



Exploring the Compensation Mechanisms for Land Acquisition in China Based on the Experiences of Hangzhou Xihu District and Guangzhou Nansha District's "Residential Property Resettlement Compensation" Policies

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Abstract. Residential land resettlement is a compensatory policy introduced in the process of urbanisation in China to ensure that landless peasants can obtain long-term livelihood security, and it is an important measure to maintain social stability and development^[1]. In terms of the whole country, Hangzhou and Guangzhou have the earliest and strongest implementation of the policy of "land reservation and resettlement", which to a certain extent has made it possible for the expropriated farmers not to lower their original living standards and to secure their long-term livelihood. However, there are still a lot of problems in the concrete practice, therefore, Hangzhou and Guangzhou have started to explore a new type of compensation mechanism - "retained property resettlement", of which the "three unity" policy of Hangzhou Xihu District and the "three unity" policy of Guangzhou Nanzhou Municipality are the first to be implemented. The "three unity" policy of Xihu District of Hangzhou and the "currency plus property" compensation policy of Nansha District of Guangzhou have achieved remarkable results in practice. Therefore, the article will compare and analyse the policy standards and development modes of the two cities, and analyse the basic elements from the scale standard of the retained property resettlement, the nature of the ownership, the conditions of the land, the development use, and the mode of operation, and so on. Therefore, the article will compare and analyse the policy standards and development modes of the two places, from the scale standards of the reserved property resettlement, the nature of ownership, the conditions of land use, the development use, the operation mode, etc., and then summarise the universal experience that can be promoted under the new situation, so as to achieve the goals of policy for the people, safeguard stability and promote social harmony^[2].

Keywords: land acquisition compensation; "retained property resettlement"; Hangzhou Xihu District; Guangzhou Nansha District

1 Introduction

The Xihu District of Hangzhou City and the Nansha District of Guangzhou City have both gone through a journey from simple to complex and from rough to fine in the evolution of their land acquisition compensation policies, presenting their own distinctive features.

In the early days of Hangzhou Xihu District, compensation was based on land area and crop production value, which was relatively simple. With the development of the city, the government began to introduce a market assessment mechanism to make compensation closer to the actual value of the land. In recent years, Xihu District has paid more attention to humanistic care in its compensation policy. In addition to increasing the amount of compensation, it has also added diversified resettlement methods and a comprehensive social security system to ensure that the expropriated farmers have a worry-free life.

Nansha District in Guangzhou has also experienced continuous improvement in its land acquisition compensation policy. Initially, Nansha District determined compensation standards mainly on the basis of land type and area. As urbanisation progresses, Nansha District has begun to explore more flexible compensation methods, such as the "money plus property" compensation model, which not only meets the financial needs of farmers, but also provides them with a stable source of income. In addition, Nansha District has strengthened its social security system to provide more comprehensive protection for farmers whose land has been expropriated.

It can be said that both the Xihu District of Hangzhou and the Nansha District of Guangzhou have demonstrated respect and care for the rights and interests of farmers in the evolution of their land expropriation compensation policies, and have continued to improve their policies to ensure that farmers are able to share the fruits of development in the process of urbanisation.

2 Measures for Resettlement and Compensation of Properties Reserved for use in the Two Areas

2.1 Nansha District, Guangzhou

The Nansha Sub-bureau of the Guangzhou Municipal Land Resources and Housing Administration issued the "Guidelines on the Trial Implementation of Currency plus Property for the Encashment of Village Reserved Land in Our District" in 2012, which revitalises and develops residential land of a state-owned nature through the form of currency plus property, and exchanges it with village reserved land of a commercial land nature[3]. That is, after the land reserved for village use is stored by the government and organised for sale by auction, the government will give a certain percentage (10-30%) of the market price of the land sale to the village collectives as direct monetary compensation. At the same time, the government, the village collectives, the land auction bidders through the village collective property construction funds agreed to buy

the way, will be retained after the completion of a certain proportion of property property rights to the village collectives as property compensation, in addition to the direct monetary compensation of the land grant into the village collectives retained property construction funds for the village into the development and construction of the part of the property as indirect monetary compensation[4](Fig.1).

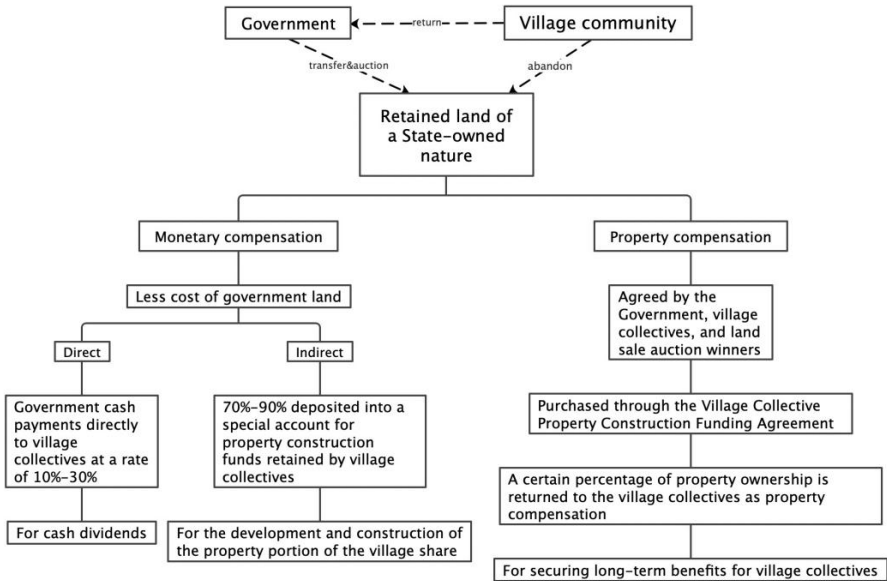


Fig. 1. Specific measures for resettlement compensation for retained properties in Nansha District, Guangzhou City

2.2 Hangzhou Xihu District

The People's Government of Xihu District, Hangzhou City, pioneered a new model of compensation and development of retained land with "three unities" in 2017, in accordance with the spirit of Document No. 35 of the Hangzhou Zhengxin [2014], i.e., through self-development, co-operative development and other methods, the village collectives, the state-owned platform of Xihu District, Hangzhou Xihu Investment Group Company Limited, and the real estate enterprises (co-operative units) are responsible for the three-party compensation of retained land. Ltd. and real estate enterprises (co-operative units) are responsible for the unified planning, unified development and unified management of the reserved land[5]. Firstly, unified planning means that in order to realise the scale effect and industrial agglomeration effect, the government will concentrate the reserved land of villages and communities together by transferring the landing indexes, so as to achieve the goal of "piecemeal development". Secondly, unified development means that the state-owned platform company is responsible for all the steps of development, construction and supervision of the property compensation project. Finally, unified management refers to the complexity of the procedures involved in the rehousing and

compensation measures for retained properties, which need to be jointly supervised by the government and society. At the same time, the government has issued specific policies such as the "Rules for Cooperative Development of Village-level Land Development and Construction Business in Xihu District" and the "Implementing Rules on Further Strengthening the Management of Cooperative Development of Land Reserved for Use in Xihu District (for Trial Implementation)", etc., which are used to clarify the rights and obligations of the village collectives, the state-owned platform of the Xihu District Xihu Investment Group Company Limited, and the real estate enterprises, to regulate the specific process of the compensation for the property reserved for use, and to push forward the measures of resettlement of property reserved for use. The measures have been well received[6].

In the specific operation, Xihu District state-owned platform West Lake Investment Group Co., Ltd. and the village collective signed a cooperation agreement, in the specified period, the state-owned platform company of the retained land land consolidation and project construction, in which the village collective use of government policy to return the land grant to bear the cost of land consolidation. In order to obtain financial support for the construction of the project and technical support for the construction, the state-owned platform company may introduce real estate enterprises as co-operative units through public selection, with both parties investing funds in accordance with the proportion of substantive equity holdings. The reserved land property project is supervised by the state-owned platform company, and is actually operated and titled by the real estate enterprise. In the allocation of property area, the village collectively owns at least 51% of the property area, and the state-owned platform company and the real estate enterprise jointly own no more than 49% of the property area, each accounting for 25% and 24% respectively, which is available for sale. The property area owned by the village collectives is not for sale and must be returned to Xihu Investment Group Company Limited, the state-owned platform of Xihu District, at the agreed rental price of 51% of the property on a regular basis[7](Fig.2).

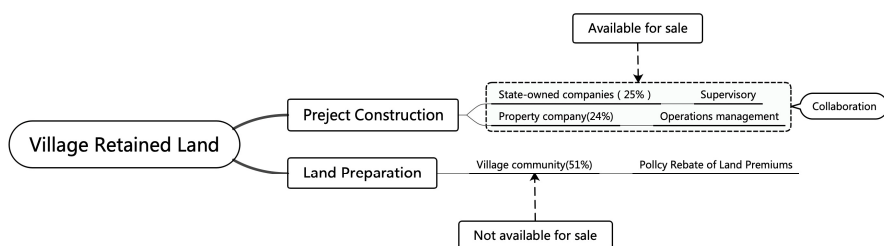


Fig. 2. Specific measures for resettlement and compensation of retained properties in Xihu District, Hangzhou City.

3 Summary of Common Experience

It can be seen through the above specific introduction that both places have reformed and innovated the specific measures of land acquisition and compensation within the

policy constraints in order to achieve the goals of large-scale development and industrial agglomeration, and to achieve development breakthroughs. Among them, there are many common experiences, which can be summarised as follows:

3.1 Adopt the Mode of "Retained Property Compensation and Resettlement"

The original method of compensation and resettlement of reserved land has problems such as the difficulty of implementing land indicators, the limitation of use areas (limited to industry, commerce, rental flat construction, etc.), and the low rate of public support, etc[8]. However, Hangzhou and Guangzhou have further explored the idea of "resettlement of retained properties" on the basis of compensation of retained land and promoted the implementation of the measure of "resettlement of retained properties". The land is redeveloped and constructed in the form of supporting industrial properties, the development of commercial residences and other new industries is realised in the form of leased properties, and talent flats, commercial complexes and other diversified industries are set up based on the regional positioning and specific realities, so as to broaden the use of the reserved land. At the same time, the measure of resettlement of retained properties can ensure that villagers receive long-term dividend income, which is widely supported by the public. At the same time, the mode of resettlement of retained properties is conducive to increasing the supply of housing, alleviating the problem of high housing prices to a certain extent, and providing options for middle- and low-income populations to buy their own homes.

3.2 Shift from "Fragmented" Development to Centralised Development

In 2016, Guangdong issued the Opinions on Strengthening the Resettlement Management of Reserved Land for Expropriated Rural Collective Land, which pointed out that "unified planning, centralised resettlement" and encouraged "piecemeal development"[9], while Hangzhou Xihu District issued the "Cooperative Development of Reserved Land in Xihu District" in 2021. Meanwhile, Hangzhou Xihu District issued the "Opinions on the Implementation of the Management of Cooperative Development of Land Reserved for Use in Xihu District" in 2021, which pointed out that "turning small into big, gathering and scattering into a whole, concentrating the layout, and developing in clusters", encouraging the formation of advantages in terms of the scale of land. In order to contribute to the location advantage[10], the governments of the two places have achieved continuous development through rational planning, which can not only improve the volume ratio of the reserved properties to supporting industries to a certain extent, but also significantly reduce the indicator of "agricultural conversion", solve the problem of difficult implementation of land indicators, and give full play to the maximum benefits of land resources[11].

3.3 Adopting the Mode of "Village Collective + Government or State-Owned Enterprise + Co-Operative Enterprise"

Both places have adopted the mode of joint development by village collectives, government or state-owned enterprises, and co-operative enterprises. Under the leading role of the government, the autonomous rights of village collectives can be guaranteed, while the participation of enterprises also improves the market participation rate.

First of all, from the perspective of the government and the village collectives, one of the distinctive features of land expropriation compensation in Chinese society is "high coercion, low compensation", which essentially reflects the fact that land expropriation compensation is a game between the political sphere and the social sphere, and therefore the conflicts between the government and the expropriated farmers can never be properly dealt with. However, the innovative model of "village collective + government or state-owned enterprise + co-operative enterprise" not only realises the devolution of power from the government to the farmers' collective, but also ensures that the government can intervene in a timely manner to guide the market when it fails, and at the same time, the village collective's income can be guaranteed in the long run. This not only improves the support of village collectives for government policies, but also facilitates the dynamic balance between government power and the rights of village collectives[12].

Secondly, from the perspective of cooperative enterprises and village collectives, according to the "three unity" policy of Hangzhou Xihu District, the cooperation with real estate enterprises has greatly shortened the development cycle of the reserved land project from the original construction time of about 5 years to 2-3 years, which not only can satisfy the villagers' desire to have income as soon as possible, but also can enable the enterprise to get the funds in a timely manner. This will not only satisfy villagers' desire to have income as soon as possible, but also enable enterprises to have timely capital turnover. At the same time, in the land acquisition reform of Nansha New District in Guangzhou, the development and construction of reserved properties is carried out in parallel with the renovation and renewal of old villages, which not only enables the village collective to obtain cash compensation and rental income, but also realises the "trade-in" of old houses by villagers, which further promotes the close cooperation between villagers and real estate enterprises[13].

Finally, from the point of view of the enterprise, the government, the village collectives, in the process of co-operation in the development and construction of the two places has formed a government and social "double supervision of the mode of cooperation, at the same time, the project is located in the village (community) cadres, shareholder representatives, townships and other relevant persons in charge of the project through regular participation in political briefings, "open day" and other activities, the whole process of control of the project. " and other activities, the whole project development, improve the regulatory system, promote enterprises to establish a sense of social responsibility, a substantial control of the government's clean building[14].

4 Future Development Direction of Land Acquisition Multi-Way Compensation Mechanism

Based on the experience of Hangzhou Xihu District and Guangzhou Nansha District common practice summary, this paper is committed to exploring the more economically developed regions in the process of land expropriation in the land expropriation multi-channel compensation mechanism of the future development direction, and puts forward the following suggestions:

4.1 Combination of Market-Based Allocation of Land Resources And Government Guidance

With the deep development of the socialist market economy system in China, the more economically developed regions can try to further play the role of market mechanism in the allocation of land resources under the guidance of the government. The government, through rational planning, realises piecemeal development, forming the advantage of land resources on a large scale. On this basis, drawing on the specific measures of compensation and resettlement of retained properties, the government reasonably allocates the proportion of equity shares of village collectives, government (state-owned enterprises), and co-operative enterprises to retained properties, further increasing the proportion of land offered by the market. At the same time, the government does not impose excessively high public welfare land use ratio requirements and strict procedural restrictions on village retained land, in order to promote the development and exploration of various types of industries in retained properties, reduce the difficulty of implementing the policy of resettlement of retained properties on the ground, and effectively achieve the goal of "not lowering the standard of living, and guaranteeing long-term livelihoods"[15], so as to safeguard the practical interests of the villagers. In order to protect the actual interests of the villagers and alleviate the disputes and contradictions between the government and the village collectives on the issue of land expropriation[16].

4.2 Implement the Procedural Rights of the Expropriated Farmers and Improve the Dispute Resolution Mechanism of Land Expropriation

Reasonable expropriation procedure is a fusion of rational thinking and rich experience, which not only gives the expropriated farmers a platform to fully express their will, but also can effectively deal with the various contradictions arising from the process of land expropriation and relocation. The establishment of lawful and fair land expropriation procedures not only helps to promote the administrative work of the expropriation authorities in accordance with the law, but also helps to involve villagers in the decision-making process. Therefore, in the procedure of collective land expropriation and compensation, we should pay more attention to standardisation and fully respect the procedural rights of the expropriated farmers, especially to ensure that their rights to information and participation are effectively guaranteed[17].

On the one hand, from the perspective of the right to informed consent, we can learn from the specific practice of Nansha District in Guangzhou, that is, the proportion of villagers who have signed the agreement on compensation and resettlement for demolition and relocation must reach more than 50 per cent before the village retains the land to develop the commercial houses for pre-sale permission and initial registration of houses and other formalities. If the compensation and resettlement agreement still fails to reach the signing ratio of 80% or more of the tenants within three years after the approval of the project implementation plan, the project plan shall be re-submitted for approval[18]. While providing the village collectives with preferential policies for long-term security, the villagers' choices are fully respected. At the same time, active project follow-up is carried out, continuous attention is paid to the villagers' feedback on the development and construction of the project, the villagers' wishes are fully listened to, and the project development process is verified and improved on a regular basis.

On the other hand, from the villagers' right to participate in the consideration, can learn from the practice of Hangzhou Westlake District, the state-owned enterprises platform company or the government took the initiative to benefit the people, will be retained in the construction of property in the location of the conditions of the property, the projected income of high property by the village collectives to select the first to ensure that the village collectives share of the property area accounted for at least 51 per cent of the effective guarantee of the village collectives of the long-term income[19].

In addition, supporting policies should actively explore the establishment of a specialised dispute resolution body for land acquisition disputes. At present, administrative reconsideration and litigation are still the main conflict resolution mechanisms in the process of land expropriation, and it is difficult to achieve a dynamic balance between political power and the rights of villagers, therefore, it is particularly important to explore diversified and specialised dispute resolution mechanisms. At the same time, land expropriation involves a number of policies, multiple interests and procedures, and is directly related to the immediate interests of the public and the collective, the establishment of a specialised dispute mediation agency can better improve the compensation mechanism for land expropriation[20].

5 Conclusion

In summary, based on the practical experience of the "retained property compensation" model of Hangzhou Xihu District and Guangzhou Nansha District, China's more economically developed regions can actively learn from it, focusing on the combination of market-based allocation of land resources and government guidance, and "piecemeal development" of the expropriated land. "It focuses on the combination of market allocation of land resources and government guidance, and encourages the formation of a new model of tripartite co-operation between the village collectives, the government or state-owned enterprises and co-operative enterprises. At the same time, emphasis has been placed on safeguarding the rights of the farmers whose land has been expropriated,

in order to resolve disputes over land compensation between the Government and the farmers, and to achieve a dynamic balance between the power of the Government and the rights of the farmers.

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