

The Diversified Compensation Methods over Land Expropriation on the Context of Urbanization in Developing Countries ---Taking the Cases from China

Presented at the FIG Working Week 2016,
May 2-6, 2016, Christchurch, New Zealand

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FIG Working Week 2016

CHRISTCHURCH, NEW ZEALAND 2-6 MAY 2016

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Background (1): Land Tenure System in China

- **Urban land**
 1. state ownership
 2. land use rights with certain terms separated from ownership
 3. land market based on land use rights trading
 4. buildings on land are under private ownership

- **Rural land**
 1. collective ownership
 2. land use rights with agriculture uses (cultivated land, forest land, grassland) based on family unit contracted with elected collective committee
 3. built-up land in public uses or collective enterprises belongs to collective
 4. Family houses are under private ownership with allocated land plot by collective committee



Background (2): Features of Land Expropriation in China

1. From rural agricultural land to urban built-up land due to urbanization (different from post-urbanization land expropriation)

Land is not only the asset for farmers but the living resources, and compensation should not only consider the value but also the future living resources.

2. From rural collective-owned land to urban state-owned land

Compensation should consider both the value of ownership and use rights

3. Urban development or infrastructure development (Liner or Block)

Compensation might be varied due to the different projects



The Principle of Compensation of Land Expropriation in China

To keep the living standard not to be declined -----the lost value

To Guarantee the future living source
----- the means of living



Compensation according to Land Administration Law

For Land --value

For Resettlement --living source

For Ground Structures and Plants—value

The previous guideline of evaluating the compensation was totally based on the land productivity multiplied by the pre-set coefficient, which is now considered far from being enough.



Problem : variation of compensation between the urban development and infrastructure construction

Solution: a zoned price for the same area

Problem : Resettlement ---living source ----social issue

Solution: diverse methods of resettlement



Diverse Methods of Resettlement (1)

1. Cash payment (those who have already lived in the ways other than farming)
2. Buying social Insurance (to guarantee basic living in the future)
3. Farmland compensation (to allocate new farmland for landless farmers)
4. To Keep certain proportion of land remained to the rural collective to allow them lease land use rights for developers (for urban development projects) or develop their own business according to the plan (stable income)



Diverse Methods of Resettlement (2)

5. To allocate housing for their own accommodation, while even additional housing or small commercial units to let them lease the additional housing to gain stable income
6. To Put the resettlement fee as the stock share into the development project which is on the expropriated land and considered to have stable and long-term profit in the future
7. Vocational training and job placement



In summary

Compensation of land expropriation in developing countries should prioritize the issue of resettlement other than the cash compensation for lost value.

The diversified compensation methods with the guiding principle of having stable living source in the future and not decreasing the original living standard will definitely benefit the landless people and contribute to social stability for the country



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Thank you for your attention!

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