from the State Council or provincial level government; (3) makes a plan to acquire land in details; (4) promulgates the decision and plan on land acquisition to the affected residents; (5) registers the compensation in specified authority (affected residents); (6) protocols the compensation planning (local governments); (7) confirms the compensation planning (superior governments); (8) implements the compensation planning and distribute payment.

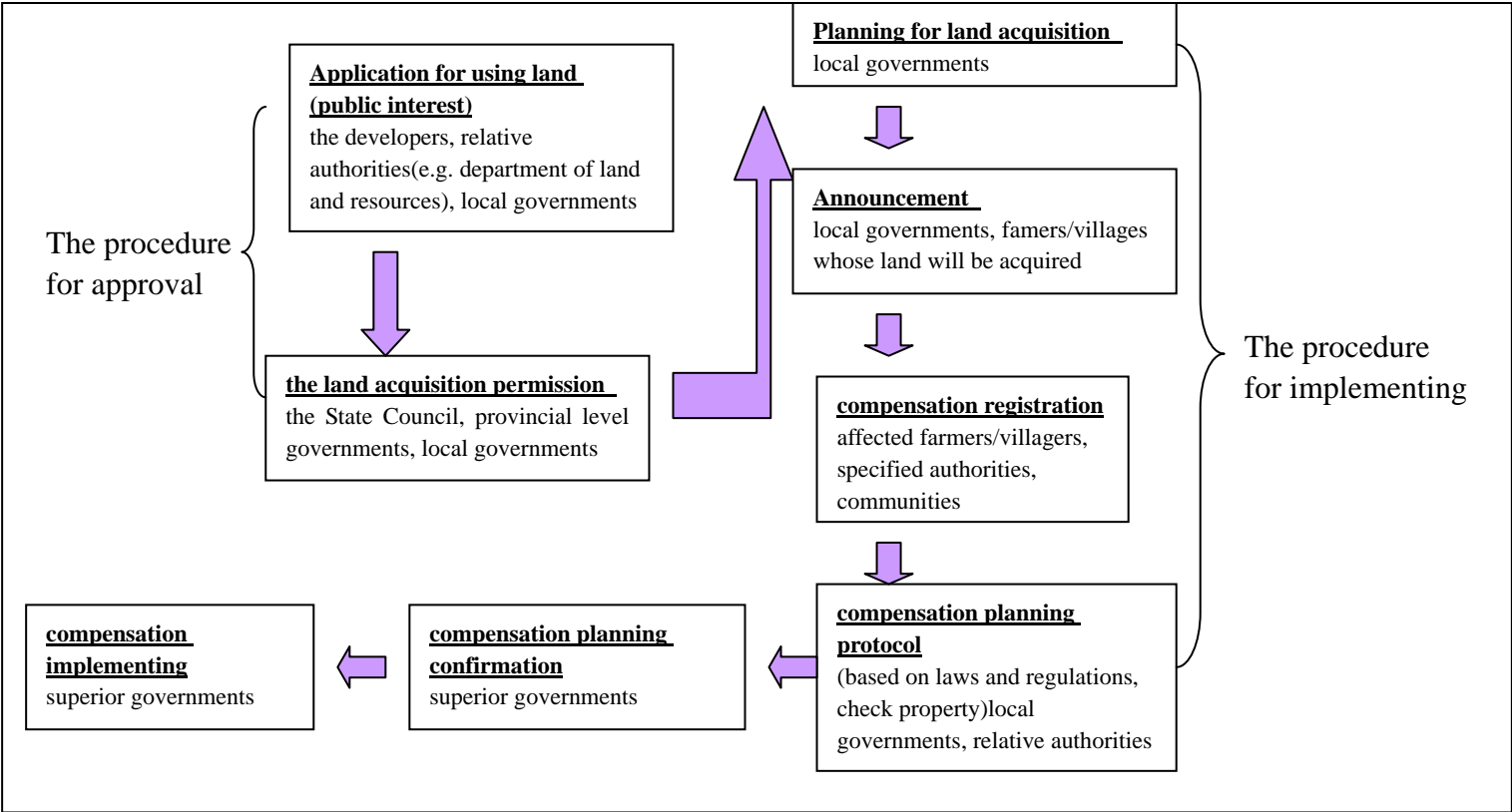


Figure 2: Key processes and key stakeholders in compulsory land acquisition

Livelihood

In dictionary, the definition of livelihood is “a means to a living” (Ellis, 2000). Chambers defines it as: “A livelihood comprises the capabilities, assets (stores, resources, claims and

access) and activities required for means of living” (Chambers&Conway, 1992; Attfeld *et al*, 2004). In this thesis, I will use the definition provided by Ellis, that is a livelihood “comprises the assets (natural, physical, human, financial, and social capital), the activities and the access to these (mediated by institutions and social relations) that together determine his living gained by the individual or household” (Ellis, 2000, p.10). Ellis (2000) pointed out that natural capital refers to the natural resource base, like land, water, trees, that yields products utilized by human populations for their survival. Physical capital refers to assets brought into existence by economic production processes (tools, machines, and land improvements). Human capital refers to the education level and health status of individuals and populations. Financial capital refers to incomes, payments, stocks of cash that can be accessed in order to purchase production and consumption goods, and access to credit might be included in this category. Social capital refers to the social networks and associations in which people participate, and from which they can derive support that contributes to their livelihoods (Ellis, 2000).

It should be noticed that livelihoods are not static; instead, it has to be seen as an ongoing process of construction, with elements constantly changing (Arevalo, 2010). “Access to resources and opportunities may change for individual households due to shifting norms and events in the social and the institutional context surrounding their livelihoods” (Ellis, 2000, P. 10). In order to reduce the livelihood risk or improve the sustainability of a livelihood, it is necessary to diversify the household livelihoods. Rural livelihood diversification is defined as the process by which rural households construct an increasingly diverse portfolio of activities and assets in order to survive and to improve their standard of living (Ellis, 2000). In the case of a rural livelihood, it can be considered sustainable when it is “resilient enough to bounce back from stress and shocks, maintaining its assets without degrading the natural resource base” (Pound *et al*, 2003; Arevalo, 2010).

The framework for livelihoods analysis

The framework is presented in figure 3, which can be seen as the “assets-mediating processes-activities’ framework that is useful when considering options for change and their likely impact on people’s assets status (Adams *et al*, 1999; Ellis, 2000). Their access to capital

assets, including finance, land natural resources and social capital, determines how and how far livelihoods can be enhanced. Where financial resources are insufficient, social capital can provide the basis for a range of livelihood opportunities, including customary access to land and natural resources and opportunities for the poor to sell their labour (Adams *et al*, 1999).

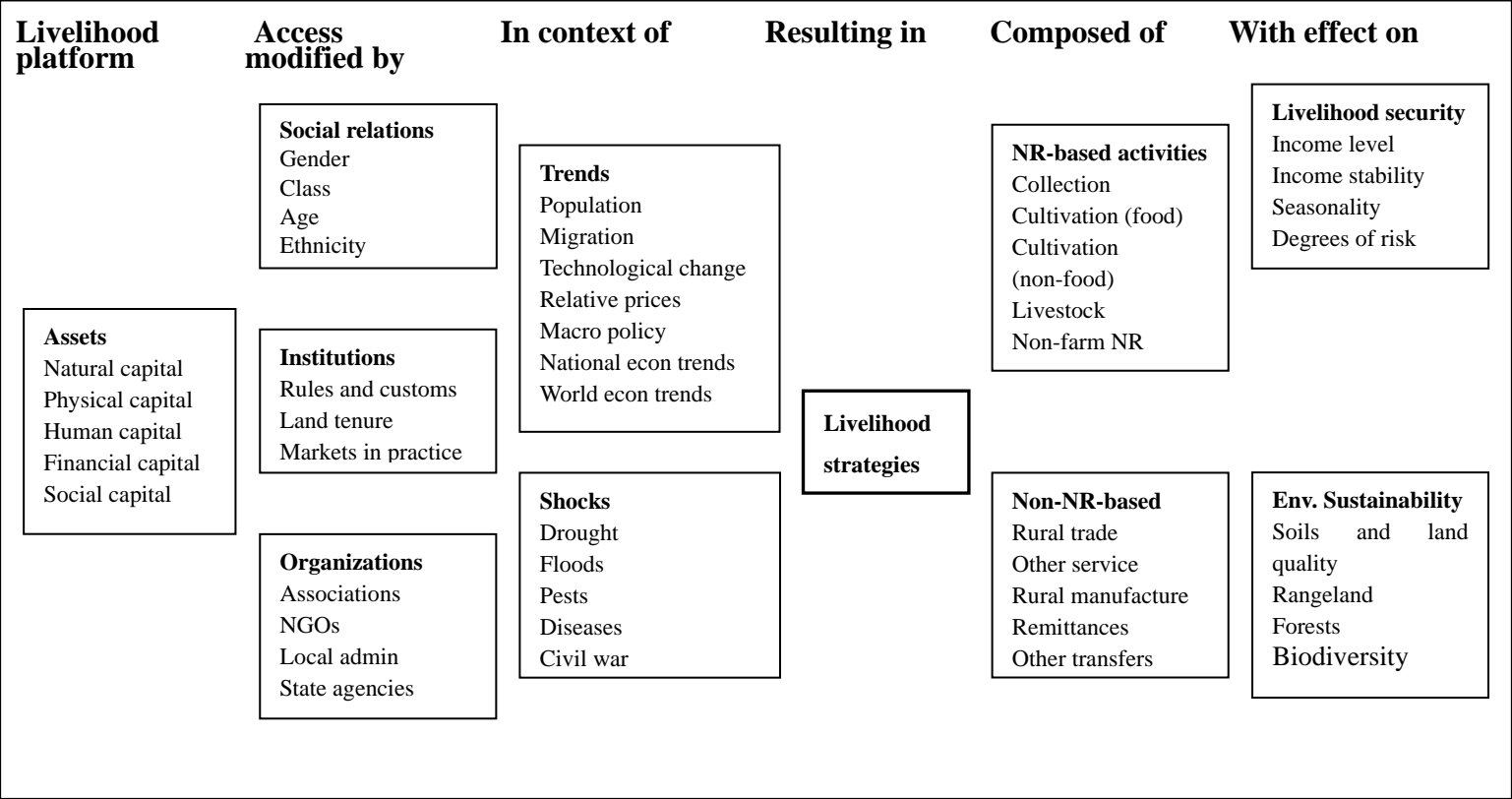


Figure3: A framework for rural livelihoods analysis. Source from Ellis, 2000

4 Methodology

The methodology description

Combination of quantitative and qualitative research

In this thesis, both quantitative and qualitative methodologies are adapted to explore the farmers’ livelihoods after compulsory land acquisition. The quantitative research is one of methodologies to gather data that is definite, such as numerical data, so that it can be examined in as unbiased a manner as possible (McGuigan, 2011). It is derives from natural science, as well as the most important research methodology in natural science. It grows out

of a strong academic tradition that places considerable trust in numbers that represent opinions or concepts (Amaratunga et al. 2002). The strengths of quantitative research is that it can provide wide coverage of the range of situations, that it can be fast and economical, and that it may be of considerable relevance to policy decision where statistics are aggregated from large samples, it may be of considerable relevance to policy decision (Amaratunga et al. 2002). But the quantitative methodology used tends to be rather inflexible and artificial, it is not effective in understanding processes or the significance that people attach to actions and not very helpful in generating theories. Because of focusing on what it is, or what it has been recently, it is hard for researchers to infer what changes and actions should take place in the future by using quantitative research (Amaratunga et al. 2002). Therefore, quantitative research is ideal for testing hypotheses, and for trying to answer specific questions of hard sciences (McGuigan, 2011).

In contrast, the qualitative research is a much more subjective form of research, with which the researchers allow themselves to introduce their own bias to help form a more complete picture (McGuigan, 2011). Qualitative research concentrates on words and observations to express reality and attempts to describe people in natural situation (Amaratunga et al., 2002). Through it, data-gathering methods uncover what is saw something more natural than artificial, and it is possible to disclose changes in process, to understand people's meaning, to adjust to new issues and ideas as they emerge, and thus to contribute to theory generation (Amaratunga et al., 2002). However, data collection can be tedious and require more resources, and analysis and interpretation of data may be more difficult. It is harder to control the pace, progress and end-points of research process while policy markers may give low credibility to results from qualitative approach (Amaratunga et al., 2002).

Despite that the debate of these two methodologies is always taking place, to combine them is a considerable way for my study since they could supplement each other. In this thesis, for example, the statistical results from questionnaire could help me to analyze the income change which is an important aspect in livelihoods. One the other hand, qualitative methods, such as observation and interview, could offer me a better understanding of farmers social assets like social network for employment.

Case study approach

As mentioned above, case study has been used as a strategy for exploring objectives. Several researchers, like Stake and Yin, believe that case study is an ideal methodology when holistic, in-depth investigation is needed, since it consists of a detailed investigation, often with data collected over a period of time, of phenomena, within their context (Tellis, 1997; Hartley, 2004). The aim is to provide an analysis of the context and processes which illuminate the theoretical issues being studied (Hartley, 2004). The case study is particularly suitable to research questions which require detailed understanding of social or organizational processes (Hartley, 2004). Yin (1994) also stated that the best way to use case study approach when asking exploratory questions (e.g. why and how questions) (Yin, 1994). This is because such questions dealing with operational links need to be traced over and over again, which makes the investigator have little or no control of it (Sandström, 2008).

Case studies can involve either single or multiple cases, and multi-perspective analysis (Hartley, 2004). This means that the researcher could not just consider the voice and perspective of the actors, but also of the relevant groups of actors and the interaction between them (Tellis, 1997). The evidence collected from case studies may be qualitative, quantitative, or both, since case studies typically combine data collection methods such as archives, interviews, questionnaires and observations (Eisenhardt, 1989; Sandström, 2008). Moreover, it also allows for triangulation of data where sources of evidence can be reviewed and analyzed together, so that the findings from the case study can be based on the convergence of information from different sources (Yin, 1994; Sandström, 2008).

The case study approach has been criticized for providing a weak basis for scientific generalization and that they cost a lot of time and may result in massive, incomprehensible documentation (Flyvberg, 2001 & Yin, 1994; Sandström cited, 2008). However, in this thesis the case study has not been used to get statistical generalizations, nor to understand all perspectives. The purpose for using it is instead to attain the understanding about what is the situation of farmers' livelihoods before and after compulsory land acquisition, and how they feel about the changes.

Why choose two cases?

Dongfanghong Town, which is located in western part of Changsha City, is a concentration area for resettling the farmers whose land is acquisitioned. To choose this town for my fieldwork is because it is the place which is inhabited by lots of affected farmers, so the investigation would be representative of the livelihoods' situation of Changsha City. After one-week investigation, I found farmers' living conditions are not like the situation I learnt from what the journals describe. I started to think whether the situation in Dongfanghong Town is unique or not. Meanwhile, one of my friends who lives in Xiema Town where large areas of farmers' land has been acquisitioned offered me policy document and statistical data about the farmers' livelihoods. Comparing and contrasting these two cases, I could identify whether the situation in Dongfanghong Town is typical or not. Though the two cases I used are differently examined in terms of context (from different cities) they are similar to each other on institutions, the processes of land acquisition, etc. Contrasting two different contexts can facilitate my understanding of what is particular and what is more of a common character (Sandström, 2008).

Research process

Figure 4 illustrates the research process. I first started the thesis with overview of the literature related to my research topic. By reviewing the legislative documents, policy document, public news and academic literature, I get the pre-understanding on the issue that I would explore. Then I conducted the fieldwork in Dongfanghong Town located in western part of Changsha City, Hunan Province in China. From 18th of February to 4th of March, I went to this area to investigate. Participant observation and informal interview were used to explore the residents' daily behaviors as well as the attitudes to the livelihoods and compulsory land acquisition. Meanwhile, one of my friends offered me the background information, compulsory land acquisition regulation and data in Xiema Town located in Chongqing City. Through the interview which was designed by me and was conducted by my friend, I understand the farmers' livelihoods after land acquisition as well as their thoughts about livelihoods. When I started to write the thesis, I found that the data of farmers' livelihoods of Dongfanghong Town was not enough. In June, therefore, I designed the

questionnaire and sent it to my friends in China to help me to do the survey at Dongfanghong Town. When I got the questionnaire results in the early of August, I have started to compile them for one and half a week.

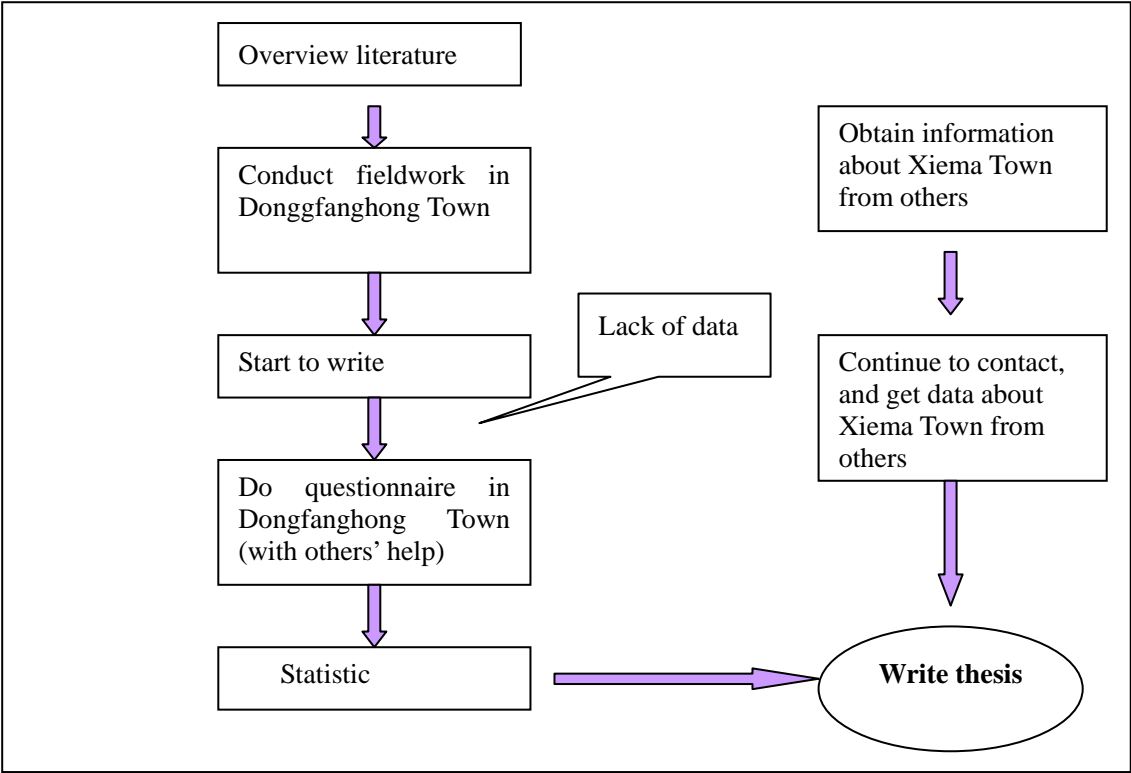


Figure 4: The process of research

Methods and tools used

Participant Observation

Participant observation has been used when I conducted the fieldwork at Dongfanghong Town. In the process, I could see what they usually do in daily life, and how they interact with each other. Additionally, I communicated with local farmers during observation, which gave me the opportunity to feel their happiness and sadness, to know their opinions about their livelihoods, and to learn their complaints on policies. The advantage of it was that I could keep myself as an “outsider” to observe this area, by which my intervention in the social interaction could be minimized. However, participant observation was a time consuming work, and hard to attain the generalization results.

Interview

In order to get opinions or the in-depth information about livelihoods issue in-depth, I used

interviews in Xiema Town. All interviews have been undertaken by my friend who lives in this town, because I can not go to the Xiema Town for investigation. I designed the main questions centering on my objectives, and my friend conducted the semi-structured interview with the interviewees. All the recordings and notes were sent to me through the internet. The advantage of it is that qualitative information like the social relationship and feelings has been collected in a time-saving way. However, as my friend is an insider and got involved directly in the interview, the interviewees more or less have been affected by her subjective perception. Therefore, the answers were not absolutely objective, since they gave the answers of what she expected to hear.

Questionnaire

Questionnaire has been used to collect the statistical data and generalize results of farmers' livelihoods before and after compulsory land acquisition in Dongfanghong Town. I designed the content of the questionnaire which contains four parts: firstly, basic information (gender, age, education level, etc.); secondly, the livelihoods situation before land acquisition (income, consumption, social welfare, etc.); thirdly, the livelihoods situation after land acquisition (income, consumption, social welfare, feelings about land acquisition, etc.); finally, the compensation situation (cash payment, resettlement, the influence on livelihoods, etc.). There were 100 questionnaires, and 90 of them were valid. However, since there are such privacy-related questions as income and cash payments, some respondents were not willing to answer. In addition, the educational level of respondents was relatively low, so they did not understand the livelihoods although I explained it at the beginning of the survey. All these could affect the results of the survey (The results of questionnaire survey are presented as appendix in this thesis).

Limitation of this study

The study covered issues of compulsory land acquisition only in two areas. Therefore, the results cannot be generalized for the whole of China. Though the comparison between two cases was made, it is still too early to judge whether the results are general or particular, coincident or unavoidable.

5 Results

A case from Xiema Town, Chongqing Municipality, China

Background information

Xiema Town is a small town located at south-west of Beibei District, Chongqing Municipality^⑥. The area of Xiema Town is 58.58 km², which contains 12 administrative villages (*xingzhengcun*)^⑦ and 5 village committees. The total population is around 58,000, with 22,000 urban residents and 36,000 rural residents (Admin, 2009). Since it is close to downtown Beibei District, the agricultural land owned by rural collective of Xiema Town has been acquisitioned on purpose of urban development. For instance, the government of Beibei District which is the immediate supervising government over Xiema Town government has requisitioned the agricultural land in order to expand Southern Beibei in 2002; the construction of Xiaowan Village Industrial Development Zone and the extension of Beibei College have also occupied lots of land once owned by Xiema Town rural residents. Since 2006, in order to construct high-speed road, Xiema government has requisitioned the land of Aijiawan village, Sanyuanxi village and Shibampo village (Ye, 2007). Compulsory land acquisition made lots of farmers lose their land and have no choice but adapting to the urban way of living. It is obvious that the livelihoods of those farmers who lost their land have been affected due to the environment as well as the change of livelihoods assets.

The processes of compulsory land acquisition in Xiema Town

By interviewing local officials who are in charge of compulsory land acquisition, I found that the processes of compulsory land acquisition in Xiema Town is explicit in rule as well in practice, which follows a six-step procedure (Figure 7): firstly, the officials from Beibei government together with the principal of Xiema Town and developers hold a general meeting with local residents in the affected area. Usually, there are two kinds of developers related to

^⑥ In China, the whole state is divided into 34 provincial level administrative divisions: 23 provinces, 5 autonomous regions, 4 direct-controlled municipalities and 2 special administrative regions (Hong Kong and Macao). Chongqing is one of the four direct-controlled municipalities suited in southwest China. Administratively, Chongqing Municipalities is divided into 40 county-level subdivisions, consisting of 19 districts, 17 counties, and 4 autonomous counties. Beibei District is one of the 19 districts located in north-western Chongqing Municipality (Wikipedia, 2011).

^⑦ Administrative village (*xingzhengcun*) is a lower management administrative unit in Chinese rural area. In order to manage efficiently, some closed villages could combine to an administrative village, or a village could be divided into several administrative villages, or a village is an administrative village. The biggest difference between village and administrative village is that the former formed based on geographic environment, clan or family, but the latter is established according to national legislation or the requirements of governmental administration (baidu, 2011).

compulsory land acquisition: one is commercial group/organization, and the other is governments. Since the compulsory land acquisition is regarded as “governmental behavior”, all the commercial groups/organizations have to establish good relationship with government in order to win their supporting. For the most part, government requisitioned land at first and then sold it to commercial groups/organizations to develop for certain economic purposes like establishing “development zone”. In some cases, government is the developer of the requisition land to establish park or schools on public purpose. In this meeting, the purpose, scope and area of compulsory land acquisition will be introduced; the function of the land after acquisition will be described, as well as the policies and regulations related to compulsory land acquisition will be explained. During the meeting, the compensation is always what people concern most. Though the conflicts of the compensation fee or standards always occurred in the meeting, information will still be conveyed that their land will nevertheless be acquisitioned compulsorily; hence it is essentially not a negotiating meeting as stakeholders do in the board meeting. After this general meeting, the affected farmers have at least three months to register all kinds of their properties (e.g. size of the land, yield of the crop, building, etc.) on their land that will be acquisitioned by household in the appointed governmental office. Subsequently, the officials should announce the property accounted results by poster, which contains the possession of every household and the compensation they will obtain. Then the officials will check the household property to see whether it fits the fact or not. If it does, the agreement or contract will be signed, which means that the ownership then will be changed; if not, the officials and affected farmers need to check the property again together whether it matches the fact, and then signs the agreement or contract. Finally, the compensation will be distributed by government officials or developers. Usually, it has 2 years for the affected farmers to resettle in other places.



Figure 5: The administrative division of Chongqing Municipality. Map source: Chongqing maps, 2011,

<http://www.chinahighlights.com/chongqing/map.htm>.

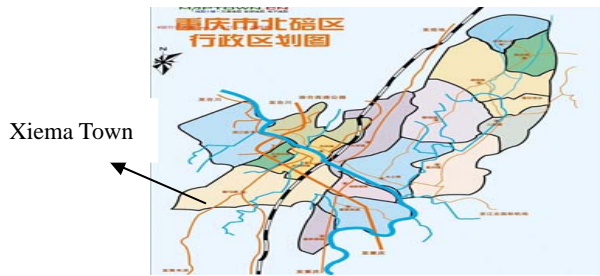


Figure 6: The map of Beibei District. Map Source: www.mapd.cn.2011.
<http://www.mapd.cn/Map/ChongQing/DetailOneSevenEightEightOne.html>

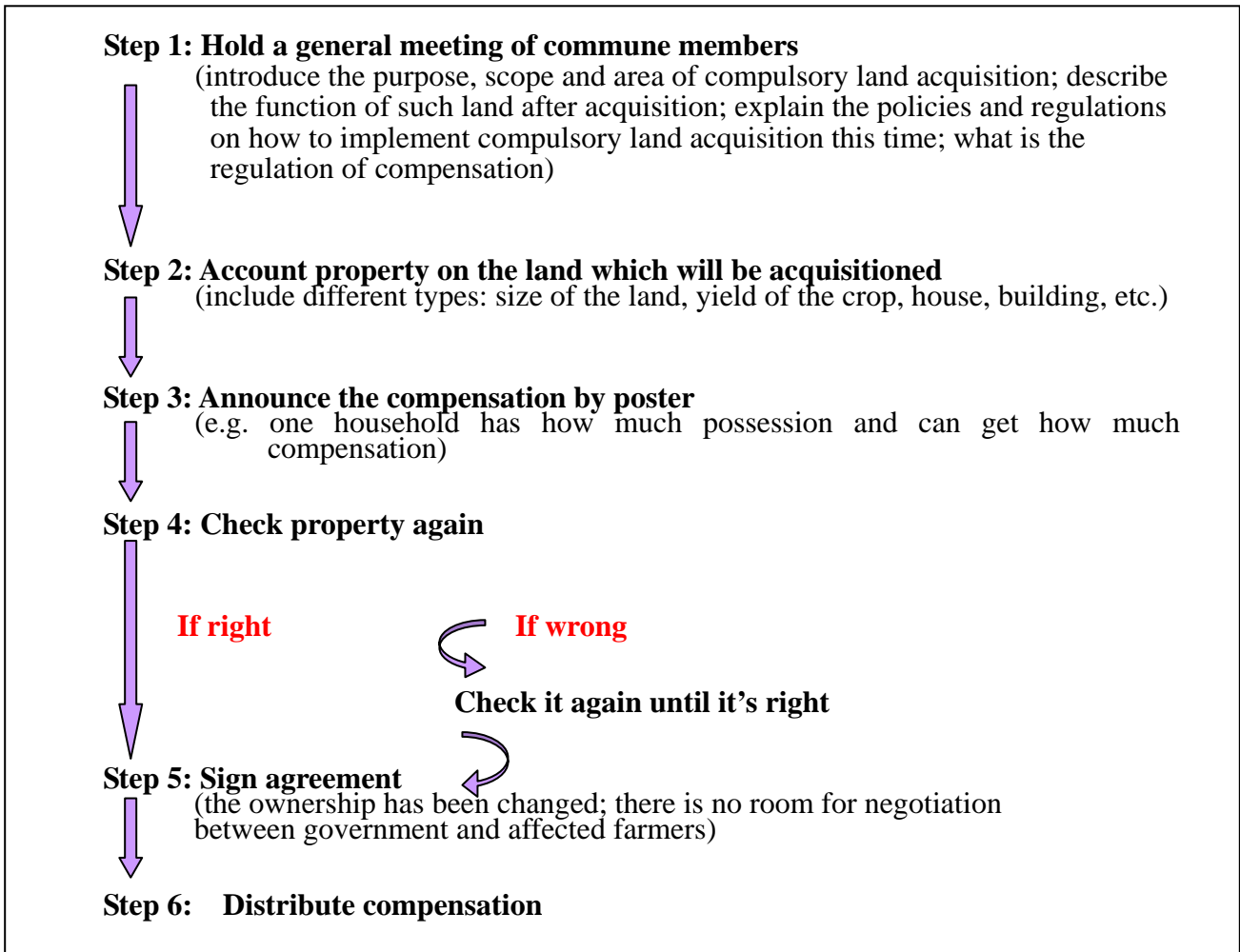


Figure7: The specific processes of compulsory land acquisition in Xiema Town. **Source:** own compilation according to the interviews with officials who are in charge of compulsory land acquisition affair

The compensation

The compensation is the most important part during the compulsory land acquisition since it directly influences the affected farmers' life in the future. Through interviews, I found the compensation standard in Xiema Town is based on regulation of the No.67 Document of Chongqing Municipality and the No. 86 Document of Beibei District. In general, the

compensation contains three parts: Firstly, the land compensation, which is accounted according to the total area of acquisition land per person; Secondly, the resettlement grants, which are based on the total area of acquisition land per person; and compensation for other interest and estate on the ground, which is accounted according to types of crops or estate structure. For instance, the compensation fee vegetable is 1760 yuan^⑦ per mu, while that for grain is 1430 yuan per mu. The compensation for housing depends on the classification of structures: for simple structure and concrete structure, the fee is respectively 60 yuan per square meter (m²) to 240 yuan per m². The specific standards are presented in table 3 and table 4.

Moreover, according to the regulation of No. 86 Document of Beibei District, the male under 50 years old and the female under 40 years old, all the compensation is given to themselves or their guardians. As for others, males over 50 years-old, females over 40 years-old, part of compensation which is about 23,500 yuan^⑧ will be managed by the insurance company for saving type endowment insurance, and the other part will be given to themselves. Every month, those farmers can receive a little pension(about 196.8 yuan) from insurance company until they surrender insurance. If surrendering, this part of compensation for insurance would be returned to them.

Besides the compensation mentioned above, the government or developers should provide accommodation for those people who lost their land as well. According to the interviews, there are two ways to implement resettlement in Xiema Town. Firstly, the people who lost land could choose to get a small apartment from the government or developers. Usually, the standard construction area is 20 m² per person including the child who has been registered in the household register system. Secondly, these affected farmers could choose to receive the resettlement grant instead of an apartment. In this case, the standard price is 1400 yuan/m², so the installation grant is 28,000 yuan per person.

Overall, besides the small apartment, the compensation for one person is approximately

^⑦ 1 Chinese Yuan ≈ 6.4 US dollar

^⑧ This specific sum is fixed sum that regulated by the insurance company (not calculate depending on the size of acquisitioned land).

30,000 yuan^⑨. For those people who choose settlement grant, the compensation is around 58,000 yuan. By interviewing the officer Wu, he believed that the compensation is rather reasonable, since it is enough for the affected farmers to keep their living standard as before (interview with Wu, 2011). However, as for farmers, how do they think of the compensation? What are their opinions on the compulsory land acquisition? What are the impacts on their livelihoods due to the compulsory land acquisition?

Table 2: The standard of land compensation and resettlement grants in Xiema Town

per capita (mu)	production value (yuan/mu)	Land compensation multiples	Resettlement grants multiples	Compensation per capita (yuan) ^⑩
>=1	2,300	6	6	27,600
0.9	2,300	6.5	7	27,945
0.8	2,300	7	8	27,600
0,7	2,300	7.5	9.5	27,370
0.6	2,300	8	11.5	26,910
0.5	2,300	8.5	14	25,875
0.4	2,300	9	17	23,920
<=0.3	2,300	10	20	20,700

(Source: No. 86 Document of Beibei District, 2008)

^⑨ This sum is accounted in accordance with the area of acquisitioned land is 1 *mu* per person, therefore the compensation includes 27,600 yuan of land compensation and resettlement grants, 1430yuan/ 1760yuan of grain compensation/ vegetable compensation, and house/building compensation.

^⑩ The compensation = production value* per capita *(land compensation multiples + resettlement grants multiples)

Table 3: The compensation standard of estate on the expropriation land

Structure Type	Building Structure	Compensation Price (yuan/m²)¹¹
Concrete Structure	Brick wall (boulder strip, rubble stone), precast concrete cover	240
	Brick wall (boulder strip, rubble stone), tile	216
Bricks timberwork structure	Brick wall (wood board), tile	192
	Brick wall (boulder strip, rubble stone), tile	168
	Brick wall (boulder strip, rubble stone), asbestos tile (include linoleum and fiberglass watts)	156
Retaining structure	Retaining tile	144
	Asbestos tile and fiberglass watts	132
Simple structure	Soil wall and tent cover	96
	Simple hut	60

(Source: No. 86 Document of Beibei District, 2008)

The influences on farmers' livelihoods

In order to understand the farmers' opinions on compulsory land acquisition and the impacts on their livelihoods, I used the second hand data as well as interview to explore. According to the second-hand data from the survey which is undertaken by Ye in 2008¹², 32.86% farmers did not want their land to be acquisitioned, 40 % farmers did not care about weather the their land acquisitioned or not, and only 27.14 % farmers were willing to be requisitioned their land. From this survey, I found that the proportion of people who are not willing to be acquisitioned is a little higher than those who accept compulsory land acquisition. For those unwilling farmers, land is taken as the main natural resource for household livelihoods with farm income being the main financial asset for sustaining the household before the compulsory land acquisition. Due to lack of other assets and unlikely access to resources, their living means are rather simple, which indicates that the loss of land would cause trouble in living for them. However, for those willing farmers, they normally have diversified livelihood means which can help them out of the risk. Besides the farm income, they usually have non-farm incomes, such as non-agricultural work for others, business income (non-farm

¹¹ The sum is calculated depending on the construction area.

¹² This survey is conducted by Ye who is a master student in Xinan University. She used random sample to choose 150 farmers from different household. 150 questionnaires have been distributed and 140 are valid, and the valid rate is 93.3%.

rural self-employment) and so on. Therefore, even though the land is lost, they have other livelihood activities to support their living. Even more, the compensation not only could supplement their on-farm loss, but also provide more financial support for their business or the opportunities for developing new social relationship. It is surprising that most of farmers, 40%, do not care about whether their land is acquired or not. The reason is that they feel their living standard is thus neither improved nor lowered after the compulsory land acquisition (Interview, 2011).

- **Income**

Farmers' income is the most important part to measure their livelihoods. The location of Xiema Town is not far away from urban area and the transportation is convenient. So it is easy for farmers to sell their agricultural products to urban markets, and the price is higher than that in rural markets. According to the statistical data from Ye (2008), the annual agricultural income was around 4,000 yuan per person (Ye, 2008). After compulsory land acquisition, farmers lost agricultural income and have to seek for non-agricultural income. However, it is very difficult for them to get a job in non-agricultural sectors since their capabilities are related to agricultural production in addition to their lack of good education. Except some young people and educated people, they could find jobs in non-agricultural sections, most of affected farmers are self-employed or staying at home. Even if they find a job, the salary is low or is always a temporary work. Ye also reported that farmers' income in Xiema Town did not increase obviously, and the average annual income is about 5000 yuan per person after land acquisition (Ye, 2008).

However, the living expenditure of a household is much higher than before, since their lost land is their living guarantee for self sufficiency. The rice, vegetables and meat they ate came from their land, which means that they used to have only a little expenditure, if not no, on food before. But after compulsory land acquisition, they have to purchase daily necessities such as vegetables, fruits, eggs and they also have to pay for the property management fee, which did not exist or is small if they had land. Several farmers complained, no matter how tough life used to be before the compulsory land acquisition, they at least were not worried about the basic life since they had food and accommodation to support their living. If in

harvest, they could have surplus money by the end of the year. But right now they are living in worry and concerning about the unstable income since most of them are confronted with the risk of unemployment. Once they lose their job, they would have no other ways to pay for those living cost. Therefore, from the perspective of revenues and expenditures, the disposable income¹³ is decreased, excepting the households that have other income sources before land acquisition (Interview, 2011).

- **Compensation**

Most farmers complain that the compensation is not enough, and it does not improve their living condition compared with previous living level. For example, if one household has three people, they could get 90,000 yuan compensation and an apartment of area 60 m² (3*20 m²) for free. But as a matter of fact, the area of a resettlement apartment¹⁴ is usually about 80 m², which means that they need pay the beyond area in the market price that is rather expensive. Additionally, the household should pay the decoration fee which is about 60,000 yuan for the size of an 80 m² apartment. In the interview, several farmers said that the compensation fee is only enough for them to buy and decorate a new apartment, and it is hard to use the rest to supplement the reduced disposable income. Most of affected farmers told me that the compensation has been run out of within two years (Interview, 2011).

- **Employment**

It is not easy for affected farmers in Xiema Town to be employed, since most of them are less-educated and have limited capabilities for industrial employment possibilities. Half of them worked on farm in the traditional way, and they are also in short of the knowledge of modernization agricultural production, let alone the knowledge about industrial production activities. Besides, the government did not arrange related career or skill development training; thereby there is no opportunity for them to improve their capabilities and skills and to adapt to the new employment environment. The following is what a farmer there told me about his own experiences of job seeking as well as his friends’.

“I’m 42 years old, and it is really hard to find a stable work in urban area. I worked as

¹³ Disposable income = Total income – Total expenditure

¹⁴ The resettlement apartment is built by the developers who will use the acquisitioned land. The area of apartment is usually larger than 80 m², and the lost land farmers can only choose the resettlement apartment for free.

porter and guard, and the salary is very low. My wife and other women over 40 years old usually work as the house cleaners, and it is also unstable. Farmers at my age are not well-educated, and lack skills like operating computer, so there is no possibility to compete with those young students or urban workers. If I could find a stable job, my family will live much better, I think" (Zhang, 2011).

- **Social relationship**

Before the compulsory land acquisition, farmers in Xiema Town owned the rural hukou and lived in a traditional way: cultivating land, feeding poultry, enjoying a close relationship with people in the same neighborhood (the people who live in the same town), but few have contact with the outside world. Like other Chinese rural society, their relationships were established on the clans, consanguinities and tribes. For example, they usually worked with family members or keep informed by relatives. After the compulsory land acquisition, though farmers whose land has been requisitioned have obtained the urban identity (urban *hukou*), their social networks were not like other urban residents. On one hand, most affected farmers have been discriminated by those residents who always have urban *hukou*. For example, the children should pay extra tuition fee if they want to attend the urban schools which have better environment and teachers. On the other hand, it is difficult to establish new social relationship in urban areas. The social relationship was based on the clan, and the neighborhood was close to relatives in Xiema Town before the land acquisition. But after compulsory land acquisition, people resettle in different places, and the previous relationship has been undermined. But they can not adapt to the new society, not to mention the establishment of a social network due to the non-identification of urban residents, which made them hard to obtain social resources and information besides the killing loneliness.

- **Welfare**

Before the land acquisition, there is no endowment and medical insurance for farmers in Xiema Town because that rural people have not been included in the Social Welfare System. Though the local residents who are over 50 years (men) old or 40 years old (women) applied the endowment insurance compulsively after compulsory land acquisition (before they did not apply endowment and medical insurance), the insurance money returned to them every month is too little to improve their livelihoods. Moreover, besides endowment insurance and basic

medical insurance fee, there is no other welfare for people who lost land.

An old woman said, her land has been acquisitioned in 2003 and she only obtains 50yuan every month according to the policy at that time. When she talked about the living condition after losing land, she was really depressed:

“The grain used to be self sufficiency, and if there are surplus vegetables, I could sell them on the market. What’s more, I could feed at least one pig each year, which is helpful for my living. However, now I am living at an apartment, there is no place to plant vegetables, and the expense of living, such as water, electricity and gas bill and grocery shopping, is much higher in cities than in the countryside. I am old, and there is no income at all except the little endowment insurance money. Comparing with real urban residents, our welfare is too low. To be honest, I don’t like the present life, but everything can not go back to before” (Wu, 2010).

Another old man who is 70 years old told me that he was ill for a long time, but he can not get treatment in the hospital because of lacking money, and the assistance of medical welfare is very limited (Wang, 2011).

In summary, the livelihoods of farmers in Xiema Town mainly depend on land for agricultural production before compulsory land acquisition, and most of them were satisfied with their livelihoods situation, at least, it is self-sufficient. However, after compulsory land acquisition, most of affected farmers believe their livelihoods are worse than before due to shrinking income, unstable employment, insufficient compensation fees and unsatisfying welfare. Only few affected farmers think their livelihoods have been improved because they got the compensation for investment, which could bring more income to the household.

A case from Dongfanghong Town, Changsha City, China

Background information

Dongfanghong Town is a high-technology development zone in Changsha City¹⁵ situated in the west of the city. The area of Dongfanghong Town is around 15 km², and contains 7

¹⁵ Changsha City is the capital city of Hunan Province, which is located in middle-southern China. There are five administrative districts: Kaifu District, Furong District, Yuhua District, Tianxin District and Yuelu District. Dongfanghong Town is one of towns in Yuelu District.

communities named Changqing, Dongtang, Changfeng, Yannong, Lujing, Luyuan and Luquan. The permanent resident population here is around 22,000 among whom about 18,000 people have local/urban *hukou* (Changsha Statistical Yearbook, 2010). Since it is a development zone with Hunan International Economics University located here, the migrating population is about 100,000. From 1997, lots of land has been requisitioned by government for the high-technology development zone as well as expansion of universities. Due to the rapid extension of Changsha City, Dongfanghong Town, in the its fringe, has become an important development zone of Changsha City. A plenty of farmers in loss of land live here, and their livelihoods and living way have been changed due to the compulsory land acquisition. I visited 3 communities: Changfeng, Yannong and Dongtang, where I made the questionnaire survey.

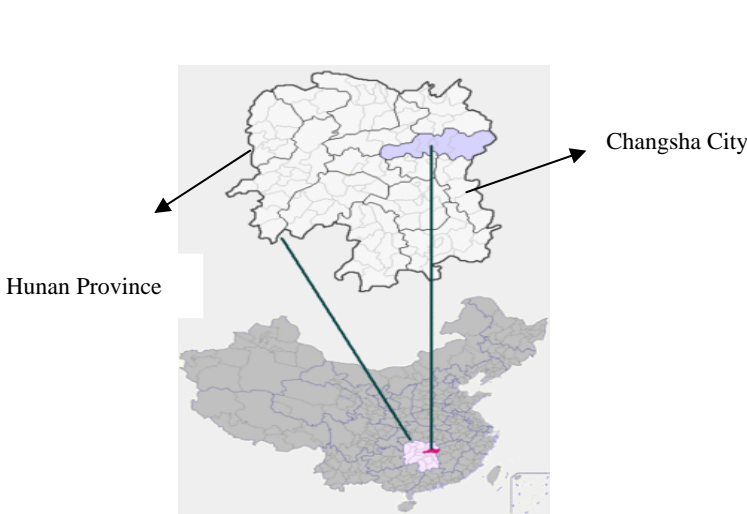


Figure 8: The map of Hunan Province and Changsha City **Figure9: The administrative District of Changsha City**

(Source:http://www.google.se/imgres?q=changsha+administrative+map&hl=zh-CN&sa=X&biw=1284&bih=642&tbn=isch&tbnid=TqsNPDmFZh0dDM:&imgrefurl=http://www.cinaoggi.com/china-map/changsha/index.htm&docid=wuZk32F67GUqJM&w=250&h=421&ei=MxxfTr2sA86ImQW28_kv&zoom=1)

(Source:<http://www.google.se/imgres?q=changsha+administrative+map&hl=zh-CN&sa=X&biw=1284&bih=642&tbn=isch&tbnid=sb68aHFeTWAw6M:&imgrefurl=http://www.prcgov.org/provincial/provincial-capitals-b-1440-57.html&docid=c900fcGRohMIIM&w=586&h=586&ei=ABxfTp7OJOiJmQW6t5E8&zoom=1>)

The policies related to compulsory land acquisition

By interviewing officials from local land management authority, I learnt that the process and

compensation standard of compulsory land acquisition are on the grounds of *Regulation of Compulsory Land Acquisition Compensation and Resettlement in Changsha City* (2008) (RCLACRCC) and the *Implementation Measures of Compulsory Land Acquisition in Changsha City* (2008) (IMCLACC). According to the former regulation, I find the processes of compulsory land acquisition in Dongfanghong Town are slightly different from Xiema Town's. Besides the six steps I mentioned in the above case, it allows the affected farmers and affected collective organizations to offer their opinions on compensation planning protocol before compensation distribution. Figure 10 presents the specific procedure of compulsory land acquisition in Dongfanghong Town. But through communicating with local farmers, the hearing has never been held in practice. On one hand, governments and developers are not willing to organize hearing, since it would be a complicated and persistent process to negotiation which could lead to conflicts like how to arrange compensation among the affected farmers. On the other hand, those farmers lack of the sense of participation, and they do not know how to apply such hearing though they are not satisfied decisions made by governments and developers. In other words, the compensation standard is still only determined by the government and local land administrative departments, and the affected farmers hardly have the opportunity to get involved.

According to the regulations I mentioned before, the compensation include two parts: cash compensation and resettlement compensation. The content of the former is similar to Xiema's, which contains the land compensation, resettlement grants and compensation for other interest and estate on the ground. The latter also has two ways: the resettlement grants and apartments. However, the standard is different. For instance, the standard of land compensation and resettlement grants is much higher than Xiema' Town's (Table 4 and Table 5). The standard of crop compensation is also based on the type of land and the land classification, which means that the grain is 2000yuan/mu or 1700yuan/mu¹⁶, the vegetable is 5000yuan/mu or 4200yuan/mu, and the fish is 3400yuan/mu or 2900yuan/mu.

¹⁶ 2000yuan/mu is for the first class paddy land which has higher production value than the second class paddy land.

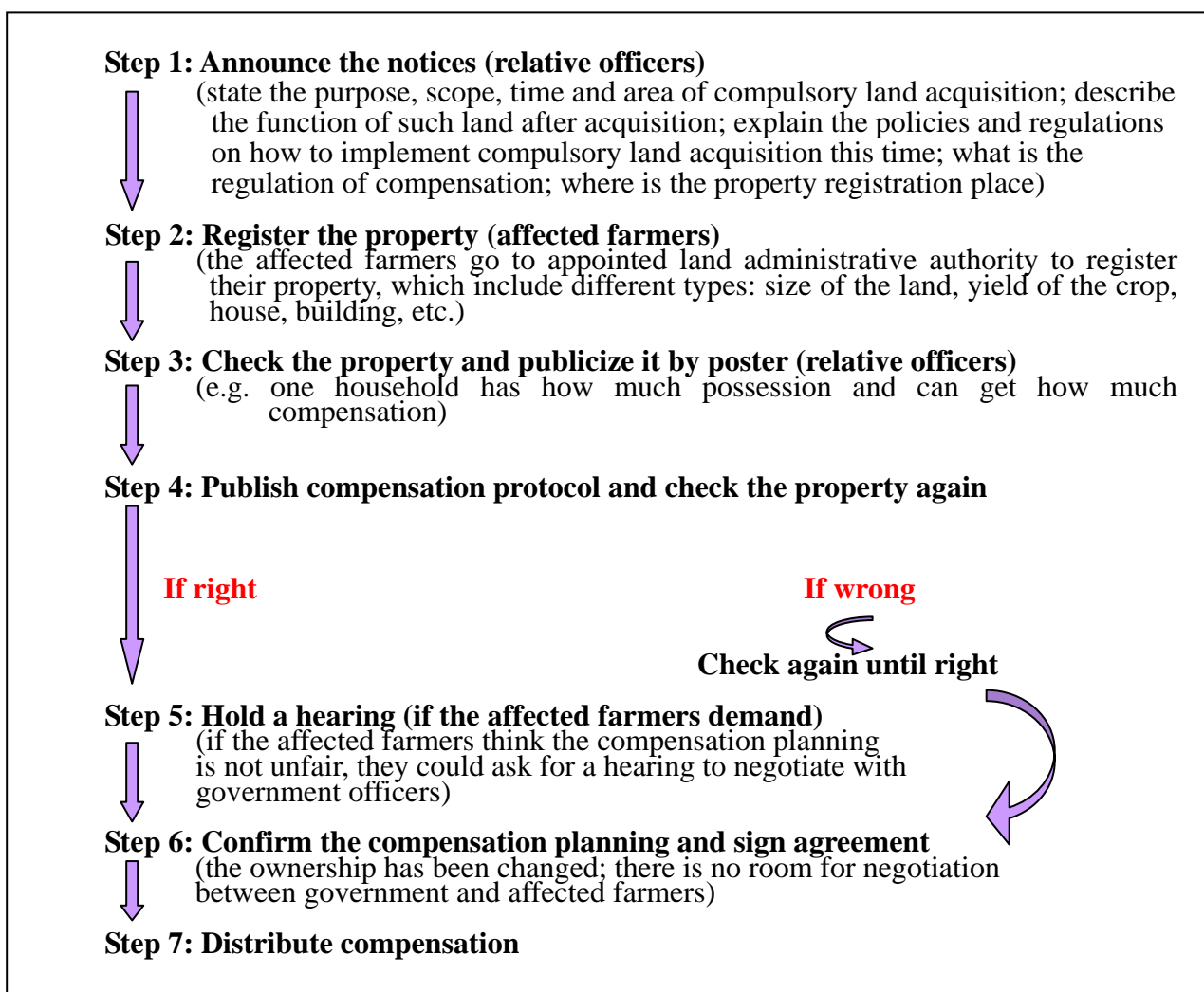


Figure 10: The specific procedure of compulsory land acquisition in Dongfanghong Town. Source: the writer’s compilation on basis of interviews with officials who are in charge of compulsory land acquisition affair

Table 4: The standard of land compensation in Dongfanghong Town

per capita (mu/per)			< 0.34	≥0.34 ~	≥0.47 ~	≥0.69 ~	≥1.17	
				< 0.47	< 0.69	< 1.17		
Type of land	classification	Sum (yuna) Value(yuan/ mu)	Multiple	10	9	8	7	6
Paddy field	1	2,000		20,000	18,000	16,000	14,000	12,000
	2	1,700		17,000	15,300	13,600	11,900	10,200
Vegetable field	1	5,000		50,000	45,000	40,000	35,000	30,000
	2	4,200		42,000	37,800	33,600	29,400	25,200
Fish pond	1	3,400		34,000	30,600	27,200	23,800	20,400
	2	2,900		29,000	26,100	23,200	20,300	17,400

Dry land	1	1,400	14,000	12,600	11,200	9,800	8,400
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(**Source:** Implementation Measures of Compulsory Land Acquisition in Changsha City, 2008)

Besides the three cash compensation mentioned above, the affected farmers in Dongfanghong Town could obtain the subvention for moving out which is 6yuan/m² ¹⁷each turn, the interim subvention which is 25yuan/m² ¹⁸every month and the rewards for moving out on time which is 200yuan/m² (IMCLA, 2008).

In 2008, the government of Changsha city promulgated a document called the Measures of Employment Training and Social Welfare for Farmers whose Land has been Acquired in Changsha City. This document regulated that related authorities and agencies should organize or arrange employment training for the affected farmers to improve their skills or to adapt to the new working environment. It also stated the scope and standard of basic social welfare for the affected farmers, and all the affected farmers whose *hukou* changed, from rural hukou became to urban hukou, should join into the Urban Residents Social Welfare System(URSWS). In this system, for example, female who is over 55 years-old and male who

per capita (mu/per)				< 0.34	≥0.34 ~ <0.38	≥0.38 ~ <0.42	≥0.42 ~ <0.47	≥0.47 ~ <0.53	≥0.53 ~ <0.60	≥0.60 ~ <0.69	≥0.69 ~ <0.81	≥0.81
Type of	classifi	Sum (yuna)	Multiple	15	14	13	12	11	10	9	8	7

is over 60 years-old (this is the retired age for urban residents in China) could get the pension about 850yuan per month.

Table 5: The standard of resettlement grants in Dongfanghong Town

¹⁷ The area is calculated based on the construction area and the subvention can be gotten at most twice.

¹⁸ The area is calculated based on the construction area and the interim is 24 months.

land	cation	Value(yuan/ mu)									
Paddy field	1	2,000	30,000	28,000	26,000	24,000	22,000	20,000	18,000	16,000	14,000
	2	1,700	25,500	23,800	22,100	20,400	18,700	17,000	15,300	13,600	11,900
Vegetable field	1	5,000	75,000	70,000	65,000	60,000	55,000	50,000	45,000	40,000	35,000
	2	4,200	63,000	58,800	54,600	50,400	46,200	42,000	37,800	33,600	29,400
Fish pond	1	3,400	51,000	47,600	44,200	40,800	37,400	34,000	30,600	27,200	23,800
	2	2,900	43,500	40,600	37,700	34,800	31,900	29,000	26,100	23,200	20,300
Dry land	1	1,400	21,000	19,600	18,200	16,800	15,400	14,000	12,600	11,200	9,800

(Source: Implementation Measures of Compulsory Land Acquisition in Changsha City, 2008)

Table 6: The compensation standard of estate on the expropriation land

The estate grants				Decorating and facilities grants		Purchase grants	
Structure type	Standard (yuan/m ²)		Depreciation (year)		Sum(yuan/m ²)	Standard	
			≤5	> 5			
Steel structure		750	100%	95%	550	1. Based on the construction area, the grant of the first and second floor of house is 800yuan/m ² , and the grant of the third or above floor is 400yuan/m ² . 2. Every affected farmers can obtain 25,300 yuan fixed purchase grants, but this grant do not offer to farmers as cash, instead to save into the account of local government as resettlement compensation. But if the farmer does not want buy the apartment which offers by local government, this grant will be given directly as cash.	
Concrete structure	First class	600			450		
	Second class	550					
Bricks timberwork structure		500	100%		400		
Retaining structure		400			300		

(Source : Implementation Measures of Compulsory Land Acquisition in Changsha City, 2008)

The influences on farmers' livelihoods

Questionnaires are used to explore the influences of compulsory land acquisition on farmers' livelihoods. 100 questionnaires have been distributed, with 90 of valid samples (the results of questionnaire survey are presented in the appendix). In these 90 samples, only 4 affected

farmers claimed that they still have land, and all others have lost their total land. In addition, half of these respondents have become the urban *hukou*, half of them were still rural *hukou*. By statistic, there are 48.89% farmers who believe their livelihoods have been improved after compulsory land acquisition, 31.11% farmers who believe there is no change on their livelihoods due to the compulsory land acquisition, and only 20% farmers who think their livelihoods were worse than before after the compulsory land acquisition. Moreover, all the affected farmers who think their livelihoods have been improved are willing to be requisitioned, and some of affected farmers whose livelihoods did not change also want to be requisitioned. According to the survey, the proportion of willingness is 55.56%. There are 23% affected farmers who do not care whether their land is requisitioned or not, because their situation of livelihoods remain almost the same. Most of the affected farmers whose livelihoods are worse than before do not want their land to be requisitioned, and the proportion is only 18.89% (Own Survey, 2011).

- **Income**

By the questionnaire survey, I found that all 90 respondents' income has increased after land acquisition, and the average of annual income is from 10388.89yuan to 23666.67yuan per household. I also used T-test to compare these two samples, and the result proved that the income after land acquisition was significant higher than that before. Moreover, there are more sources of the income after the compulsory land acquisition. Formerly, land is the basic and most important natural asset for local farmers, and the on-farm income is the main source for the whole family. The survey proved that 73.33% farmers pointed out the main source of income is from on-farm working, and the average of on-farm income is 4700yuan per household annually, which account for 45.24% of the total income of a household. The other sources of income are working for others in the city (62.22%) or other temporary jobs (16.67%), and 21.11% respondents stated that there is no other sources of income except on-farm income. When the land has been requisitioned, most families have two or three sources for income. Besides working for others (65.56%), one of main sources of income, they could get rents from spare apartments (33.33%), doing own business (13.33%), or

collective shared bonus¹⁹ (10%). However, there are only 7.78% affected farmers who have no fixed income or totally based on the compensation for living, and these farmers were the old-aged people or those who are not willing to work for personal reasons.

It can not be ignored that the living expenditure increased as well. 94.44% respondents claimed that the household's daily expenditure has risen in the survey, and the average expenditure of one household increased from 626.61yuan to 1266.67yuan per month. To calculate the net income, it can find that the average net income is 2869.67yuan ($10388.89 - 626.61 * 12$) and 8466.63yuan ($23666.67 - 1266.67 * 12$) before and after the compulsory land acquisition respectively. In other words, though the daily living expenditure is higher than that before the land acquisition, since the affected household ought to purchase more foods, the money they could use for other staff is much more than before. Most of affected farmers stated that they got more opportunities to earn money, and the wide sources of income and the increase of net income made their living condition much better than before.

• **Compensation**

It is found in the survey that 67.78% respondents are satisfied with the compensation they got, and they think that the compensation has helped them improve their livelihoods after land acquisition. The rest of 32.22% informant who were not satisfied with the compensation either think the cash compensation is insufficient and can not supplement the increased living expenditure for a long time, or they did not got or got the apartments very late. By communicating with farmers, I found that some affected farmers complained the way of resettlement before 2008, since it was difficult for those affected farmers who was very poor and had no savings at all before the land acquisition. A woman told me the situation in her family:

“My family is poor, and we do not have savings in the bank. My land, 1.6 mu, was requisitioned in 2002, and we have only two family members. Though my family obtained the land (30m²) for building new house we did not have money to build it at all. What's worse, we had to rent other's apartment to stay, and it was a big expenditure for my family. The cash compensation I got was only 30,000yuan, and it was used up in 2 years. In 2006, I sold the

¹⁹ Some rural communities have the collective assets like hotel or restaurant. If this land did not be acquisitioned, the hotel or restaurant could still run business, and the profit should distribute to all the original farmers/villagers who live there.

land with the price of 80,000yuan, and this amount of money will be use out very soon. To be honest, my life is in a mess right now.” (Xiao, 2011)

However, the affected farmers whose land was acquisitioned after 2008 did not have this trouble, since all of them have money to buy the new apartment. Besides having an apartment for their own residence, most of them have spare apartments on lease, which has become one of the main sources of their income. Two respondents’ land was acquisitioned two years ago and they obtained amount of cash compensation (800,000yuan and 900,000yuan). They did not use this amount of money to invest or save it in the bank; instead, they bought cars and lots of luxury products. At present, it has been almost used up, and they started to worry about their livelihoods in the future.

- **Employment**

The role of employment in livelihood improvement has been largely considered, since it is related to the stable income as well as the sustainable living condition. The findings indicated that 73.33% respondents are working on farm, 13.33% respondents had stable salary through working for others, and 13.33% respondents had no stable jobs before land acquisition. At present there is no respondent still worked on the farm after lost land. In the terms of human capital, the employment situation in Dongfanghong Town is not hopeful. The average age of these 90 respondents is 43.37 years-old in this survey, which means that they are not easy to adapt to the new employment environment since they have worked on non-agricultural activities for a long time. According to the survey 55.06% respondents only have elementary school and junior school degree, and 26.96% respondents and 17.98% respondents have high school and college degree respectively. These data reflects that those farmers who lost land have confronted the predicament of low degree of education, and it is no doubt such predicament could affect their capability of survival and further development in the urban area. Viewing the employment quality, the situation is also not good. 65.56% respondents were the temporary workers in the non-agricultural sectors without contracts, and only 6.67% respondents got the contractual jobs in non-agricultural sectors. But 23.33% respondents have no job at all, and the rest of respondents were running their own business. This figure shows that the opportunities for finding a job are much easier and the rewards are much higher than

before, but it is difficult to get a stable and longtime job. Several respondents told me that they lack the competitive strength comparing with the urban workers since they had no education background or working experiences in factory and no social networks.

“There are more opportunities to find jobs in urban area after land acquisition, and the salary is higher than before. But if you want to get a good job and work for a long time, I have to say, it is not easy. The employers prefer to employ university graduates who have high education level and certificates.” (Li, Zhang & Lin, 2011)

In addition, 30% respondents said that the related authorities have provided them jobs that are beyond their capabilities. Only 3 respondents said they did very well in the work which is offered by relative authorities. But most of respondents (66.67%) said there is no job offering for them after the compulsory land acquisition. According to the regulations of 2008, the government and related authorities have the responsibility to provide the working opportunities and employment training for the affected farmers. Half of the respondents hoped that the employment training could be held, and that it would be useful for finding jobs. But for those affected farmer who have participated in such trainings, most of them said it is of no help for employment.

- **Social relationship**

Though their living environment and *hukou* status have changed after compulsory land acquisition, their identity has not been perceived as urban residents and the social relationship have not been established in the new urban communities. According to the interview with twenty households, I found that duties of family member stay the same situation that the husband plays more important role in the family affairs. Like many Chinese traditional rural families, men in Dongfanghong Town are the breadwinner of the whole family and make decisions no matter before or after they lost their land while women are housewives taking care of children and old parents. So the status of men and women is unequal. During this investigation, I found that women were not willing to be interviewed since most of them are afraid of talking with strangers, and when they answered several questions such as the income of family, how much compensation they got, they needed to consult their husbands. This means that women stay in the subordinate status in the families no matter before or after

compulsory land acquisition, and had little contact with other people besides the family members. What's more, women's family and social statuses were worse than before in certain aspects. For instance, they could do the agricultural work before they lost their land, which offered them opportunity to get in touch with other people and made their contribution to the family. But now they can only stay at home as the housewives because it is more difficult for women to find jobs in urban area. Several women told me that they had been living in the rural society which is a closed society and they did not participate in the big affairs like voting for community leaders of the community even in the family. So they felt they are disadvantaged group and severely in lack of social network before lost land. Now they can do nothing but household chores, which do not help improve their working capability and expand their social network. Those affected households that got amount of compensation, women always play cards to kill time because they have enough money to use for several years and no life stress to try to find jobs. Additionally they have indeed lacked capability to find a job in urban labour market, and are not willing to work as nanny or hourly-employee in other families.

Additionally, most affected farmers complained that they severely lack social resources since it is hard for them to establish new social relationship in this new environment. Comparing with the life in urban, the social stratification is much simpler in rural area, and the occupational and social mobility are also far less. From the perspective of social psychology, rural people has more homogeneity than urban people. The respondents told me that their main social network was based on the blood relationship like relatives or neighbors before the land acquisition. For them, the people who live in the town knew each other intimately in the previous community, since the rural society is an open state to insiders. On the contrary, urban society is relative offish to the insiders since the relationship between people is primarily established on the professional relationships. Lacking of stable jobs, they find it difficult to know the new neighbours, not to mention making new friends. It is shown in the survey that 75% affected farmers believe that their core members of social network in Dongfanghong Town are still the relatives like cousins, uncles and aunts after the compulsory land acquisition, which indicates that their social relationship is rather narrow and they fail to keep

a constant contact with people outside their extended families (Own survey, 2011). Most of them think that they have been put into an embarrassing state: they lost their identity as “a farmer” while their new identity as “an urban residents” can not be accepted by other urban residents around them.

About 10% respondents claim that their social relationship has changed a lot due to the land acquisition. The identity of urban residents has benefited their business since they could get the financial support or social resources from those people who have more power and capital. These respondents were those who have worked in urban area for several years or those who have already had some social contact in urban area before the land acquisition. Obviously, it is easier for them to build a new social relationship.

- **Welfare**

Before compulsory land acquisition, the situation is the same like Xiema Town. No respondents used to have social welfare and they have no consciousness of buying commercial insurance since they think it is waste of money. Because they had land which is the guarantee for family to sustain the livelihoods and welfare, they were not very worried about their medical and aging issues. After losing land, there is no social welfare offered to the affected farmers before 2008 although these people have got the urban *hukou*. Since 2008, the regulation clearly states that the affected farmer should join in the Urban Residents Social Welfare System (URSWS), but this policy is not implemented properly in practice. The survey showed that only 10% respondents have joined in this system. Those old people are worried about this issue since they have no income and it is hard for them to find a job in urban labour market. What's more, their fading health needs more money for medical treatment.

On the whole, the livelihoods of the affected farmers in Dongfanghong Town have improved, and most of the affected farmers are more satisfied with their present living conditions. Especially, after the new regulations have been issued in 2008, the affected farmers' income and compensation have been improved significantly. In terms of social relationship and welfare, there are still several aspects awaiting improvement.

6 Discussion

In this Chapter, differences and similarities shown up in the above two cases will be analyzed and attempts will be made to explore the causes of the differences as well as factors that relate to the livelihood improvement based on the livelihood framework.

Is Dongfanghong Town a unique occurring?

It is obvious that the results of these two cases are different. The farmers' livelihoods are worse after the land acquisition in Xiema Town, on the contrary, the farmers' livelihoods have been improved after the compulsory land acquisition in Dongfanghong Town. Meanwhile, the attitudes towards land acquisition are sharply different in these two towns. So, which one could reflect the general situation of farmers' livelihoods after compulsory land acquisition in China? What factors make such differences?

By literature and news review, I found that the livelihood situation of affected farmers in general is more like Xiema Town's. For example, according to a survey of Zhejiang Bureau of Statistic in October 2003, the net annual income of affected farmers per household is only 3,590yuan, 18.4% lower than the situation before the land acquisition policy (Zhang & Lu, 2011). Though the net income has increased recently, it is about 5,000yuan per household annually (Huang & Yu, 2009). In this regard, the livelihood situation in Dongfanghong Town is only a special case in deed. It is because, for one thing, the livelihood of the affected household has been diversified in certain terms in Dongfanghong Town before land acquisition. Dongfanghong Town is essentially a village surrounded by urban areas which called *chengzhongcun*²⁰ in Chinese. Such an advantaged location provides better chances for local farmers. So farmers have more chances to work in urban area, and their livelihoods do not totally depend on the land. Therefore, when they lose their natural assets, it is easier for them to adjust the livelihood activities to reduce the livelihood risk since they have a diversified means to make a living. But Xiema Town or other rural areas have certain distance away from urban area. The farmers/villagers' livelihoods still large depend on the natural

²⁰ *chengzhongcun* means that this town/village/ community is in the urban area, but its ownership is collective ownership, and the residents are rural *hukou*.

assets (land or forest) with the agricultural income taking up the biggest proportion in total income. Due to long-term farming work, their knowledge and skills are not useful for finding non-agricultural jobs. Therefore, once the land is lost, their livelihoods fall in trouble and they have difficulty to make adjustment.

For another thing, the policies and regulations related to compulsory land acquisition especially the compensation standard are reasonable in Dongfanghong Town. In the livelihood framework, the policies or institutions not only determine the assets of the livelihood, but also as a mediating process influence the livelihood strategies (Ellis, 2000). In Dongfanghong Town, besides the high standard compensation regulation, the government of Changsha City has considered other aspects like employment of affected farmers' livelihoods and made articles in the RCLACRCC and IMCLACC. Moreover, the related regulations and standards have changed in pace with the economic growth and social development in order to assist the affected farmers to engage into the changing society easily. In recent years, the government has attach more attention to farmers' living standard, and the *Measures of Employment Training and Social Welfare for Acquisitioned Land Farmers* has been published to improve the affected farmers' employment situation as well as the social welfare condition. However, not only is the standard of compensation much lower, nor there is many articles regarding to affected farmers' employment and welfare in Xiema Town and other cities. The policies and regulations are always the same for 5 or 6 years, so it is certain that the standard of compensation and policies could not match the requirements of the affected farmers' livelihoods. Moreover, the policies are not well-implemented well in several places, and the affected farmers did not receive the compensation fully and timely, which causes troubles for affected farmers' living after the compulsory land acquisition (Zhang & Lu, 2011).

Additionally, Changsha City is the capital city of Hunan Province, and the economy has been growing fast in recent years. Several famous factories have been built and developed, which on the one hand could promote the economy growth and on the other hand could offer more working opportunities for the farmers who lost their land.

It is no doubt that unsuccessful employment, low level of social welfare and lack of social relationship are the common problems in China. Though governments on all levels try to

address these problems, the affected farmers are becoming a special disadvantaged group after the compulsory land acquisition.

Can compensation improve farmers' livelihoods?

From the findings of these two cases, it is clear that compensation plays an essential role in affected farmers' livelihoods. Most farmers tell me that they would be willing their land to be acquisitioned as long as the compensation could supplement their loss. Additionally, those affected farmers whose livelihood has been improved acknowledge that the compensation is one of the vital aspects. On one hand, the complaint of too little compensation can be heard generally everywhere in China; on the other hand, the news of dissipation of farmers on compensation fee by purchasing luxurious cars and or other expensive products can be found in media. It has to be considered that how much compensation is reasonable for compulsory land acquisition and in what ways can of compensation fee really improve the affected farmers' livelihoods?

There are two kinds of compensation for affected farmers in China: the cash compensation for acquisition land, estate and all other property on the acquisitioned land; the resettlement compensation which is usually the apartment for affected farmers. Firstly, the land compensation is based on the original function or purpose of the acquisitioned land, which means that the price of the land has severely been estimated (the price of agricultural land is much lower than the price of non-agricultural land in China). So the land compensation is much lower, and it is no use for the affected farmers who can not to keep their living standard. However, in most of western countries, like United States and United Kingdom, the principles of compensation are equal and equivalent, which means affected owners and occupants should be neither enriched nor impoverished as a result of the compulsory land acquisition (Liu, 2007; Zhang & Lu, 2011). Due to the private ownership in these countries, the land could be traded on the market. So the compensation of land is determined by the market price under the negotiation between the affected owners and the potential buyers, and the land compensation is equivalent to the market value of the acquisitioned land and is paid according to its prevailing market price (Zhang & Lu, 2011). Several economists tried to explore more reasonable standards for land compensation in theory, but the application combined with

current policies is worthy more considerations in practice.

Secondly, the compensation for the estate and all other properties on the acquisitioned land is also unreasonable. According to the national regulations, this part of compensation standard ranges from 10 times the average annual output value for the three years preceding the acquisition to 30 times that, which has left much more room for local governments to execute the lower compensation (Zhang & Lu, 2011). In addition, such a compensation rule did not include the whole lost of affected farmers. The investigations showed that the standard of compensation is decided by the local government and the developers/investors currently in China. Even though it is mentioned in the regulations that affected communities and farmers could ask for a hearing when they disagree with the compensation standard, it has never happened in practice. In terms of governments and developers, the compensation is enough for the affected farmers to survive, since it can supplement the loss of farmers' on-farm income. But in terms of the affected farmers, compulsory land acquisition does not only mean the loss of on-farm income, but also the loss of survival assets, the risk of livelihoods and the destroyed social network. However, these kinds of loss are not included in the compensation, but they are of particular importance for the affected farmers' livelihood improvement.

Thirdly, the effective way of resettlement compensation should be considered to address the resettlement problem of affected farmers. There are mainly two ways for resettlement. The first one is to distribute the area of land per person (usually in a new place), and then affected farmers rebuild the apartments by themselves. The advantages are that they could choose the area and the type of apartment depending on their economic situation. But it is difficult for those poor farmers who have no savings at all to rebuild the apartment, since the cash can only compensate their lost income. As a result, they have to sell the land in the low price, and there is no stable commendation for them living. The second one is to buy the apartments appointed by government or developers with low price. Right now it is a good way to resettle affected farmers since most of them would buy the apartments by the assistance of compensation. But the problem is that affected farmers can not choose the location for living and the area of apartments always exceed the standard area, which means that the affected farmers need to buy the over area with a higher price. As a result, the compensation fails to

help improve their livelihoods.

Moreover, the need the affected farmers are not only the cash compensation and resettlement compensation. It can take in different forms. For example, a majority of the farmers acknowledge that the social resources and social identity are important to improve their livelihoods as well. Unfortunately, it is ignored, or even not realized by governments. The survey undertaken in Dongfanghong Town indicates that 65.56% respondents believe that besides cash compensation, more social resources and social welfare could be another essential aspect for livelihood improvement (Own survey, 2011). Therefore, in order to compensate the affected farmers efficiently, the decision process of compensation standard should involve all the stakeholders, which means that the government, developers/investors, affected collective communities and affected farmers can participate and negotiate in the process of compensation standard making.

Temporary livelihood or sustainable livelihood?

Before the land acquisition, the income is mainly from the agricultural products, although it is not much but stable. However, after the compulsory land acquisition, the income of affected household is from temporary non-agricultural working and the rent of leasing the apartments. Though there are more the sources of income, the stability is lower. With the assistance of compensation, most affected farmers could keep or even improve their livelihoods in a period. However, the current one-time compensation is a lump sum financial payment, which could make the affected farmers maintain their livelihoods level or even improve it in the short time (Zhang & Lu, 2011). The survey in Dongfanghong Town indicates that 51.11% respondents say that the compensation would be used up in 2 or 3 years, and 36.67% respondents say it would be used up in 4 or 5 years (Own Survey, 2011). Another survey from Jiangxi Province shows that 54% households think the compensation would be used out in one year and 32% households think it would be used out in 2 years (Huang & Yu, 2009). Some experts like Zhang and Lu pointed out that the affected farmers could live well for the first three to four years after the compulsory land acquisition (Zhang & Lu, 2011). For most Chinese farmers, land means the guarantee for them to resist various risks in the life. It is not only related to the food security of the family since the vegetables, rice and other agricultural food could ensure

their basic living. It is also the resource of their welfare since land could always offer assets income for the family, which in case of emergency can be exchanged to capitals to save them out of trouble (Zhang, 2007). Therefore, lost land means that they may lose stable jobs, stable living conditions, and a farmer statue. Therefore, it is worth considering what can help them generate new income to support their long term survival. At present, no more attention is paid to their livelihoods in the long run since the governments, the developers, the pubic media and the affected farmers all focus on the compensation standards (Zhang & Lu, 2011). But dose more compensation mean a sustainable well-off living?

Zhang and Lu think that higher compensation, a perfect set of social insurances, more apartments and more job skills are keys for the affected farmers to obtain sustainable livelihood after the compulsory land acquisition (Zhang &Lu, 2011). In my opinion, the affected farmers' livelihoods are determined by the capabilities of individuals or households (skills, education, etc.) and the related policies (employment policies, welfare policies). In the terms of individual, the affected farmers should have a planning on their livelihood improvement. For one thing, they could initiatively participate in employment training to learn new knowledge and enhance their skills, and then actively seek jobs to get a stable income, and finally integrate themselves into the urban communities. For the other, they should make a plan on how to use the compensation if there is amount of cash compensation. Purchasing for cars and luxury products could reveal their affluence for a while, but it is not the case all the time. Therefore, in order to obtain sustainable livelihoods, the redundant compensation could be saved in the bank or be invested in low-risk financial products. In the terms of the government, the free employment training should be arranged frequently to facilitate their job seek, and encourage them to be self- employed, such as providing more microcredit for the affected farmers who want to run their small own business. Meanwhile, the government should establish them a comprehensive social welfare system the same as urban residents'. In Japan, there is a particular social security funds which cover the minimum living allowance, pension, medical insurance, access to education and skill training for farmers whose land is acquisitioned. In general, the sustainable livelihoods need a better social security system consisting of endowment insurance, unemployment insurance, health

insurance, training for non-agricultural job skills, child education insurance and legal aid system (Zhang & Lu, 2011).

7 Conclusion

The impacts of compulsory land acquisition on the affected farmers’ livelihoods could be multi-dimensional. It has advantages and disadvantages with the co-existence of opportunities and threats are existing. The SWOT analysis could summarize them.

Table 7: The SWOT analysis for the impacts of compulsory land acquisition on the farmers

<p>Strengths: more sources of income compensation (short time) urban <i>hukou</i> (urban identify)</p>	<p>Weaknesses: more expenditure loss of natural asset failure to get job</p>
<p>Opportunities: more chances of employments more financial supporting from compensation</p>	<p>Threats: lack of social welfare unstable employment</p>

(Source: compile by myself, 2011)

The policies and regulations related to the compulsory land acquisition play an important role in influencing the farmer’s livelihoods. Particularly, the compensation could directly determine the farmer’s livelihood in short time. For those affected farmers who obtained a little compensation, the livelihoods could just maintain their survival level or even get worsen after the compulsory land acquisition; for those affected farmers who got amount of compensation, their livelihoods could improve as least for two or three years, and the sustainable livelihood improvement is largely depends on their planning on how to use the compensation. Due to the immature employment training and the imperfect social welfare system, it is difficult to guarantee that farmers who lost their living assets can get stable jobs in the new environment. Additionally, the lack of social resources and the discrimination of urban residents, the affected farmers’ long-term livelihoods should be worried about in deed.

With the accelerated process of urbanization, compulsory land acquisition will be the prevalent phenomenon in China. It is inevitable that the number of the affected farmers will

persistently increase in the coming decades. Therefore the governments should pay more attention to the affected farmers' livelihoods and more reasonable policies should be formulated and carried out to address the significant problems that farmers will confront after the compulsory land acquisition.

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Regulation of Compulsory Land Acquisition Compensation and Resettlement in Changsha City (No. 30), 2008

Implementation Measures of Compulsory Land Acquisition in Changsha City (No. 103), 2008

Appendix The results of questionnaire survey

There are 100 questionnaires with 90 of them valid returns. Follows are the statistic results:

Part one: basic information

1. Gender: A. male 63.32% B. female 36.67%
2. The average age: 43.37
3. Education level: A. Below junior high school level 55.06%
B. High school level 29.96%
C. College school level(College, Bachelor, PhD) 17.98%
4. The average number of family members per household: 4 person
5. *hukou* status: A. urban *hukou* 50% B. rural *hukou* 50%
6. The average area of acquisitioned land: 3.11 *mu*/household
7. The average years after acquisitioned: 6.51 years

Part two: The household livelihood situation before the compulsory land acquisition

1. The main source of income: A. on-farm working 73.33% B. salary 13.33%
C. unstable 10% D. others 3.33%
2. The average annual on-farm income: 4700 yuan/household
3. The average annual income: 10388.89 yuan/ household
4. Other sources of income(besides the on-farm income):
A. working for others in urban area 62.22% B. other temporary jobs: 16.67%
C. no other source 21.11%
5. The average daily expense per month: 626.6yuan/househouse
6. The evaluation of household livelihood: A. very satisfied 3.33%
B. satisfied, but expecting further improvement 36.67% C. not satisfied 60%

Part three: The household livelihood situation after the compulsory land acquisition

1. The employment status: A. temporary jobs in non-agricultural sectors 65.56%
B. contract worker in non-agricultural sectors 6.67%
C. self-employment 4.44% D. non-employment 23.33%
2. The average number of employment per household: 1.67 person
3. The main source of income: A. working for others 65.56% B. self business 13.33%
C. stake bonus 10% D. renting house/apartment 33.33%
E. no income and totally in reliance compensation 7.78%
4. The average annual income: 23666.67 yuan/ household
5. The average daily expenditure per month: 1266.67yuan/household
6. Do you think the daily expenditure has increased?
A. yes 93.33% B. more or less 5.56% C. no 1.11%
7. Which aspects of daily expenses increased?
A. food& clothes 85.4% B. house 3.37% C. traffic 11.23%
8. Are you satisfied with the present life in comparison with the life before the compulsory land acquisition?
A. yes 48.89% B. no 20% C. more or less 31.11%
9. Would you like your land to be requisitioned?
A. yes 55.56% B. no 18.89% C. not care about it 23%
10. Did the local government offer a job or the employment opportunities for you?
A. no 66.7% B. yes, but hard to adapt 30.33% C. yes, and doing well 3.37%
11. Did the local government arrange the employment training? Do you think it's helpful?

- A. yes, and helpful 11.11%
 - B. yes, but useless 20%
 - C. yes, but not participation 12.22%
 - D. no, but hopeful for that 45.56%
 - E. no, and not looking forward to (not helpful for employment) 11.11%
12. Do you think the livelihood of your family has been improved?
- A. yes 48.89%
 - B. more or less 31.11%
 - C. worse 20%

Part four: The compensation situation

1. How did you use the cash part of compensation for?
 - A. saving/investment + consume 45.6%
 - B. saving/investment 2.3%
 - C. complementing the daily expenditure 34.5%
 - D. for building/ decorating house/apartment 17.6%
2. How many years would the compensation fees be used up(cash part)?
 - A. 2-3years 51.11%
 - B. 4-5years 36.67%
 - C. 6-7years 12.22%
3. How did you deal with the resettle apartments?
 - A. self-living 5.81%
 - B. self-living & lease 87.19%
 - C. sell it 7%
4. Do you think the compensation improve your livelihood? A. yes 67.78% B. no 32.33%
5. Are you satisfied with the compensation you got ?
 - A. satisfied 67.77%
 - B. unsatisfied 32.23%
6. What kinds of compensation do you think it is more useful for improving the livelihood of the whole household?
 - A. more money and apartments 36.66%
 - B. more employment and social welfare 65.56%