Review on the Social Conflicts of Land Acquisition and Demolition and its causes in China: From the Perspectives of Stakeholders and Institutions

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Abstract. In China, with the accelerating process of urbanization, social conflicts usually occur during the process of land acquisition and demolition, which has brought about large negative social impacts. Faced with the needs of the practice, this paper conducts a comprehensive review to sort out the performances of conflicts, to explore the causes and to provide some suggestions from both the stakeholders and institutional perspective. The study contends that there are three main manifestations of social conflicts in land acquisition and demolition: (1) violent enforcement of demolition; (2) differences in compensation needs; and (3) problems of landless people’s disorderly struggle. At the same time, in order to solve these problems, the government should establish a sense of "service-oriented governance", distinguish the relationship between public interests and personal interests, enrich the public feedback channels to enhance the public's right to speak. For developers, the government should strengthen control and avoid corruption caused by the combination of officials and businessmen. Finally, the government should improve the compensation and supervision mechanism for land acquisition and demolition, fundamentally solving the chaotic state that no great laws to follow.

1. Introduction

Land requisition and demolition refers to the act of forcibly demolition of buildings and structures on the original collective land out of the need for public interests and compensation for related people, which is also called “expropriation and requisition of collectively owned land and house demolition” [1]. And it has always been a hot spot when it comes to urban planning, the conversion of agricultural land, etc. China's urbanization process has been continuously promoted since the founding of the People's Republic of China, and it has developed more rapidly year by year after the implementation of the reform and opening-up. By the end of 2017, China's urbanization rate has reached 58.5%. Although it cannot be as high as 80% or 90% in developed countries in Europe and America, it has made great progress. The vigorous promotion of urbanization also means the development and construction of infrastructure and real estate projects, and a large amount of agricultural land is requisitioned to meet social needs. However, land acquisition and demolition has also brought about many social problems and even caused conflicts. For example, the public discussion on the “public interest” caused by the anti-demolition event of “the most powerful nail households” in Chongqing in 2007, the forced land acquisition conflict on Qiandao Lake in Hangzhou and the incident of Jinning’s official cars in Yunnan in 2013, all of them show that the land acquisition conflict has been a major
problem which has occurred frequently in recent years and caused strong social repercussions [2]. In the meanwhile, the characteristic of China's large population has also intensified disputes over land to a certain extent. Once the land acquisition conflict occurs, it will bring about a large negative social impact, threaten the stability of the community, hinder the urban planning process, and cause invisible losses to the government's prestige. Therefore, it is meaningful to review and analyse the performance and causes of social conflicts in land acquisition and demolition in order to alleviate contradictions and promote the friendly development of both urban and rural areas.

The implementation objects of land acquisition and demolition is the houses and relative attachments on the collective land, which obviously involves its owners, people who lost their land. In China, the main leader of land acquisition and demolition is often the government, and the land administrative department is responsible for implementation according to the policy requirements. In addition, since the government often control only at the macro level, developers who contract related development work are also an important part of the specific implementation. The reason why land acquisition and demolition are easy to burst into social conflicts is because it involves different interest groups while also affected by the institutional and policy environment.

A total of nearly 10,000 results were displayed when searching conflicts in land acquisition and demolition in web of science. Some scholars explore the behaviour of involved people during demolition in the field of sociology and political structure [3]. While from the institutional view, scholars examine how improving institutions could reduce conflicts [4]. And those economists emphasize the problem of land property rights, contending that enhance the protection of property rights will alleviate conflicts [5]. Based on these, from both the stakeholders (local governments, land requisitioned people and developers) and institutional perspectives, the study reviews the social conflicts in land acquisition and demolition and its causes in China, and provides suggestions for the government to resolve conflicts.

2. Review on the social conflicts of land acquisition and demolition
According to relevant literature, conflicts during the process of land acquisition and demolition in China are sorted out in this session.

2.1. Violent enforcement of demolition
In the process of land acquisition and demolition, the post-demolition activities are mainly undertaken by the local government and developers. The government usually focuses on achieving goals and maintain stability. They adhere to the traditional "stability overwhelming" governance view, pay too much attention to order, and ignore the importance of effectively resolving conflicts. It is worth mentioning that the government often sees citizens as disordered groups rather than objects that can be communicated with. Thus, the first choice of the government is usually not communication but using power to force people when there is no agreement with citizens [6]. As for developers, the merchant essence of them leads to their infinite pursuit for money. If relevant citizens don’t comply with their work, developers tend to worry about the huge economic losses caused by the time delay without considering people’s demands and status. With the urging of such endogenous power, it is not surprising that the conflict news such as “the demolition team directly driving the excavator pushed down the peasant’s house” arise.

2.2. Gaps in compensation demand
Through in-depth exploration of the land acquisition and demolition conflicts, it can be found that the cause of most conflicts is caused by dissatisfaction with the compensation during the demolition process. Rather than saying that the difficulty of land acquisition and demolition is how land requisitioned citizens protect their own interests, it is better to say that intense games are aroused by sudden-coming huge benefits [7]. In this process, conflicts arising from compensation requirements can be divided into two categories: (1) insufficient compensation supports; and (2) excessive-high demand of land requisitioned people.
2.2.1. **Insufficient compensation supports.** On the one hand, it is reflected in the aspect of few compensation channels. During the process of urbanization in China, requisitioned land is usually used for official stuffs, and the residents there can no longer return to their original place of life, while some even involve the changes of occupation and registered residence. Obviously, only one-time economic compensation cannot provide long-term living security for land requisitioned citizens. These people who lost their land may also lose the protection of social welfare, which over time not only reduces their life qualities but may even lead to greater social crisis. On the other hand, the lack of compensation supports is also reflected in some inconsistent and excessive low compensation standards. Due to the flexible changes in market prices and the different local conditions, there is no uniform standard for compensation. However, inconsistent compensation for similar groups will directly trigger the unfair perception of citizens and lead to conflicts. For instance, in 2010, the compensation standard for the same area of demolition in the high-tech zone was more than three times that of the previous one, which led to great dissatisfaction among the villagers [8]. In the meanwhile, in order for the sake of that huge interests, some public officials and developers collude to buy the relevant assessment agencies to deliberately lower the evaluation price, directly causing citizens’ dissatisfaction with compensations.

2.2.2. **Excessive-high demand of land requisitioned people.** Except for the dissatisfaction due to their reasonable demands not met, excessive high compensation demand of citizens has also exerted an influence on demolition work. Currently, the word “Chaierdai” has been prevalent in the society, which means that demolition can make involved people rich. For example, due to the construction of the Xiong'an New District, some of the citizens who originally had only one house were directly converted into middle-class families because of the economic compensation equivalent to the value of three houses. When facing demolition, some people hold hoping attitude instead of fear and anxiety [9]. These citizens tend to ignore the public interests, unilaterally emphasize personal interests and take the opportunity to claim high compensation. They presuppose high compensation requirements in their mind, and once the actual compensation level does not meet their expectations, conflicts will arise.

2.3. **Disorderly struggle of land requisitioned people**

Most citizens place themselves in a weak position of “no money, no power” during the process of land acquisition and demolition. When they cannot get reasonable compensation through negotiation, some citizens will take radical measures to protect their rights, which to some extend do win the attention of the government and society. However, some approaches such as suicide, attacking officials are not only inefficient but also make those people pay a huge price, which further fundamentally strengthen the government’s impression on citizens as “unreasonable and lack of morality” and intensify the contradictions between the two groups [10]. In addition, because of the fierce cost of the radical approaches, some citizens tend to adopt more tender ways. They just do nothing silently including what the government ask them to do. Distrust of the government drives them instinctively resist any decisions of the authority. Actually, even the silent conflict still exacerbates the difficulty of implementation of land acquisition and demolition.

3. **The causes of the social conflicts in land acquisition and demolition and some suggestions:**

**analysis from the stakeholders and institutional perspectives**

The components of the land acquisition and demolition events are mainly divided into two parts. One is the stakeholders involved, including land requisitioned people, local governments and developers. According to Mitchell's three-dimensional scoring method, with strong influence, high legitimacy and low urgency, local governments belong to expectant stakeholders. And land requisitioned people who are with high influence, legitimacy and urgency belong to complete stakeholders, while developers having high legitimacy with moderate influence and urgency belong to potential stakeholders between
the first two [11]. Besides, relevant institutions such as the definition of property rights and compensation system also exert a strong impact on conflicts of land acquisition and demolition.

3.1. Land requisitioned people

As mentioned above, land requisitioned people are relatively the most vulnerable group in a passive and obedient place. On the contrary, their interests demand is in the core place. In the context of urbanization in China, this group of people mainly refers to farmers.

3.1.1. Lack of land requisitioned people’s speaking rights. Owing to the division of the one same “cake”, there is a natural contradiction between land requisitioned people, local governments and developers. Whether such contradictions can be resolved smoothly or turned into conflicts is affected by human factors [12]. During the process of land acquisition and demolition, land requisitioned people usually cannot reject the government's decision to acquire land or change the policy of land acquisition compensation, and even in the negotiation process they are at a disadvantaged place. However, lacking the speaking rights of land requisitioned people is unfavorable to all stakeholders. For themselves, they may degrade their life quality due to insufficient compensation and may even undertake some legal liability for misconduct. The government may be not able to complete demolition work, which may further affect the future urban development. And developers may suffer huge economic losses from project stagnation caused by conflicts. Therefore, in the land acquisition and demolition, having formal and accessible channels for citizens to speak is the key to reducing conflicts. Actually, because of unclear expression channels, not only do citizens cannot express their own demand, but also local governments can hardly develop reasonable implementation plans and even think citizens as a group of noisy bees. What’s more, when citizens express their requirements through systematic approaches, such as administrative reconsideration, letters and visits and judicial proceedings, public officials often fail to respond their opinions timely with perfunctory attitudes. Citizens lack channels for voices and cannot receive timely feedback, which all have intensified the contradictions in the process.

3.1.2. Recommendations. In order to alleviate contradictions in time and avoid causing large social conflicts, it is necessary to enhance the speaking rights of land requisitioned people. On the one hand, it should enrich the feedback channels for citizens. For individuals, local governments could add interactive procedures on the website, strengthen the maintenance of hotline and petition systems, and ensure the smoothness of channels. Meanwhile, from the collective perspective, collective organizations such as village committees should assume corresponding responsibilities as a bridge between the government and citizens to achieve clear question-answering channels. On the other hand, an immediate response mechanism should be established to make citizens feel that their opinions are treated seriously, which is beneficial to enhance the government’s credibility in citizens’ mind and further promote the alleviation of related social conflicts.

3.2. Local governments

The role of the government in the process of land acquisition conflict has usually been mentioned. In China, local governments are a stronger party who to some extent dominates the flow of interests in land acquisition and demolition. And in the meanwhile, as the defender of social security and stability, the government should consider the balanced interests in the process of demolition, and satisfy the reasonable demand of citizens as much as possible to avoid social conflicts.

3.2.1. Dislocation of the government role. Buchanan's theory of public choice believes that the government has a dual agent status and is pursuing its own interests while safeguarding the public interest [13]. In the activities of land requisition and demolition, local governments generally pay more attention to the local economic development and emphasize the benefits brought by land. During the process, they often tend to infringe on the legitimate rights and interests of relevant people. There is a
general situation in which the government sells land at a high price and competes interests with citizens. Some scholars have found that the price ratio between land acquisition and transfer has reached 1:10, and obviously the government has obtained a large amount of income. In addition, although land acquisition and demolition involve many stakeholders, there is only the government in terms of supervision. Due to the role of local governments as a decision maker and executor, it is easy for them to form the governance inertia and to make some illegal or violated behavior [14]. In order to achieve their goals, the government usually decentralizes tasks through the form of administrative contracting, and acquiesces public officials or developers to obtain additional income ignoring the irregularities in the process, which result in weak supervision and frequent violent demolition events.

3.2.2. Recommendations. Obviously, under the current land acquisition system, whether the behavior of the government is reasonable is directly related to whether the interests’ distribution of relevant stakeholders is reasonable, and is related to whether the land resources can be used efficiently. On the one hand, the government should establish a sense of "service-oriented governance", clarify the relationship between personal interests and public interests, and only pursue the maximization of local economic development on the premise of ensuring the interests of land requisitioned people. On the other hand, a sound internal supervision mechanism should be established to encourage public officials at all levels to supervise and restrict each other, leaving no room for violations. Besides, the accountability and disciplinary mechanism should be enhanced to form an organic prevention-control system.

3.3. Developers
Developers have more economic resources in the process of land acquisition and demolition, aiming at minimizing costs and maximizing profits. And in the middle position among all stakeholders, developers reach agreements with local governments to obtain land using rights and undertake specific implementation work such as the transfer of residents, while local governments obtain land transfer fees and achieve goals of urban planning.

3.3.1. Lack of government regulations for developers. Role as a connection, developers can be both victims and perpetrators. In land acquisition and demolition events, any slightly variable will exert an influence on developers’ project plans. Thus, in order to reverse their passive position, developers often ignore land requisitioned people’s opinions and even make mandatory implementations to ensure the construction process, which may cause land acquisition conflicts [15]. Being wholeheartedly pursuing economic interests, what developers do rely more on the market and economy situation. Without the bottom line set by the government, there are even cases where the government and developers are secretly colluding with each other in some areas. Taking into account the interest relationships of them, it often leads to a multi-party game situation, making the social conflict problems more complicated and difficult to understand.

3.3.2. Recommendations. Generally speaking, it can be seen that developer's misconduct is partly due to the lack of government's standardized regulations. To ensure that developers adhere to their duties in the process of land acquisition and demolition, complete project development work, and avoid social conflicts caused by improper acquisition of interests, the government should set principles and bottom lines to form a standardized process. As far as the government is concerned, it can establish a transparent regulatory mechanism for relevant assessment agencies to ensure fair and reasonable compensation. And as for developers themselves, in order to ensure the orderly progress of construction works, sufficient time should be set aside in the early stage of the project. At the same time, influential local personnel could be selected to be responsible for the specific work of demolition to achieve facilitate communication and avoid unnecessary misunderstandings.

3.4. Institutions of land acquisition and demolition
Institutions of land acquisition and demolition mentioned here mainly involve the definition of land property rights in the early stage, the compensation institution and the supervision mechanism in the process.

3.4.1. Imperfect institutions of land acquisition and demolition. Many scholars demonstrate that it is not the urbanization process itself that has led to the conflict of land acquisition and demolition, but the current land acquisition system has really led to conflicts [16]. Countries such as England and the United States have done a good job in land compensation and supervision mechanisms. In the U.S., before land acquisition, a lot of work should be done before real implementation of land acquisition, and among them, announcing the notice of land acquisition to the public, evaluating the land grade, and negotiating with related people are included. In order to protect personal property from infringement, the implementation will not be allowed without public review process. And in the U.K., the process of land application – land approval – price ruling – contract signing is adopted to provide legal protection for land acquisition compensation of citizens. Both the two countries implement acquisition after payments of compensation [17]. Compared with developed countries, Huang et al. (2007) pointed out that China's land acquisition system is still very imperfect, which is mainly reflected in the following five aspects [18]. Firstly, the land acquisition procedure is out of order, and the supervision and restriction on land acquisition conducted by local governments is not in place. Secondly, the compensation standard is low with monotonous approaches. That is, the compensation system is designed unreasonably. Thirdly, the concept definition of collective land property rights is incomplete, and land property ownerships are ambiguous. Fourth, the determination of compensation items is unreasonable, and there is a lack of complete resettlement methods for long-term social security. And finally, the concept of public interest is vaguely defined, and the phenomenon is common that agricultural land is illegally invaded under the name of "public interest".

3.4.2. Recommendations. One cannot make bricks without straw. The imperfection of the land acquisition and demolition system fundamentally restricts the government's exertion, which is an essential reason of generated conflict. In this regard, three suggestions are put forward. First, improve the institution of collective land property rights with reasonable system for land acquisition, and make it clear that who should be compensated when the collective land is requisitioned. Second, establish a compound compensation system of "mainly economic compensation and social security follow-up". And in the meanwhile, reasonable and clear compensation standards should be formulated to provide a code of conduct for compensation. Third, strengthen the supervision mechanism in the process of land acquisition and demolition, and engage citizens to spontaneous supervision. Besides, the government should also step up publicity and guidance so that the concept of the system could be deeply rooted in the hearts of people.

In summary, by reviewing its internal logic, this study explores the causes matched with suggestions in land acquisition and demolition from different perspectives, as shown in Table 1.

| Perspectives       | Causes                                      | Suggestions for the government                                      |
|--------------------|---------------------------------------------|--------------------------------------------------------------------|
| Land requisitioned | Lack of land requisitioned people’s speaking rights | Increase feedback channels.                                        |
| people             |                                             | Establish an immediate response mechanism.                          |
| Local governments  | Dislocation of the government role           | Establish a sense of "service-oriented governance".                |
|                    |                                             | Enhance the internal supervision mechanism.                        |
| Developers         | Lack of government regulations for developers | Set the bottom line for implementation.                             |
| Institutions       | Imperfect institutions of land acquisition and demolition | Clarity the ownership of collective land property.                  |
|                    |                                             | Improve long-term social security institution.                     |
|                    |                                             | Guide citizens involved in the supervision mechanism.              |
4. Conclusions

Research on social conflicts in land acquisition and demolition is a type of multi-disciplinary study and a developing study. Through the various social problems arising from land acquisition and demolition in recent years, the conflicts among them are very common and there exist some deep-rooted reasons. In addressing to this issue, a review is conducted to look deep into the existing social conflicts and their causes during the process of land acquisition and demolition under the background of the current urbanization in China, and provide some suggestions from the perspective of both all stakeholders and institutions. These explorations are not only beneficial to alleviate the occurrence and escalation of land acquisition and demolition conflicts, but also have important significance for further optimizing the national governance system and the modernization of governance capabilities.

This paper contends that all different forms of social conflicts in land acquisition and demolition lie essentially in the interest conflicts of all stakeholders rather than just one party’s misconduct. From the analysis, the reasons that caused conflicts can be majorly concluded as follows:

- land requisitioned people lack speaking rights;
- local governments don’t have a correct understanding of the public interest and personal interests;
- due to lack of the government’s regulations, developers blindly pursue the interests without bottom lines;
- huge gaps exist between real land acquisition and demolition events and the established institutions.

In summary, although China has accumulated experience from frequent land acquisition and demolition work in recent years and relative research has been conducted in the field of law and economics, there are still some gaps remain to be filled. From the perspective of this article, this problem could be further improved by more in-depth research from the perspective of all stakeholders’ optimization games.

Acknowledgment(s)

We would like to acknowledge the Ministry of education of Humanities and Social Science Project for its financial support for this research (Grants 18YJA630053).

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