

Study on Poverty Risk and Risk Avoidance of People Affected by Housing Relocation due to Urban Construction Projects in China Western Cities

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Abstract: With accelerating urbanization in western provinces and cities of China, the number of urban construction projects, such as the old urban area reconstruction project, the development zone construction project, and the infrastructure construction project are on the rise. The project scale has been expanding and the amount of housing relocation involved in construction projects is growing year by year. As a result, more and more people are affected in this process. These people not only include the relocated people as specified by the Regulation on the Dismantlement of Urban Houses, namely, the owner of relocated houses, but also the actual users of the relocated houses who may be affected temporarily or permanently and the people influenced by relocation of houses for business purposes. To properly resettle the affected people in urban relocation projects, maintaining their right for survival and development, providing sustainable development opportunities for them, and eliminating or lowering their poverty risks is helpful for reducing social contradictions and conflicts and avoiding possible social risks.

Large-scale construction projects have emerged in western provinces and cities with the implementation of the strategy of

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Development of Western Regions. Against this background, social risks caused by social contradictions due to relocation activities have occurred from time to time. Low-quality relocation and resettlement have become unstable factors and have stood in the way of harmonious development. Poverty risk of the affected people, as the fundamental and one of the most obvious social risks, relates to their right and interest for survival and development. To study the poverty risk and risk avoidance of people affected by housing relocation due to urban construction projects is helpful for not only maintaining social stability, but also achieving the “People Oriented” goal of urban construction projects.

From the perspective of causal relation among the affecting factors for poverty risk of people affected by housing relocation due to urban construction projects, this paper adopts the method of a cause-and-effect tree diagram analysis to study the influence and combined action of four major affecting factors, namely, limitation of resettlement compensation policy objective, production difficulty of affected people, living difficulty of affected people and social marginalization of affected people, as well as the generation of poverty risk. It is found in the study that the limitation of resettlement compensation policy (with housing resettlement as the main objective) objective is the leading factor causing poverty risk. Social policy guidelines shall clearly specify that the government resettlement authorities shall assume main responsibilities in risk avoidance and play a leading role in solving production and living difficulties of affected people and improving the living environment of the vulnerable resettled groups.

Keywords: Urban relocation project, affected people, poverty risk

Introduction

Urbanization is an important part of the economic development strategy to industrialize and modernize China. The starting point of urbanization in the western region is low and the demand for development

is more urgent than other regions. With the launch of large amounts of urban construction projects in urbanization, large-scale housing relocation activities are required and consequently many people are affected in the housing relocation process. They have to face various problems such as rebuilding new houses and adapting to a new environment. In particular, those who heavily relied on their original living environment need to find new channels to make a living so as to sustain their lives. However, under the resettlement policies focusing on housing resettlement, even the migrants who are forced to relocate can find new places to live, but they might not adapt to the new environment nor make good use of new resources, thus their incomes may decrease and further cause poverty risks.

According to statistics, the urbanization rate has increased from 26.37% in 1991 to 51.27% in 2011. It's expected that the urbanization rate of China will reach 55% by the year of 2020¹. Since the launch of the strategy, Development of Western Regions in 2000, urbanization has accelerated in western provinces. For example, from 2000 to 2011, the urbanization rate increased from 23.9% to 34.96% and that of Chongqing increased from 31% to 55% with an annual increase rate of 1.7%. The data in Table 1 shows that the urbanization rate of some of western provinces and cities such as Chongqing (55%) and the province of Inner Mongolia (56.62%) exceeds the average level (51.27%) across China.

Table 1. Statistics of Urbanization Rate of Western Provinces (Cities/Regions) in 2011²

Province/City /Autonomous regions	Shaanxi	Gansu	Qinghai	Ningxia	Xinjiang	Sichuan	Yunnan	Guizhou	Chongqing	Tibet	Inner Mongolia	Guangxi
Urbanization rate %	47.30%	37.15%	46.22%	49.82%	43.54%	41.83%	36.80%	34.96%	55%	26%	56.62%	41.81%

¹ *Annual Report on World Cities 2012*, the first blue book for world cities, issued by Chinese Academy of Social Sciences

² Data source: Assorted based on urbanization rates in statistic bulletin of provinces, regions and cities of 2011.

Urbanization definitely involves large amounts of urban construction projects, such as the old urban area reconstruction project, the development zone construction project, and the infrastructure construction project. As a result, more and more residential houses have to be relocated, and more and more people are affected. Among the houses relocated due to all kinds of urban construction projects in Chongqing, 22,718 houses with a total area of 2.5180 million square meters were relocated in 2007; these numbers increased to 48,500 and 4.78 respectively in 2008 and to 69,600 and 5.6484 in 2009.³ Within these three years, the number of actual relocated houses due to urban construction projects increased by 206.36% and the total area of actual relocated houses increased by 124.32%.

Though large-scale urban house relocation is required for urbanization development, the resettlement situation of non-voluntary affected people is testing related compensation resettlement policies. Lots of social contradictions and conflicts will definitely emerge due to various appeals from affected people and many other problems. In particular, when the rights and interests for survival and development of people affected by the relocation are infringed upon in relocation for urban construction and these people are exposed to poverty risks, if existing laws, regulations and social assist measures cannot effectively help them to avoid risks, instability risks will accumulate and further cause social conflicts and contradictions.

There is concern over poverty risk problems caused by various factors in house relocation in western cities. Compensation resettlement policies, effectively maintaining the living standard of the affected people, and realizing harmonious development of urbanization has become important study topics. On this basis, this paper studies poverty risk and risk avoidance of people affected by housing relocation due to

³ Data source: *Urban Housing Relocation Plan of Chongqing for 2008*, *Urban Housing Relocation Plan of Chongqing for 2009* and *Urban Housing Relocation Plan of Chongqing for 2010* released on public information website of Bureau of Land Resources and Housing Management of Chongqing Municipality.

urban construction projects in China western cities in order to offer references for preventing poverty risk of people affected by housing relocation.

Literature Review

The existing relevant study literature focuses on such fields as the definition of poverty, poverty situations, relevant laws and regulations on housing relocation, and economic relations between the relocating and the relocated.

The World Bank (1990), from the perspective of ability, defines poverty as “the inability to attain a minimum standard of living”. Some scholars in the world study and define poverty from the perspective of “lack”. Townsend (1979), Oppenheim (1993), the World Bank (1980), and Reynolds (1993, Chinese version). are concerned about the appearance of poverty, covering from simple material “lack” to an all-inclusive social, spiritual and culture “lack”, while some, such as EEC (1993) and the world Bank (2001) define poverty from the perspective of “social exclusion”, believing that poverty is due to very limited resources of the poor that they are excluded from the minimum acceptable way of life in their country. Chinese scholars define the urban poor population with the concept of relative poverty, holding that relative poverty is a state of social life where the income is low with respect to the average income level of the society and the relative poverty rate is the ratio of the number of people living in relative poverty to the whole population (Zhang Qing, 2012).

Some researchers in China conduct field research on the impact of housing relocating on the life of the affected people through studying the situation of the people affected by it. For example, Zhang Juntao and Liu Jianguo (2008) conducted a questionnaire survey on residents that have experienced urban housing relocation and reconstruction in Dalian city in recent years, analyzing the changes in their life before and after their housing relocation from multiple perspectives as well as their evaluation

on the relocation and reconstruction policies.

Some researchers also, from the perspective of laws and regulations on housing relocation, theoretically analyze such issues as legal misplacement and deficiency. However, empirical law study is lacking. Wang Taigao, Yao Jun, Zhao Jie and Zhao Jian (2010), through comparison and analysis of local legislative texts, find that there are differences between collective and state-owned land and housing relocation in urban planning areas, which has a certain rationality. Sheng Qingjie (2010), based on the basic judgment that current relocation legislative power and configuration of rights are unbalanced, builds a balance mechanism of administrative powers and rights under different relocation models.

Some researchers, from the perspective of the economic relations between the relocating and the relocated, conduct research through economic disputes among the government, developers and relocated residents. Sheng Qingjie (2009), based on the three models of housing relocation due to construction of urban projects, i.e. public welfare relocation, commercial relocation and mass reconstruction of old urban area, proposes the initial ideas of building a balance mechanism of the interests of the government, developers and the relocated people in housing relocation legislation. Ye Jianping and Tian Chenguang (2010) suggests that the game theory shall be used in compensation for the government, relocated houses and relevant facilities on the basis of the refined Bayesian Nash equilibrium.

Research on poverty factors in urban relocation put forward three factors: regional and geographical factor (Kang Xiaoguang, 1995), personal qualities factor (Wang Xiaoqiang, 1986) and intergenerational transmission of poverty (Li Xiaoming, 2005).

There is also in-depth research on poverty through the perspective of the relocated people's compensation standards, methods, systems and laws and regulations. Shi Guoqing, Sheng Guangheng and Cai Yiping (2004), on the basis of the fair trade principle in market economy, systematically analyze the defects in urban housing relocation

compensation systems in China and their root causes, including compensation methods, standards and relevant laws and regulations. He Ruili (2006) demonstrates the theoretical standards of relocation compensation with the multiplayer cooperative game theory. Compared with the theoretical standards, the compensation standards given by local governments in China are generally low, thus forming a transfer of wealth, and such a transfer is a reverse transfer of social wealth from low income earners to high income earners. Li Huai and Shao Wei (2009) analyze the impetus of housing relocation under the current land system, discuss the achievement of Pareto improvement of interested parties related to relocation, design a urban relocation system based on Pareto improvement, and put forward the urban relocation secondary compensation theory of achieving balance of interests under the institutional framework of balance of power. Zhang Xiangdong (2010) holds that the relocation compensation relationship should belong to the administrative legal relationship, the nature of relocation compensation is compensation for administrative expropriation, that the government is the real subject undertaking the compensation obligation and the government should bear the direct obligation for compensation of the relocated people.

Some scholars have conducted research on land use rights. Sheng Hong (2006) discusses the high profiteering and government gains issues from the perspective of the land trade market. Xu Dianqing (2007) believes that improving the housing security system is the key to controlling real estate prices.

In summary, the above research clearly points out the most important issues, policies and regulations, land use, government responsibilities and compensation for interests of the relocated people in current housing relocation due to urban construction projects, as well as the damage to the interests of the residents. These research results have a great impact on the adjustment of urban housing relocation compensation policies of the Chinese government. However, there are relatively few academic research articles in China on damage to the

interests of the residents in urban relocation which may lead to a decline in living standards and result in poverty; little research has been conducted in combination with characteristics of the relocated people in housing relocation in China's western cities. Therefore, this paper, through cases of housing relocation due to urban construction projects, attempts to analyze the influential factors of poverty of the affected people in urban housing relocation and investigates poverty risk avoidance measures, so as to provide new ideas on improvement and adjustment of housing relocation and resettlement policies in the process of urbanization of China western cities.

Core Concept and Basic Hypotheses

- (1) Core concept: poverty risk of people affected by housing relocation due to urban construction projects in China western cities.

People affected by relocation due to urban construction projects are non-voluntary migrants affected by housing relocation. The original production and living system is destroyed by housing relocation. The people affected face poverty risk before new production and living system is established or recovered completely, because they lack self-development ability and the opportunity to change their current situation. Such poverty risk refers to the possibility of occurrence of relative poverty in a long period. The relative poverty means a social living status in which the ratio $\gamma (0 < \gamma < 1)$ of income to social average income level is low. For example, Organization for Economic Development and Cooperation (OECD) sets 50% of the social median income or average income of a county or region as the poverty line of that county or region. The line is the international poverty line standard widely used, and this paper will adopt this standard.⁴

⁴ Zhang Qing. Relative Poverty Standard and Relative Poverty Population Ratio [J]. Statistics and Decisions, 2012,6:87-88.

Based on the poverty risk model (namely IRR model, impoverishment risks and reconstruction model for resettling displaced populations)⁵ proposed by Michael M. Cernea (a sociologist of the World Bank) and the actual implementation status of urban housing relocation in urban construction projects in western cities in China, this paper suggests that the poverty risks faced by people affected by housing relocation include: ① material damage risk, mainly caused by losing houses. ② unemployment risk. ③ losing the right to enjoy public resources and services. ④ social marginalization risk. ⑤ original social network dissociation risk. ⑥ risk of becoming vulnerable groups.

The government has functions of promoting social development, adjusting social allocation, and boosting social equity. Consequently, it shall consider helping to re-establish their sustainable livelihoods in resettlement compensation for affected people.

(2) Basic hypotheses

H1: The limitation of the objective of resettlement compensation policy on housing relocation in construction projects in China western cities may bring about the poverty risk to affected people.

The housing relocation activities of urban construction projects easily break the production and living system of affected people. Compared to the relatively developed cities in eastern cities, the production and living level of the people living in China western cities affected by housing relocation is relatively low before relocation, particularly on the part of vulnerable groups, they lack the capability for self development and don't have the ability or opportunity to change the status quo. Therefore, it is difficult for them to recover and develop new production and living system just on their own, and they are involved in poverty easily. At present, the

⁵ Michael M.Cernea. Risk, Guarantee and Reconstruction: A Kind of Migration Resettlement Model [J]. Journal of Hohai University (Philosophy and Social Sciences), 2002,4(2):1-15.

objective of policy on resettlement compensation in most cities in west China is mainly to reconstruct houses for people affected by housing relocation due to urban construction projects (that is non-voluntary relocation caused by urban relocation). Incomes and recovery and development of living level of such people are not considered, and there are no relevant supportive policies and measures. Due to the limitation of resettlement policy objective, the rights of affected people for living and development are not protected. In a long period after relocation and resettlement, the affected people may face the risks of their incomes and living level lowering to the local poverty line.

H2: After relocation and resettlement, the production difficulty of people affected by housing relocation due to urban construction projects in China western cities may bring about poverty risks.

After relocation and resettlement, some of people affected by housing relocation, especially the vulnerable groups, will be influenced by three aspects, i.e. the limitation of self development capability, the change of living environment, and lack of government actions. And the production recovery faces huge difficulties. The affected people will be short of income source or their income level will decrease due to the above factors, thereby resulting in poverty risk.

H3: After relocation and resettlement, the living difficulty of people affected by housing relocation due to urban construction projects in China western cities may bring about poverty risks.

After housing relocation, the affected people will face a series of problems such as house reconstruction and production and living environment change. Their housing burden and various expense burdens, such as expenditures for education, medical treatment, and daily life, will be increased in new resettlement environment. Besides, the public resources and services shared originally may disappear or be distributed unfairly. Therefore, these living difficulty factors could further deepen poverty.

H4: After relocation and resettlement, the social marginalization dilemma faced by people affected by housing relocation due to urban construction projects in China western cities may bring about poverty risks.

After relocation and resettlement, the original social and cultural network of people affected by housing relocation may be broken up, and the political power may be weakened in new living environment. In addition, some of such affected people belong to the vulnerable groups marginalized by the society, and their social marginalization dilemma will be more obvious after relocation and resettlement. Thus, poverty risks may be caused.

Analytical Framework and Empirical Research

Considering multiple factors that cause poverty, the study employs the cause-and-effect qualitative method to conduct a non-structural hierarchy analysis on the causes of the poverty risk of people affected by housing relocation due to urban construction projects. Analyzing if the affected people's poverty risk is caused by four combined effects of factors: the limitation of the objective of the resettlement compensation, the difficulties in production, and/or the difficulties in living and the plight of social marginalization. (Fig. 1) By means of a theoretical analysis train of thought on the cause-and-effect tree diagram in conjunction with actual cases related to the affected people, the study carries out empirical research on the affected people's poverty risk and the causes thereof.

Case 1

In 2008, Chongqing implemented a sewage treatment project. During its construction, the pipeline project of its main drainage system was located in Jiangbei District of Chongqing City on the north shore of Jialing River. The vast majority of residents in this district are low-paid workers and many of them are unemployed or laid-off. Eight households were relocated in the Taipingmen sewage pumping station. Among the 8 households, almost no household is well off and no one has a very stable occupation or very stable income. All households have laid-off or unemployed member(s) and have children and the old to support. Each household has member(s) living on minimum living benefit. In their original houses, 3 people lived in 10 square meters in some families, and 5 people lived in 20 square meters in other families. And their buildings in extremely bad surroundings were old and broken, with no toilet or wash room.

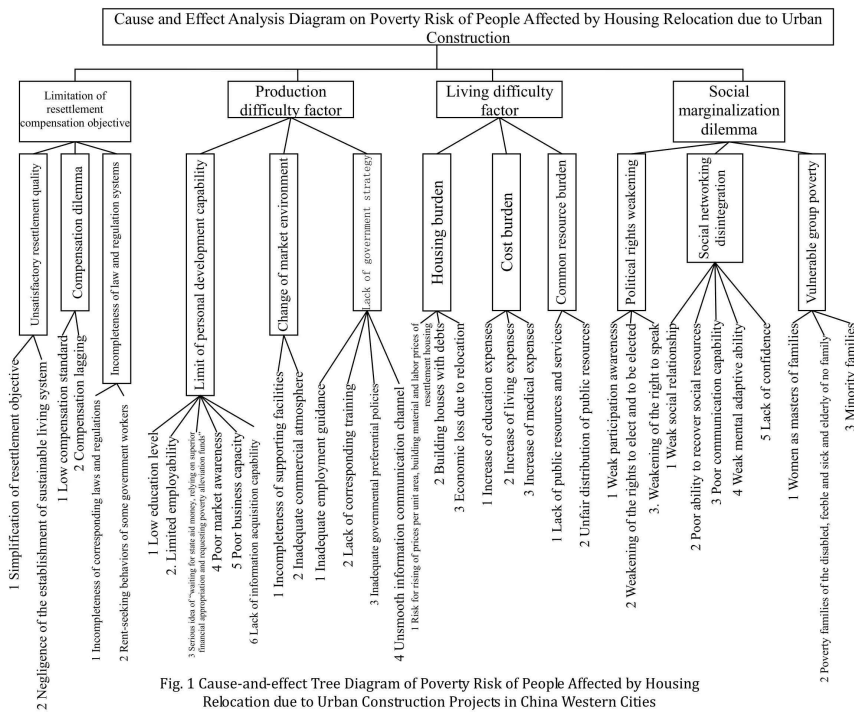
The relocation and resettlement department relocated the affected people to a newly-built resettlement area according to the minimum standards of living space (25m²/person) of Chongqing city at that time. The new brick-concrete structure housing is larger and its facilities are complete, but the water cost, the charge of electricity, the property management fee and other fees resulted in the use of the housing all increase a lot compared to the corresponding costs of their old houses. On the other hand, their income sources and income levels did not change. They had to choose apartments on the 1st or 2nd floor where the natural lighting and ventilation is not good, only because they are the cheapest and the most economical.

Extracted from *External Monitoring and Evaluation Report on Relocation and Resettlement due to World Bank Loaned Chongqing Urban Environment Protection Project*

First, from viewing the resettlement compensation policy for housing relocation, the main objective of the compensation and resettlement policy for urban house relocation in China is housing resettlement. That is, the resettlement department considers compensating and restoring the affected people's original dwelling level as policy goals. However, this resettlement policy goal shows the limits resolving the poverty risk and targeting to restore the affected people's income levels, in particular, the following three deep impact factors which are affecting the income level recovery of the affected people: ① The unsatisfactory housing resettlement quality affects the income recovery: the current resettlement policy towards the affected people in relocation includes monetary compensation, resettlement in existing housing, and resettlement in housing under construction. The major objective of resettlement is still housing recovery resettlement. The

resettlement policy only focuses on the housing resettlement, but ignores the restoration and reconstruction of the sustainable livelihood system of the affected people. The combined action of these 2 factors leads to the decline of the housing resettlement quality level. ② The influence of the implementation plights for compensation resettlement policy: the housing relocation compensation standards are inconsistent in China's western provinces and cities at present, particularly in some areas the housing relocation compensation standards are low due to the inadequate public fiscal capacity of the local government; at the same time, in some urban construction projects, the housing relocation compensation payment is not given on time and causes compensation plights to the affected people who are under pressure of incapability to restoring temporary income. ③ The unsound poverty alleviation legal system: poverty relief policies, laws and regulations in the specific interest of the people affected by housing relocation in urban construction projects do not exist or are unsound in most China western cities. Under this condition, the affected people are unable to seek legal support when their income recovery is ignored in specific resettlement process or they are under income recovery pressure due to compensation plights.

Under the background of the urban housing relocation compensation and resettlement policy, the affected people by housing relocation in urban construction projects in mid-west China cities have a very difficult time restoring and rebuilding the new system of production and living just relying on their own strength. Such as the reality described in Case 1, the limitations of government resettlement compensation policies and supportive measures become the main influence factor which might increase poverty risks after housing relocation resettlement.



Case 2

Wan and Li are both persons affected by the Demolition and Relocation Works of Sewage Pipeline Project of Chongqing Urban Environmental Protection Project.

Wan is 49 years old and unemployed, with junior high school education level. There are 3 persons in her family. Her husband is an employee of the industrial and commercial office and 51 years old. Her daughter is 12 years old and studies in the junior high school. Her original house, located in the old residential area with an area of about 40m², was utilized to open and operate a tea house, with an income of 1000 yuan/month. Since the house was demolished in Chongqing Urban Environmental Protection Project, the family was compensated with relocation compensation of 190,000 yuan. After demolition, the family lived in her sister's house for the time being. Since she thought the location of the resettlement house provided by the resettlement department was poor, she selected currency resettlement and she didn't have enough money to buy a house. The affected person was unsatisfied with loss of her job to operate a tea house and wished to take a job, but she failed to do so due to old age and difficult employment. Therefore, generally, she is unsatisfied with the resettlement work.

Li has 3 persons in the family (84 years old husband and 18 years old grandson studying in the senior high school). Li has 2 sons and 2 daughters living on subsistence allowances and the youngest son is a worker of the removal company. Li worked in the removal company and has

retired, with over 600 yuan/month retirement allowance. Before relocation, Li's house was brick-concrete structure. The new house has an area of 80m², including 14m² utilized as a small store to sell cigarettes for living allowance. After demolition of the original house, the resettlement department provided a new resettlement residential area with new houses of brick-concrete structures. Li's house is located at 6F, including 3 bedrooms and 1 living room, with an area of 101m². For her current life, the affected person regrets that there is no place for doing business and the family income level is reduced.

Extracted from *External Monitoring and Evaluation Report on Relocation and Resettlement due to World Bank Loaned Chongqing Urban Environment Protection Project*

Second, the study analyzes the income recovery from the perspective of affecting factors on production recovery of the people affected by housing relocation after relocation resettlement.

Whether the production can be restored depends on the effect of 3 factors: the individual development ability of the affected families, their adaptive capacity to the market environment change after relocation and the support conditions of the government resettlement department. ① Limits of personal development capabilities influence income recovery: In some urban construction projects in mid-west China, particularly in the old urban area reconstruction and shanty area reconstruction projects, the majority of the affected people of relocation are characterized by a low education level, poor employability, existence of the idea of "waiting for state aid money, relying on superior financial appropriation and requesting poverty alleviation funds", poor market awareness and poor business capacity. Limits of personal development capabilities result in great difficulties for the affected people to resume and reconstruct the production system. ② Change of the market environment influences income recovery: After moving the new resettlement environment after housing relocation, due to incompleteness of auxiliary facilities and inadequate commercial atmosphere, certain affected people, particularly the self-employed businessmen who are highly dependent on the original business environment, are facing unemployment risk. The unemployed and the to-be-employed among the affected people of relocation take a long time to get a new job due to the change of the resettlement environment and they are threatened by income decline. ③ Lack of

government support condition (government action) affects income recovery: Compared with the governments of cities in the eastern developed areas, the governments of Chinese western cities generally face the problem of poor fiscal ability and lack foresight in the urban future development and policy execution power, as well as employment guidance for the affected people of relocation in urban construction projects, resulting in low employment level and narrow employment channel for the affected people. Besides, lack of effective employment skill training policy towards the affected people, and smooth employment and business, entrepreneurship information communication channel brings troubles for the production and income recovery of the affected people.

Just as described in Case 2, the poverty risk is closely related to the income level of the people affected by housing relocation and the income level directly depends on the production conditions of the affected people. The more the production difficulty factors are, the greater the income reduction is. When the income reduces to a certain level (50% of local average income), poverty occurs.

Case 3

The World Bank loaned Sichuan Urban Development Project (SUDP) with aims at completing the urban traffic road network, managing such environmental issues as urban water pollution, improving the urban investment environment and increasing the urban environmental quality and livability. Line A Works of Yibin Urban Riverside Ring Road Subproject commenced in March 2004 cover a total area of urban housing relocation of 42,807.53m², 339 relocated residential housings and 33 enterprise and institution housings.

Xie is a person affected by housing relocation, male, 45 years old, junior high school education level, with 3 persons in the family. The family income sources were as follows: firstly, Xie was arranged as a road pavement sweeper; secondly, Xie's daughter worked in the city, with annual income totaling at about 6900 yuan. The whole family acquired the keys of the new resettlement house on December 26, 2002 and moved into the house of Xie's sister-in-law for transitional living for 1 month and waiting for the completion of decoration of the new house. Currently, Xie's daughter continues to work in the city, and Xie hasn't found a new job yet and gets a little worried about the future job since Xie is already 45 years old with a low education level.

Extracted from *External Monitoring and Evaluation Report on Relocation and Resettlement due to World Bank Loaned Sichuan Urban Development Project (SUDP)*

Third, the life recovery of the affected people by housing relocation is up to the cost of the newly acquired housing, the affordability to the living expenses in the new residential area and the supporting level of the public resources of the new residential community. ① New housing rebuilding costs influence their living level recovery: due to the urban, social and economic change in China western cities, the affected people have to rebuild a new way of living after relocation, and have to face new housing replacement costs, including rapid growth of building materials prices and labor costs. Due to this, the affected people who have limited economic capabilities cannot find suitable houses with only their house compensation. In addition, some of them even need to borrow money to construct their houses because of their poor economic conditions. Thus their financial burdens are increased. Furthermore, the demolition of the house itself causes certain economic losses, such as losses of decoration and furniture of the old house. ② The living burden level of the new living area affects living level recovery: in the new settlement area, even the people affected have their housing problems solved, expenses such as education expenses for their children, daily living expenses and medical expenses may increase because of an increase of the price level and living standard in the new settlement area. When there's no change to the income resource channels, or the income level is already lowered due to housing relocation, this can lead to a lowered living standard among the affected people. ③ Public resource support level in the new residential area affects living standard recovery: the affected people by housing relocation in mid-western cities are generally relocated to newly built resettlement areas by the government resettlement department. The insufficiency or temporary shortage of public service resources include, but are not limited to, lacking the good medical conditions for their family members, education conditions to their children, and job opportunities in their original living areas. This may also cause poverty of the people affected due to the increased costs on these aspects as described in Case 3.

Therefore, as a social living status, relative poverty is closely

related to living difficulties. The more difficult the lives of the people affected by housing relocation are, the more obviously their living standard will decline and the higher the poverty risk they will be confronted with.

Case 4

Because of Guizhou - Guangzhou Passenger Dedicated Railway, which is under construction, in Nanming District, Guiyang City, 116057m² of urban residential houses were demolished. Mr. Ruan, male, 65 years old, is one the people affected by housing relocation. He was living in Bishan Village, Xinzhai Community, Xingguan Sub-district Office, Nanming District, Guiyang City. He is suffering from heart disease, hypertension, etc. He is a retired rail-man. There are 6 members of three generations in his family. His wife has been suffering from osteoproliferation for more than 30 years and needs to be taken care of frequently by her son and daughter-in-law. Mr. Ruan can draw a pension of RMB 1353 yuan every month, while his wife, his son and his daughter-in-law earn a living by doing odd jobs. Originally, they lived in an apartment of 59.85m², which is an apartment of two bedrooms and a living room of reinforced concrete and brick structure. Because of Guizhou-Guangzhou Passenger Dedicated Railway, their apartment was demolished. They obtained an apartment of 69.91 m² in Lvyuan Community by selecting the option of returning the residential house provided by the resettlement department. However, the resettlement department was too small for the 6 members of three generations the family. The resettlement department found that there were living difficulties for the family of Mr. Ruan. Thus, the resettlement department provided another resettlement department of 47.02 m² for the son and the daughter-in-law of Mr. Ruan. However, a new problem emerged, in that was there was a long distance from the community of the resettlement apartment of Mr. Ruan to the community of the resettlement apartment of his son. His son could not timely take care of his parents, two old and sick people having difficulties to move. Therefore, the resettlement department withdrew the resettlement apartment in Jiaoyishan Community provided to his son and provided his son with another resettlement department in Lvyuan Community, the same community where Mr. Ruan would live. The son of Mr. Ruan needed only to pay RMB 72,000 yuan for the remaining area after deducting the original area. Mr. Ruan was greatly satisfied with the actions taken by the resettlement department of Nanming District.

Data source: *External Monitoring and Evaluation Report of Resident Relocation of a World Bank Loan Project - Guizhou - Guangzhou Passenger Dedicated Railway*

The modern urban society is a networked society; it is highly associated with the recovery of the living standard of the people affected by housing relocation. If the original society network can be kept or a new social network can be created quickly to avoid marginalization due

to the housing relocation, recovery is more likely. Particular attention should be paid to the weakening of political rights, the break-down of social network and the life restoration of the people in China's western cities who are affected by housing relocation. (1) The weakening of political rights will influence the development ability: the people affected by housing relocation due to urban construction projects have to be relocated to a new region; in a strange environment, the group of people who has poor individual development seldom has the awareness to take part in the events and affairs of their new community. Their right to vote or right to be elected is weakened, and their right to speak is attenuated. All these easily lead to infringement of their lawful rights and interest and failure of representation in time, and accordingly their political rights are weakened. This is very common in the old urban recon and shanty town reconstruction projects in western cities; (2) the effect due to the break-down of original social network: the affected people are involuntary re-settlers who are forced to be relocated. The relocation brings uncertainties to the social network of the affected people. Once the original social network breaks down, the relational network, social organization and interpersonal communication platform through which the people used to help each other are destroyed, or even the kinship may be diminished. The deprivation of social network, an important "social cost", often results in the deprivation of corresponding rights of the affected people. They become friendless, helpless and vulnerable economically, socially and mentally; their ability of regaining social resources in the new environment will be affected, leaving them with a higher risk of poverty; and (3) great effect to the life restoration of vulnerable group: the vulnerable group families in the relocation due to urban construction projects in western cities include a family of women as bread-earner, and needy families of the disabled, the feeble and sick, and elderly person of no family, family of ethnic minorities. They have already been weak in development ability and suffered a relatively needy life. If they are not properly and specially resettled in during the relocation, they would become more and more marginalized and

impoverished.

The description in Case 4 reflects from another perspective that attention should be paid to the factor of the social network of the people affected by the urban relocation in the resettlement. Poverty is not merely the reduction of income and living standard; the difficulty of social marginalization to the people affected by the relocation will directly aggravate the poverty—forming a vulnerable group due to no political rights and becoming friendless, helpless and very fragile.

Major Findings and Social Policy

The following are some findings on the poverty risk of people affected by housing relocation due to urban construction projects in China western cities and its influential factors by use of the quantitative analytical method of the cause-consequence tree:

- (1) Resettlement compensation policy adopted in urban construction projects in China western cities has limits on the quality of relocation work, as the resettlement is mainly by the means of providing housing, and also because it does not address other factors besides housing. Therefore, the adjustment of social policy to avoid such a risk factor must be determined as following: To avoid the income decrease and poverty risk of affected people, the governmental department responsible for demolition and resettlement of course has an obligation to take major responsibility. The improvement of policy made under such obligation and responsibility must have clear target guidance.
- (2) Solving the difficulty of people affected by the relocation in production can have a direct impact on the income of the affected people, and accordingly change their social and living conditions remarkably. This is of great advantage to eliminate the poverty risk. The social policy orientation is supposed to offer help to the affected people, so as to effectively improve their ability to resume production and return to their income level, including enhancement of the individual

development ability of the affected people, and improving the production environment of the new resettlement region, so that the affected people can quickly fit in the new environment and avoid poverty risk.

- (3) The relative poverty of affected people not only means income level, but also includes their living state. The department responsible for resettlement shall play an active role and take valid measures to overcome the impact on the lives of the affected people. The social policy orientation should not only pay attention to the housing of the affected people, but also attach more importance to the improvement of the living environment of the affected people.
- (4) Rebuilding of a social network has significant influence on people affected by housing relocation, especially on housing and life rebuilding after the housing relocation of vulnerable groups. The social policy orientation should try to maintain the previous social network of people affected during resettlement, especially by strengthening the participation policy for the affected people of vulnerable groups during the relocation and the special aid measures besides the common relocation benefits, so as to enhance their ability to avoid poverty risk.

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