Resettlement in Action

An Eyewitness Report from the Middle Route of China's South-North Water Transfer Project

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Executive Summary

This report studies the ongoing resettlement for the middle route of the South-North Water Transfer Project at Danjiangkou in Hubei Province, China. The Water Transfer Project is China’s biggest water project since the completion of the Three Gorges Dam. The relocation of 330,000 people from the area around the Danjiangkou reservoir is the country’s biggest ongoing resettlement project.

The report finds that the Chinese government has learned important lessons from the problems of the Three Gorges Project. The levels of compensation and post-resettlement support have been increased, and resettlement policies are much more detailed than in the past. Resettlers are no longer moved out of their home provinces. The authorities have so far relied on persuasion rather than force to implement the relocation project. They have even instituted a certain degree of participation in project implementation.

At the same time, major problems and risks remain. Affected people were not involved in preparing the applicable policies; this has led to avoidable weaknesses. Affected people have no freedom to choose among different resettlement options. The resettlement budget is relatively low, which may cause problems particularly in the post-resettlement phase. Resettlement within the reservoir area will increase population density, social tensions and pressure on ecological resources.

This report was prepared by a Chinese researcher and development expert who is familiar with the Danjiangkou area. It concludes with a series of recommendations to address the challenges of the ongoing resettlement program.

1. Background of This Report

The South-North Water Transfer Project (or Nanshuibeidiao) is China’s biggest water project since the completion of the Three Gorges Dam project. The Chinese government plans to channel water from East, Middle and West China - where water resources are relatively abundant - to the arid cities and towns in North China.

The Water Transfer Project has three major components: an eastern, middle, and western route. Construction on the eastern and middle routes started in 2002 and 2003; they are expected to be completed in 2013 and 2014 respectively. The western route, which involves major construction...
activities on the Qinghai-Tibet Plateau – at elevations of 3,000 to 5,000 meters above sea level – may never materialize due to high costs, construction difficulties and ecological uncertainties.

The canal of the middle route will start at the Danjiangkou Reservoir, which is located on the Han River on the border of Hubei and Henan Provinces. The Danjiangkou project was built between 1958 and 1974, and created China’s largest reservoir at the time. Hydropower generation began in 1968. The dam height of the project is currently being increased, to enlarge its water storage capacity and allow the water to be transferred north.

It is estimated that the increase of the Danjiangkou reservoir will require the displacement of 330,000 people during the next three years. In 2009, China’s largest ongoing resettlement program was initiated in the reservoir area. This program provides a good opportunity to review the status, recent developments and ongoing problems of China’s evolving resettlement policies.

International Rivers commissioned a researcher to visit the Danjiangkou reservoir area in the summer of 2010 to study the implementation of the resettlement program. The researcher is a native Chinese who is very familiar with the Danjiangkou reservoir area and has done research on international development issues for many years. The following report was prepared by this researcher. The author needs to remain anonymous because this allowed the author’s sources to be independent, neutral and unbiased in the expression of the author’s views.

Displacement from the Danjiangkou area is not the only issue posed by the South-North Water Transfer Project and its middle route. The project will also have major environmental impacts on the lower reaches of the Han and Yangtze rivers, and will require the displacement of many people from the canal area. This report only looks at the resettlement program in the reservoir area, as a case study on China’s current resettlement practices.
2. Background of the Middle Route Project

Purpose of the project

China is a country with very uneven distribution of water resources. The northern plains lacks rainfall during most times of the year, while some parts of Central and South China receive much more rain and retain large water resources in rivers and lakes. China’s leaders put forward the idea of transferring water from South to North as early as the 1950s. In recent decades, along with China’s industrialization process, cities and industrial centers around Beijing have experienced rapid economic development. These developments cause great challenges for the supply of fresh water in North China. In the 1990s, the government put the South-North Water Transfer Project on the agenda in an effort to seek water resources from outside the northern region.

After years of study, the overall layout of the South–North Water Transfer Project includes the construction of three canals from upstream, middle and downstream reaches of the Yangtze River towards Northwest and North China. Among the three canals, the middle route became the first priority due to the superior water quality and huge reservoir storage capacity at its origin, the Danjiangkou reservoir. This reservoir is located in the middle reaches of Han River, the biggest tributary of the Yangtze River. From this reservoir, freshwater will flow in manmade canals through Henan and Hebei Provinces to Beijing and Tianjin. The transferred water will be primarily used by urban residents and industries in the northern cities, with a smaller portion potentially reserved for agriculture and other sectors.

The stages of the Middle Route Project

The Middle Route Project was officially put on the agenda of China’s central government in 1994. In this year, the Ministry of Water Resources approved the Feasibility Studies of the Middle Route Project drafted by the Yangtze River Water Resource Committee. After this, the Ministry handed the project over to the National Planning Committee and proposed to initiate it. In the early 2000s, agencies began the preparation for project construction and resettlement. They initially set the year 2008 as the deadline for water to reach Beijing, expecting it to be part of the celebration for the Beijing Olympics.

However, the proposal for the first stage of the Middle Route Project did not get final approval until 2006 due to the complexity of project construction and the massive scale of resettlement. In November 2008, the State Council finally approved the feasibility study of the Middle Route Project and postponed the deadline for water to reach Beijing to 2014.

Based on project planning, the Middle Route Project will supply an average of 14.1 billion cubic meter of fresh water to the North each year after completion. The core measure to achieve this goal is to increase the height of the Danjiangkou Dam, so that the reservoir’s water storage
capacity can be expanded and water can be transferred to the North through a natural flow in the canal. The project plans to increase the dam height from 162 to 176.6 meters and the designed water level from 157 to 170 meters. As a result, the reservoir’s overall water storage capacity will be increased from 17.45 billion to 29.05 billion cubic meters.

The increase in the dam height will result in a big expansion of the reservoir surface. This will cause a massive scale of resettlement in the densely populated reservoir area. Based on statistics by the resettlement bureau, 330,000 people are expected to be relocated after the dam height increase. At the same time, 13,300 hectares (200,000 mu) of arable land will be submerged.

After the initiation of the Middle Route Project, resettlement in the reservoir area and along the canal quickly followed. Of the 330,000 people to be resettled, around 230,000 will be resettled outside their municipalities, and the remaining 100,000 people within their municipalities. Starting in 2010, the two affected provinces have to resettle an average of 110,000 people each year for three years.

In the second half of 2009, Henan and Hubei Provinces launched the trial phase of the resettlement program. During this phase, Danjiangkou City in Hubei Province, where the dam and the major part of reservoir are located, relocated 6,625 people. Following the trial phase, the two provinces initiated the first phase of resettlement at the end of 2009, with the goal of relocating 141,000 people from their homes by the end of August 2010. Danjiangkou City alone was charged with resettling 31,293 people. On average, more than 200 people were supposed to be resettled each day.

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Table 1 Key Figures in the Resettlement for the Middle Route Project

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3. The Resettlement Policies for the Middle Route Project

The Chinese government establishes special policies for all large projects. A main reference for the resettlement policies of the Middle Route Project are those of the Three Gorges Dam Project. These two projects are the biggest water projects and have the largest social impacts since the establishment of People’s Republic of China.

The two projects share a number of parameters regarding their resettlement. Both caused displacement on a huge scale. 1.2 million people were resettled by the Three Gorges Dam Project, almost four times more than for the Middle Route Project. But the intensity of resettlement for the two projects is comparable: In the Three Gorges Dam Project, 1.2 million people were resettled over ten years, which amounts to an average of 120,000 people per year. In the Middle Route Project, 330,000 people are planned to be relocated over three years. The Middle Route Project was started around 2003, only ten years after the initiation of the Three Gorges Dam Project. Further, the core project sites of the two schemes – Hubei Province for the Middle Route Project and Chongqing for the Three Gorges Dam Project – are very similar with regard to their level of economic development, geographic features and cultural traditions. Therefore, the responsible agencies drafted the resettlement policies for the Middle Route Project based on the experience from the Three Gorges Dam Project and some other big dam projects.

The author compared the resettlement policies released by Hubei’s provincial and Danjiangkou’s municipal governments for the Middle Route Project with the policies of the Three Gorges Dam Project. He found that the main problems of the Three Gorges Dam Project have been generally considered in the preparation of resettlement policies for the Middle Route Project. The policies compare as follows:

Compensation policy more detailed

The Three Gorges Dam Project caused the largest scale of resettlement for dam projects in Chinese history. The project was initiated in the early 1990s and implemented over 17 years. This period was a critical time for China’s transition from a planned to a market economy. Throughout this time, China’s social and economic situation changed hugely. As a result, the resettlement policies of the Three Gorges Dam Project underwent massive ‘trial and error’ changes. This period also marked a transition from forced resettlement in the planned economy to resettlement by persuasion and compensation in the market economy.

The resettlement policies for the Middle Route Project are much more complete and detailed than those for the Three Gorges Dam Project. Based on the ‘Announcement by the Resettlement Bureau of Hubei Province on the Compensation Standards for Out-of-Municipality Resettlement in the Trial Phase in the Reservoir Area of the Middle Route of South-North Water Transfer Project (2010/6)’ and the ‘Implementation Methods of Out-of-Municipality Resettlement for Agricultural People in the Reservoir Area of the Middle Route of South-North Water Transfer Project,’ the compensation packages for resettlement are mainly composed of two parts: the compensation for houses and other properties like fruit trees on the resettlers’ contracted lands in the emigration sites; and assistance for house construction, land allocation and job training in the resettlement sites.

Taking emigration compensation as an example, the resettlement policy categorizes houses in ten types based on different construction materials and purpose of usage. The policy also takes into
account as many as 16 different kinds of properties usually associated with houses in rural areas, ranging from wells and pigsties to cooking stoves.

In the resettlement sites, the policy sets an upper limit for house building compensation. If the house compensation cannot cover the cost of building a brick-cement house of 24 square meters per person in the resettlement site, the government will pay for the gap. If the resettlers build houses of more than 24 square meters per person, they have to pay for the gap themselves.

The resettlement policies also contain detailed provisions for the compensation of properties on the land. But the land itself is not compensated financially, because each resettled person in Hubei Province will receive 1.5 mu of arable land at the resettlement sites. Such ‘land-for-land’ compensation is generally considered preferable to cash compensation for rural resettlers.

Elevated compensation levels

The compensation provisions for resettlement in the Middle Route Project are not only much more detailed, their levels have also been increased. Because the Three Gorges Dam Project lasted for more than a decade, the compensation standards at different times and in different regions varied greatly, but they were generally much lower compared with the Middle Route Project. Based on the ‘Planning Framework of Compensation and Resettlement for the Three Gorges Dam Reservoir’ of 1994, the budget for post-resettlement measures was around 7,500 RMB per person in four counties of Chongqing. This budget is 32,000 RMB per person for the Middle Route Project, a more than four-fold increase. Taking into consideration the inflation rates between 1994 and 2009, the budget still increased by 2.3 times. The compensation for houses and properties in rural areas experienced similar levels of increases.

These detailed compensation policies and the elevated compensation levels play an important role in safeguarding the properties of resettled people. During the author’s visit, the feedback from the local people generally reflected these positive trends.

Resettlement is confined to the home province

Some of the people resettled for the Three Gorges Dam Project were relocated out of their home provinces, some as far as Yunnan Province and Shanghai. Such long-distance resettlement resulted in major obstacles for the resettled people. The problems included barriers regarding language (people from different Chinese regions often don’t understand each other’s dialects), cultural traditions and customs, and forced some of them to return to their home towns. This unexpected return migration not only wasted a lot of resources at the beginning, but also put economic and social pressure on the cities in the reservoir area. Even worse, the returning people reportedly faced a number of administrative obstacles, for example regarding their residence registration (or hukou), medical insurance, and the admission of their children to local schools.
In the Middle Route Project, this experience has evidently been considered in the policy-making process early on. All the affected people will be resettled within their home province. Again taking Danjiangkou City as an example, 92,000 affected people are expected to be resettled in 98 resettlement sites in 10 cities and counties of Hubei, their home province.

However, this kind of intra-province resettlement also creates potential risks. The affected people are entirely from the Hubei and Henan provinces. Both of them are agricultural provinces with high population densities and very little arable land per person. Intra-province resettlement for a large number of agricultural people may further aggravate the social tension on limited land resources, especially around the reservoir area. This may pose a great challenge for the future lives and development opportunities of the affected people in their resettlement sites.

**Strengthened post-resettlement assistance**

The return of resettled people has been a serious and widely covered problem in the resettlement for the Three Gorges Dam and some other big dam projects in China. To ease this problem, the central government increased governmental assistance for the post-resettlement period. The State Council released ‘Opinions about Improving Post-resettlement Assistance Policies for Medium and Large Reservoirs (2006/17)’, according to which resettled rural people from medium-sized and large reservoirs will receive a subsidy of 600 RMB per year for 20 years. (This subsidy is also paid to all previously displaced people, which constitutes a unique program to address the problems of previous dam projects. For comparison’s purposes, the per-capita income of Chinese farmers is currently 4,868 RMB. It is considerably lower in poor provinces.) Meanwhile, special assistance can be provided for infrastructure construction and economic development in the resettlement areas.

Based on this policy, the Middle Route Project further strengthened the support for the livelihood and development opportunities for affected people in their resettlement sites. First, the government will provide pensions for all resettled rural people based on certain criteria. As the pension funds for elderly people in rural areas are still in a trial period in China, these resettled people could be the earliest beneficiaries if this policy is indeed implemented. Second, the resettlement policies promise to provide free job training for at least one member of each resettled family, to assist these families in shifting from agriculture to other sectors.

The 20-year subsidy for resettled rural people combined with the pension funds could provide a ‘safety net’ for affected people in their post-resettlement lives.

**4. The Implementation of the Resettlement Policies**

Resettlement for dam projects is typically involuntary migration. Previously, a prominent feature of resettlement programs for large hydro project in China was that they were led by governmental action and seen as political tasks.

During the field visits, the author found that a considerable number of the affected people in the Middle Route Project have been displaced multiple times. Since the late 1950s, they have been resettled several times due to the construction and height increases of the Danjiangkou Dam. During the author’s field trip, some 40-year-old migrants living next to the reservoir reflected that
“our parents had been resettled as many as five or six times. In the past, they generally had very little time to prepare for the resettlement. The interval between getting informed by the government and the final move could be as short as one week.” Besides, the resettled people only received minimal compensation from the government. In most cases, they even had to build their new homes by themselves. If they refused to relocate, they could be forcibly resettled and lose their old homes without receiving any compensation.

With the deepening of economic reform, the strengthening of transparency and the democratization of the Chinese government in the past decade, the resettlement program of the Middle Route Project saw significant improvements in the level of participation during the initial stage of its implementation.

The Middle Route Project is a government project that is certain to be built. In such cases, the affected people have no choice but to relocate before project completion. However, during the early stage of implementing the resettlement program, the local government greatly reduced the feature of forced resettlement, and focused more on policy-oriented persuasion instead.

In Danjiangkou City, the municipal government on March 30, 2009 launched a large-scale campaign called ‘1000 Teams to Villages, 10,000 Staff to Families’ for the trial phase of the resettlement program. In this campaign, more than 2,000 governmental employees from 109 units and divisions of the municipal and town governments were sent to the affected families. These employees were responsible for explaining policies, resolving conflicts, facilitating cash compensations and assisting with the resettlement for around 6,000 affected families. In other words, every employee worked full-time for three families in the villages. This campaign model continued after the conclusion of the trial phase. Now more government employees are sent to affected families for the persuasion work in the first phase of resettlement. Danjiangkou’s municipal government says that these employees cannot leave the villages until their assigned families have agreed to move. Local people are generally positive about this approach; however, it is still to be seen whether it will work.

In addition to this campaign, the local governments have introduced a democratic decision-making process among affected people. Since resettlement began, the affected people were encouraged to elect representatives to form a resettlement committee in each village. These committees participate in policy implementation, compensation verification, conflict resolution, the supervision of new home construction and other tasks. In the interviews, villagers from the resettlement committees told the author: “We have traveled to the resettlement sites, by bus. We saw the construction of the new homes and also negotiated with the contractors about the construction costs. The government even subsidized our travel costs.” In general, the resettlement committees are expected to help the resettlers play a principal role in the resettlement process.

5. General Comments on the Resettlement Policies

Compared with previous water projects, the resettlement policies for the Middle Route Project have been greatly improved. During the author’s field trip, most of the interviewed affected people said that they were mentally prepared to move, and were concerned more about the prospects of life in the resettlement sites than about whether to relocate. However, during the interviews with local people and the research on the resettlement policies, the author also found some disadvantages and potential problems with these policies.
Lack of participation

First, the policy-making process lacked public participation, thus the resettlement policies may ignore some aspirations of the resettled people.

The resettlement agencies finished a survey of the population and properties owned by the affected people in the Danjiangkou Reservoir area in 2003. Based on this survey, several State Council guidelines\(^2\) and the compensation standards approved by the State Council for the Middle Route Project, the local governments drafted the resettlement policies for the Middle Route Project. These policies include the ‘Announcement from the General Office of Hubei Provincial Government on the Trial Resettlement for the Danjiangkou Reservoir of the Middle Route Project (2010/11)’ and ‘Implementation Methods of Out-of-Municipality Resettlement for Rural Affected People at the Danjiangkou Reservoir of the Middle Route Project (2010/3)’ by the Danjiangkou Municipal government.

During the author’s interviews, local affected people commented: “We have received a policy brochure, but we did not know how the policies were made or the how the compensation standards were set.” Besides, the local people said that they had never heard of any opportunity to participate in the policy-making or other discussions. Without such participation, the affected people did not have chance to express their aspirations before the policies were formally released.

During the author’s interviews, the affected people expressed widely different views regarding whether they would like to resettle. Some of the older people experienced resettlement out of their home towns in the 1960s and 1970s due to the dam project, but finally returned to the reservoir area for various reasons. Due to their past experience, they are generally pessimistic about moving out; therefore they wish to stay. The young people, especially those living in remote mountainous areas, generally look forward to resettling to the plains, where they expect to find better living conditions and development opportunities.

However, during the resettlement process, the local government does not allow the affected people to choose whether to move out of their home towns or within their municipalities. The resettlers do not even have a say about the choice of their resettlement sites. Rather, the provincial and municipal governments directly allocated the resettlement sites to the affected people based on some pre-conditions. This approach significantly reduced the workload for large-scale relocations. However, on the other hand, it also ignored the rights of the affected people to decide over their future lives.

The policy of collective house-building for all families relocating out of their municipalities is an example for this problem. The author found during the field trip that some of these people already had bought new houses in their home cities or towns. But because they are required to relocate away from their municipalities and build houses collectively, these people told the author: “We plan to go and live at the resettlement sites for a minimum amount of time if it is required by the government, and then will come back to our own houses and make a living by ourselves.” The resettlement policies should allow people to decide whether to build houses in the resettlement sites collectively or to buy houses themselves. Otherwise, it might cause a waste of the limited resettlement resources for these families.

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\(^2\) These guidelines include ‘Regulation on Resettlement and Land Compensation for the Construction of Large- and Medium-Scale Hydropower Projects (State Council Order 471)’ and ‘Opinions about Improving Post-Resettlement Assistance Policies for Medium and Large Reservoirs (2006/17)’
**Low relocation budget**

Secondly, the overall relocation budget is relatively low, which poses challenges for livelihood prospects of the affected people after their resettlement.

Compared with earlier projects, the post-settlement assistance policy for the Middle Route Project has been strengthened through measures like the guaranteed allocation of arable lands, free job trainings and pension funds. Based on the announced project budget, the funding for these measures is however relatively low. As a result, the development opportunities for resettled people still face big uncertainties.

According to the announced project budget, 25 billion RMB will be appropriated for the resettlement of 330,000 people. On average, this is 75,800 RMB (or USD 11,100) per person. Only 28,600 RMB out of this relatively limited amount will be used for the re-start of agricultural production in the resettlement sites, of which 23,000 RMB will be spent on acquiring 1.5 mu of arable land from the local governments in the resettlement sites. Therefore, the remaining funds for the re-start of production and for re-employment are very limited.

Each person will only receive 1.5 mu (or 0.1 hectare) of arable land in the resettlement sites. This is comparable to the amount of land which people were allotted during the early 1980s at their current homes. Yet at their current homes, people also received at times sizable tracts of forest land, some of which they later converted into arable land. But now, the resettlers will not receive any land beyond the 1.5 mu quota. Besides, many of the new sites are far from cities and major transportation routes. As a result, the resettled people have few options for making a living. This may force many people to leave their homes and find jobs in cities.

In the past, this challenge was reflected by the large number of resettlers returning to their home towns in the Three Gorges project area. Chinese media have revealed that some people who were resettled to Huizhou City of Guangdong Province and Jingzhou City of Hubei Province as part of the Three Gorges Dam Project returned to their home cities along the reservoir in recent years. Their reasons included limited livelihood resources in the resettlement sites and the inability to use their existing skills.

Being resettled away from their home towns (in the case of out-of-municipality resettlement) is a process in which relocated people have to find new ways of survival and development. Although their accumulated material assets are compensated during resettlement, their existing skills, which were compatible with the environment in their home towns, and their social networks are generally wasted or interrupted.

In the villages and towns which are part of Danjiangkou City, the author found that many rural people are earning a good income through planting orange trees and aquaculture. However, their existing skills will become useless after relocation due to the change of their natural environments. Although the resettlement policies have promised to provide the resettled people with re-employment training, large amounts of capital and social resources are still needed for the resettled people to adapt to their new lives and acquire new skills, so that they can settle down without decreasing their living standards. With this in mind, the author has concerns as to whether the current resettlement budget can achieve these goals.
During the field visit, the author was told by local people that some families who were relocated in the trial phase of resettlement have already returned to their home towns after only a few months due to hardships in their new environment. Although this phenomenon is still rare in the reservoir area, it signals an early warning. In the resettlement policy of the Middle Route Project, a key factor for success will be to reinforce post-resettlement assistance and help resettled people adapt to their new lives, so that they may gradually adopt the resettlement sites as their new homes.

Ecological risks of local resettlement

Third, the resettlement of large numbers of people within their municipalities may result in ecological risks.

During the resettlement of the Middle Route Project, around a third of affected people, or 100,000 people, will be resettled on lands which are not being submerged in their own cities and towns. This so-called ‘in-the-municipality’ resettlement will increase the population density in the reservoir area, especially in the rural areas next to the banks of the reservoir. The policies for in-the-municipality resettlement have so far not been released. If the provision of the out-of-municipality policy under which 1.5 mu of arable land is allocated per resettled person is also adopted for these resettlers, the ecological pressure in the reservoir area will be significantly increased.

During the field trip, the author visited a small village next to the reservoir bank within the municipality of Danjiangkou City. Around 1,200 people reside in this rural village and make their living mostly through agriculture. The arable land in this village amounts to less than 2 mu per capita. Most arable lands have been reforested in the past few years during the implementation of the ‘Grain for Green’ policy, a government campaign to convert steep cultivated land to forest and grassland.

After the Middle Route Project, this village is expected to accommodate around 300 new residents through in-the-municipality resettlement. However, during the interview, the local people told the author: “We are not sure whether our village can acquire enough lands to provide 1.5 mu for each resettled people. We think it will be hard.”

Most of the reservoir areas are dominated by agriculture, and the population density is already very high. Resettling one third of the affected people locally could make things much worse. Doing so may not only significantly increase population density and pressure on arable lands, but also degrade the environment and the quality of life in the reservoir areas.

This was also a costly lesson from the Three Gorges Dam Project. During resettlement for the Three Gorges Dam, a large portion of affected people were also resettled locally, on higher grounds on the reservoir banks. However, due to the limited environmental capacity, many of these people had to resettle again through what is called a ‘second resettlement.’ This wasted a lot of resettlement funding and resources. The reclamation of steep lands by the resettlers also caused unrestorable damage to the reservoir banks.
Is the Middle Route Project Representative for Current Resettlement Projects?

It is difficult to generalize the experiences with resettlement for the Middle Route Project. The South-North Water Transfer Project is a governmental and political project, a so-called state project. Therefore, its resettlement policies and compensation standards were unilaterally set by provincial governments and approved by the State Council before the resettlement started. This resulted in a general lack of public participation in the decision-making for the resettlement policies.

Hundreds of small and medium-sized hydropower projects are currently developed in China by developers which have applied for carbon credits under the Clean Development Mechanism. These projects are of a commercial nature and generally cause resettlement on a much smaller scale. As a result, the compensation methods and resettlement standards can be more flexible, and dam-affected people can sometimes negotiate with the project developers.

However, affected people in a number of small and big hydropower projects have also experienced forced resettlement and related social conflicts. In Yongshan county of Yunnan Province, serious and violent conflicts between affected people and the local government have been reported due to the construction of the large Xiluodu Hydropower Station. Other cases of forced resettlement for dam projects occurred in Zhaoping County of Fujian Province and Shuangpai County of Hunan Province. None of these projects have been studied for this report. While the resettlement experience at Danjiangkou is not necessarily representative for all reservoir projects in China, this report cannot make comments on any other concrete projects.

6. Recommendations for Future Action

In the interviews with local officials and affected people, there was general agreement that the policies in place for ‘out-of-municipality’ resettlement in the Middle Route Project should be able to mitigate a lot of the common risks of resettlement, such as the insufficient compensation of properties, the loss of lands, jobs and homes, and even the compensation of rights to public properties and services. However, the issues discussed in Section 5 may undermine the ongoing resettlement process and cause challenges for the life and environment in the resettlement sites. To address these risks, this report would like to provide some recommendations for future resettlement policies in the Middle Route Project.

The following recommendations may also have implications for other resettlement projects in China. The recommendations, however, do not address other aspects of the South-North Water Transfer Project, which were not studied in this report.

1) Public participation opportunities for the affected people should be improved. Resettlers should be free to make choices on questions such as where to relocate and whether to build houses collectively. This would not only increase the efficiency of using limited resettlement funds and resources, but may also reduce the return migration of resettled people.

2) Post-resettlement policies should be strengthened. The policies should assist relocated people in adapting to a new environment by providing them with concrete assistance for future development. To help achieve this goal, the budget for post-resettlement should be increased.
3) The authorities should prepare for the return of a certain portion of the resettled people, and should help them re-start their lives in their home towns. As discussed in section 5, it is anticipated that a certain portion of the resettled people may still face great difficulties in their new lives even if the post-resettlement assistance has improved. The government should also make administrative adjustments, so that the returned families will not face the same obstacles as they did in the Three Gorges Dam Project.

4) The authorities should thoroughly evaluate the ecological capacity of the reservoir area before establishing policies for in-the-municipality resettlement. While it is important to preserve the land-use rights of the rural resettled people, a deterioration of the relationship between people and land and a degradation of the environment in the reservoir area should be avoided.