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

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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

- Mining-induced displacement and resettlement
- Land use
  - Free Prior and Informed Consent
  - Compensation
  - Liability
- Displaced peasants
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 household; 148,000 for new house
- E.g. 150 yuan/M² for old house; 760 yuan/M² for new house
- E.g. 25 M² 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 → 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

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