Mining-induced Displacement and Resettlement in China: Institutions and Local Practices

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Challenge the future

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# **Mining-induced Displacement in China**

- Floating villages
- Displaced residents > 2.3 million only in Shanxi Province



### **Research questions:**

- Why do relocation and resettlement in China occur *after* mining-induced land subsidence?
- What are the economic and social consequences for peasants of mining-induced resettlement in China?

#### **Analytical Framework: four issues**



Liability

### **Research sites**

- 6 provinces across China (Southwest, Northwest, and East)
- 11 relocation villages, 120 peasants;
- 16 non-relocation villages, 110 peasants
- Underground mining area (95% coal is from underground mines)
- Coal, Manganese, Zinc

### **Rules on four issues**

- Land acquisition for mining: only land in actual use
- NO prior consent, compensate after damage



### **Rules on four issues-con.**

- No national standards for compensation induced by mining
- Polluter Pays Principle stipulated in laws

# **Empirical findings on land acquisition**

- Land acquisition in small scale
- Serious land subsidence
- Whole village relocation, time to be relocated= 6.3 years
- Waiting for relocation, yet unknown when and where

Mining-induced land subsidence is the major driver for displacement

# **Empirical findings on FPIC**

- Involuntary resettlement

Letter and visit petitioning: 19 out of 27 villages

- To Beijing: 9 out of 27 villages



# **Empirical findings on FPIC**

- Protests: 9 out of 27 villages



# **Empirical findings-compensation**

- Low compensation, determined by local government
- NO new land
- E.g. 50, 000 yuan for old house per househoud; 148,000 for new house
- E.g. 150 yuan/M<sup>2</sup> for old house; 760 yuan/M<sup>2</sup> for new house
- E.g. 25 M<sup>2</sup> for each individual, regardless actual house size



# **Empirical findings-compensation**

- A house without land





### **Empirical findings-compensation**

- Landless farmers





# **Empirical findings-Liability among parties**

- Polluter Pays Principle  $\rightarrow$  not effective
- Only 5.2% peasants willing to pay, but almost all have to pay extra for the new house
- Peasants think both government and mines should be financially responsible for the relocation
- Local governments manage relocation projects, and also foot the bill

### Conclusion

Issues	Formal rules	Local practices
Acquisition land	Only land in actual	Land acquisition in small scale,
for mining	use	land subsidence –induced
		displacement
Involuntary	Compensate after	No prior informed consent;
resettlement	damage	high level of conflicts
Unfair	government-set	Undercompensated
Compensation	compensation	
	standards	
Liability among	Polluter pays principle	peasants have to pay;
parties		Government also takes
		responsibility

### **Recommendation**

- Change the developmental pattern of "pollution first, treatment later"
- Prior informed and participation of peasants in projects
- Diversify the compensation, e.g. pension, insurance
- Incentive and punitive programs to enforce mines to assume their responsibility