Public Service Outputs, Social Integration, and Households' Support for Relocation Compensations: Evidence from a Hui Ethnic Community in Western China

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Abstract: Active enforcement of city renewal policies in local China today has constituted a source of social unrests, due to their adverse potentials on present and future lives of the uprooted households. While emerging theories on policy feedback propose that individuals formulate their policy preferences and participation choices based on personal stakes from public service outputs, the perspective of social integration implies that neighborhood connectedness and individual involvement in community are crucial for shaping their interpretation on and actions in policy enforcement. The article combines the two theoretical approaches in assessing what caused households to resist the compensation proposals in an urban renovation program in a *Hui* ethnicity community in Xi'an, a Chinese west city. It is found that first, higher level of public service outputs aimed on increasing households' economic incomes caused inhabitants to be cautious of accepting the compensation proposals, in a fear that the economic gains would diminish due to decreased level of outputs after resettlement. Second, social integration moderates the associations between different types of public service outputs and agreement with the compensation offers. Third, the moderating effects by different types of social integrations vary by both pushing and impeding the perceived public service outputs to leading to support to the compensation solutions. Theoretical and practical implications of these findings are discussed.

Introduction

Since the last 1990s, local governments in China have expedited the process of urban renovation and expansion. Massive redevelopment projects are initiated by local authorities motivated with the prospects of increasing financial revenues, creating job opportunities, and consolidating tax bases. While the urban infrastructures are modernized and city appearances beautified, local authorities have to face new and more complex challenges posed by uprooted households that are forced to leave the original neighborhood and may never return. As media accounts disclosed, these households are often subject to demolition policies enforced in undesirable, disrespectful and violent ways by local agencies without necessary control and supervisions (Thomas, 2006; Chen, 2008; Li and Song, 2009). On the other hand, inadequate compensations are unable to meet their needs for sustainable development (Shi and Cai, 2006; Wang, 2006; Chan, 2007; Yan, 2008; Shih, 2010). Continuous revelations of official corruption in the resettlement programs and the underperforming court system in protecting the equal rights of the disadvantaged dwellers have greatly triggered their anger(Peerenboom and He, 2009), and resulted in protests as well as petitions to local authorities (Shi and Cai, 2006; Cai, 2008).

Considering these problems as threatening social stability and more importantly, the legitimacy of the political regime, the central government took measures to protect the rights of pre-relocated households. To preventing social unrests caused by demolition programs in urban areas, in 2001 the State Council issued *The Urban Housing Demolition Administrative Regulation*, stipulating that there should be a negotiation process for residents and developing agencies to discuss the compensation issues(The State Council, 2001). In 2005 the Ministry of Construction (MOC) promulgated *Working Procedure for Urban Housing Demolition*, requiring that its subordinate agencies should only issue *Demolition Approvals*--the administrative documents that grant developing agencies the power to start demolition--after the compensation fund have been distributed to the relocated

households, and that other solutions have been enacted upon their agreement (MOC, 2005).

While central government assumes that allocation of monetary compensations and promised resettlements are perquisites for peaceful relocation, evidence from rural and urban China showed that both residents and developers are hesitant to accept the proposals raised by the other side in the bargaining. The former often see the proposal as lacking sincerities, providing too low compensation to maintain their future living standards, while the latter often denied better provisions. The impasse transformed itself into networked unrests upon organizations by residents believing that local authority fear social resistance in larger scale(Oliver-Smith, 2001; Shi and Cai, 2006). With a skeptical mentality that the developers have not provided the "best" offer in the compensation proposals, residents often criticized their argument on poor financing capacity as excuses and rhetoric. In the case where the developers represent local authorities in planning the compensation, households' unsupportive views and resistances to the proposals indicated that essentially they are uncertain about making deals with government.

How much support do pre-resettled households in urban areas have for the compensation proposals in the relocation programs? Why are households supportive and unsupportive for these proposals? The answer to these two questions is important for understanding the social-political side of China's urbanization process, and shedding lights on the broader question of Chinese local governance. Although recent years have seen cumulative literature on the topic of residents' choice of migration from their neighborhoods, rare studies have focused on dwellers that are resettled involuntarily (Peach, 1998; Wilson and Hammer, 1998; Quillian, 2002; Sato, 2006; Groot, Manting et al., 2007; Andersen, 2008; van Dalen and Henkens, 2008). Among the few emerging in the Chinese setting, the process of how households shape their sentiments towards the returns from the displacement is still understudied (Wang and Murie, 2000; Oliver-Smith, 2001; Li and Song, 2009). To fill this gap, this article draws upon theories

of policy feedback and social integration to examine the level and sources of household support for compensation solutions. The empirical analysis is based on interviews and survey data collected from a *Hui* ethnicity Community in Xi'an, a city in Shaanxi province.

The article first overviews the origins of *Hui* ethnicity in China and its resettlements in the transitory era. The second section illustrates the significance of introducing public service outputs and social integration in investigating the issues, and proposes two research hypotheses to explain their lack of support for the compensation proposals. After reporting the methodology, we provide results of statistical analyses and discussions on their implications in the fifth section. Future studies are outlined in the conclusion section.

The Hui Ethnicity in China and Ongoing Resettlements of their Communities

Around the 7th century AD, Muslims traders and diplomats travelled from Persian and Arabian countries to China, which then was under the reign of the *Tang* Dynasty. They initially settled down in the commercial areas of large Chinese cities such as *Xi'an* and *Luoyang* (the two capitals), and important port cites such as *Quanzhou* (now in *Fujian* province) and *Guangzhou* (the capital of Guangdong province today). Their rights for inhabitations were approved by the central authority. More immigrants caused these settled colonies to grow up constantly into communities. More often than not, there would be one or several mosques built as the central establishment, so that their pray and religious rituals would be facilitated. In the Mongol invasions to western Asian countries in the 13th century, Islamic refugees and captives from other these regions gave rise to drastic influx of population to these communities, diffused both in rural and urban areas(Dillon, 1999).

Via living door to door with others sharing same religions and churches, the cultural traditions such as Practicing

Islam, forbidding alcohol drinking and pork eating, are greatly preserved. After several generations of interethnic relations in economic and cultural exchange, in the *Ming* period it is believed that these descendents of foreign Muslims have formed a nationality in China(Fan, 2001). In 1957, they have been named the *Hui* ethnicity, as one of the officially affirmed minority nationalities in China. The 2000 Census estimates that Hui nationality had a population of 9, 816, 805, ranking the fourth largest ethnicity in People' Republic of China, following *Han, Manchu, and Chuang*. The communities they reside are called *Jamaat* in Arabic pronunciations, and *Hui fang (Hui Community)* in Chinese.

According to China's domestic anthropologists, *Hui* community plays as the basic units in the dwellers' religious, social, and economic lives. Before the foundation of the communist regime, these communities were administered by two groups of privileged members, one responsible for ideological and religious issues and another for economics and business in forms of industrial unions(Zhang and Mi, 2006). With the mobilization by these two groups and other *Hui* members of warriors and intellectuals, the *Hui* community are able to fight against prosecutions and taunts by Manchu, and resist unreasonable racial integration mandates imposed during the cultural revolution era(Dillon, 1999; Gillette, 2008). In China's planned economy, the integrity of local *Hui* community used to be shocked by the *Danwei* system, which determines individuals' social welfare in a collective, maternal manner by their career successes and political profiles in the working affiliation. Since the Opening and Reforms deepen, these institutional constraints were drastically removed, and *Hui* community gained revitalizations in economic and social influence. Some urban *Hui* communities are quite entrepreneurial like their ancestors, and made a fortune by developing trades and business such as *Islamic* food, butchering, and shoe making on the ground of their communities(Lan, 2003; Gao, 2007). Currently, the largest clustering community in urban China is located in *Xi'an*, the capital of *Shaanxi* Province.

The 2000 China Census estimated that about 31 percent inhabited in Chinese urban areas, and its ratio of urban residents/total population ranked number seven among the 56 nationalities(Yang, 2006). During recent years, the urban *Hui* communities gradually become a salient policy targets in China's widespread city renovation programs. Local government concentrates on these communities mainly for two reasons. First, these communities are usually located in downtown areas. For example, the *Shuncheng jie* community and *niu jie* community in Kunming (Yunnan province) and Beijing respectively are both regarded as the city's commercial center. Selling their land for real estate programs can bring about local investment in infrastructure, and more importantly, long term benefits in creating attractive environment for more homogeneous high status population to reside and work. Second, as peripheral areas populated by non-minority residents have been constantly renovated, the contrast of appearance of the *Hui* communities becomes gradually stark. However, since the constructions on the grounds are legally regarded as private properties owned by the *Hui* households, the local authorities are not allowed to update and develop the planning at their willingness. Leaving the *Hui* communities intact seems to denote that the development of living standards of minority nationality have been neglect, which is certainly not a message intended to convey by the local authority. Driven by these substantive and symbolic motives, the local governments are engaged in expropriating the lands of *Hui* communities under the name of city renewals. Although the households would be compensated economically by money and materially by new communities equipped with Mosque, the cost is a permanent departure from the original land, unless they are able to demonstrate strong community identity to exert pressures on local government(Wang and Murie, 2000).

The unique ethnical imprints of urban *Hui* communities are important to mobilize them to choose incompliance with government relocation initiatives. Besides being pious to their religious belief and devoted to the interests of

communities (Zang, 2006), the Hui people treasure trustworthiness and are highly pragmatic(McCarthy, 2000). Any moves on the part of local authority that seemed to violate these ethical criteria might be cited as offending their religious principles, thus incurring dissatisfaction and collective anger. Especially, the *Hui* communities are very clear that they might indeed be deprived due to the ambiguous city renewal polices if they fail to guard their interests on the land against uncertainties resulted from blind compliance. As a result, in the current "tug of war" with government in compensation bargaining, the urban Hui communities are more likely to act cautiously and determinedly. Their perseverance often ends in observable benefits. For example, in Lanzhou, a city in Gansu Province, a project to widen urban roads confronted resistance and protests from *Hui* dwellers, who are not willing to accept relocation to a new community where no Mosque is built up(Yang, 2001). In *Niujie* community, *Beijing*, after repeated deliberation and negotiations, the living conditions of *Hui* residents are greatly improved. Their average living space increases from five square meters per person to twenty, with all the outdated buildings destructed(Gao, 2007). Besides, local authority paid substantially in setting up three public plazas, two public service halls, one hospital costing 32,000,000 RMB (3,855,422 EURO), and a the house of elderly costing another 30,000,000 RMB (3,614,459 EURO). Even after forced resettlement is enforcement as the central government requisitioned the lands for large infrastructure development, the *Hui* communities are still able to request government for more compensation. An example is that only 20,000 Muslims are provided with 63 mosques after being relocated for a dam projects in northwest China(Oliver-Smith, 2001). It is summarized that they took measures by "invoking rights of public expression, the 'speaking bitterness' tactics, and open but controlled confrontation with government authorities for recognition of their losses" after lands were lost(Oliver-Smith, 2001).

Public Support for Social Policy: Theoretical Arguments and Hypotheses

Two streams of arguments are relevant for this research: policy feedback theories, and the perspective of social integration.

Public service outputs

Previous models of citizen participation attributed consent of citizens to and their support for social policy formulation to proper involvement mechanisms, administrative structure, and communication between the two parties (King, Kathryn et al., 1998; Ebdon, 2002; Cuthill and Fien, 2005). A perspective of policy feedback however, has a distinct focus on citizens' prior interactions with government and policy. "Policies shape citizens" is the doctrine in their arguments (Mettler, 2002; Moynihan, 2003). It was proposed that public goods, services, together with rules and procedures, would affect the pattern of citizen behaviors by endorsing resources, and the their interpretation on information conveyed to them(Mettler, 2002).

Subsequent studies on performance measurement distilled "citizenship outcomes" as a key concept, arguing that it manifests itself by political participation, social capital, a sense of civic belonging and self-worth as a citizen(Wichowsky and Moynihan, 2006). The underlying logic of highlighting this concept is that government should pay attention to how inputs, activities and outputs shape outcomes in intermediate level, such as procedural justice, equity, and perceived service quality, and in long term level, including social trust, civic engagement, political efficacy and participation(Wichowsky and Moynihan, 2008).

Earlier empirical examinations showed that both the hypothesized resources and interpretive effects were at work in shaping citizens' preferences about policy and deliberations(Mettler, 2002). Closer investigations found that these effects have inconsistent levels throughout their life course, depending on their temporal needs and

perceptions(Mettler and Welch, 2004). Their retrospective perceptions of how well a policy played out and political knowledge are also crucial for political participation(Flavin and Griffin, 2009). Although some theorist asserted that public are able to judge what to deliberate beyond a self-centered perspective, and focus on the fundamental problems of policy or program designs(Lynch, 2006; McCall and Kenworthy, 2009), other theorists argued that "a policy that is visible and proximate to one may be invisible and distant to another" (Soss and Schram, 2007). The latter view implies that forming support for policy is a process mixed with both altruistic considerations and self-interests. As recent studies indicated that the *Hui* people are aware of public service outputs on their communities to facilitate business development and living standards(Yang, 2001; Lan, 2003), we hypothesized that their evaluation on past public service outputs are important for predicting their support for compensation solution, specifically,

H₁: Those Hui households regarding themselves as benefited more from current outputs in public services are more likely to be cautious about giving support to the compensation solutions.

Social Integration

Another factor that has the potential to explain citizens' support for policy touched on social integration. At the macro level, social integration is seen as a policy goal to "make society accepting all its people" in national, regional, and global social governance(Falk, 2002; Koivusalo and Hämäläinen, 2009; Wiman, 2009). Organizing deliberations for disadvantaged groups and people, and taking their views in policy making are expected to reconcile the differences and reduce social exclusion and unrests(Huber, 2004; Pemberton, 2008). The article adopts a micro-level approach to social integration, originated from Durkheim's seminal research on social conditions and suicide(Durkheim, 1896/1951). It can defined in diverse ways, for example, as social learning and maturing of the individual(Repkova, 1999), expressive ties essential to maintaining the integrity of the self and the

feelings of group solidarity(Bharadwaj and Wilkening, 1980), one's satisfaction with other members of in group (Smith, Smith et al., 1994), and social relations embedded in a broader network(Booth, Edwards et al., 1991). It is argued that at this level, the distinction should be made between social-psychological integration and structural integration (Moen, Dempster-McClain et al., 1989): social-psychological integration focuses on the subjective experience of interpersonal connectedness, and structural integration denotes the concrete involvement of individuals with various aspects of a collectivity.

The perspective of social integration allows us to assess whether variations in households' support for the compensation solutions are caused by their neighborhood relations and community involvement. This is especially relevant in China' city renewal programs which often target all the households belonging to a given community, often dissolving the existing neighbor relations by resettling them in more dispersed localities(Oliver-Smith, 2001; Yan, 2008; Li and Song, 2009). For some households that value social ties with other community members more, compensation solutions of this style are more shocking thus unacceptable. It is reported that after being dissolved into small communities, the ethnical identity of *Hui* members in young and middle ages are weakened, resulting from less intensified imbuement, formal educations and religious activities, and informal communications(Yang, 2001).

Empirical studies suggest that social integration might plays like an "amplifier" in moderating the associations between events and experiences imposed by the external world, and ones' decisions and wellbeing (O'Reilly III, Caldwell et al., 1989; Barber, 2001). When the impact of policy seems invisible and distant, mass public might feel unsure or uninformed about how to interpret it and thus swayed by debates joined by different interest groups(McCall and Kenworthy, 2009). Their social ties with others sharing high level of homogeneities often

enable them to be acceptable to others' standards for judgment and behaviors(Booth, Edwards et al., 1991). This "normative integration" thus implies that having higher level of social interactions with other *Hui* community members who are reluctant to accept the compensation for fear of decreased welfare in the future might reinforce the households to make a similar decision.

This line of reasoning fits the characters of *Hui* ethnicity quite well in that first, the *Hui* residents on average have a higher quality of interactions with their neighbors than the ethnical majority, *Han*(Zang, 2006). Frequent reciprocal interactions lie as a foundation for them to be positive about others' views. Second, economic achievements are respected in the culture and identity of *Hui* ethnicity (Ma, 1996; Atwill, 1997). It is found that *Hui* people are interested in discussions with other community members on exploiting the potentials for creating sources for incomes, especially when they detect threatening policy constraints(McCarthy, 2000; Hillman, 2004). Given this, in their interactions with neighbors and involvement in community activities, compensation solutions might become a topic often mentioned. Third, currently urban *Hui* ethnicity is relatively disadvantaged in their employment opportunities, returns from education, and job incomes(Zang, 2008). So the variances in the criteria for accepting compensation solutions might be smaller than other ethnicities that are more heterogeneous in social-economic status and policy demands. The chance of reaching consensus on how to respond to the compensation solutions via social interactions with neighbors and other community members is thus increased. It is hypothesized that:

H$_2$: The level of social integration of the Hui ethnicity households moderates the associations between their perceptions on public service outputs and their support for the compensation solutions.

The Survey in a Hui Community in Xi'an

Sajin qiao Area in Xi'an

Saiji qiao means 'gold-surface bridge' in Chinese. The area is located close to the *Drum Tower* in Xi'an, and surrounded by the *North Street* and the *West Street*, the two major arteries radiating from the *Bell Tower*. The area is famous for its three ancient Mosques established since Qing Dynasty. The center of the area is the *Sajin qiao* road with 1,133 meters long. Until 2009, the area has 1,570 street shops, with 440(28%) running business on grocery, and Islamic food. Basic infrastructure in this area is astonishingly poor. Until now, no households have direct access to running water going to their yards, and no modern sanitary systems are available. Residents have to collect water and pour waste in designated places. The road itself is poor in maintenance; the narrowest width is 7 meters, only allowing two vehicles to pass.

In April 2005, the Xi'an Municipality government issued a decree titled "*An Implementation Method for Enforcing Demolition and Relocation to Widen the Main Road in Sajin qiao Area*". The *Method* assigned a government-financed company, headed by the director of district construction bureau, as the developer of the program. In the program plan, the width of *Sajin qiao road* is to be broadened (from 10 meters averagely to 80 meters). This means that the majority of households needed to be relocated to other places. Only after three month after the *Method* was enacted, the program developers had started to prepare for flat apartments and a Mosque. During these three months, collective resistances to the relocation program were organized of the *Hui* residents, who request that the developers should provided high rise and high density buildings for them to resettle in the original community and continue running business in the renovated commercial zones. The resistances were suppressed by the developing agency and local police forces, and resulted in injuries of some *Hui* protestants. The disgruntled residents then petitioned to the provincial government of Shaanxi. The following three month saw no major progress in the demolition, and the developing agency withdrew its staff from the area.

The following three years the project had been in a deadlock. In 2008 the resettlement community and a Mosque were completed. Although they but their locations are very close to the Sajin qiao area, the problem emerge in that it is near a famous Buddhism Temple built in *Dang* Dynasty. Bell rings and sound of Buddhism practice constitute an unpeaceful environment for some households acceding to the relocation before. The monetary compensation for the households was greatly undesirable. For every square meter of house demolished, the developer only afforded less than 2,000 RMB, with the rest 600 RMB to be paid by the households themselves. Poor compensations and the location conveying insulting meanings together exacerbated the resistances of the households. Although they did not organize further protests, every time they are able to resist the attempt of the developer that used forces to demolish their houses. Until 2009 the June when the field research was conducted, the rest 1, 200 household still insist on by not moving from the area.

Data

The data were collected in the August 2009. In the first stage, administrative and religious leaders in the area, the managers in the developing agency as well as their supervising bodies in government, and ordinary *Hui* residents were interviewed extensively to enhance our understanding about the issue. The interviewees also participated in the discussion about the survey instruments. After make adjustments according to their suggestions, a questionnaire survey aimed at all the 1,200 households was undertaken. We randomly sampled the population by the number of their street plates. With sampling ratio of 10 percent, 120 households were interviewed. A family member in each household was randomly selected to fill in the questionnaire. The interview and survey in each household last about one hour. Eight households declined to respond to the questionnaires, and six households returned incomplete responses. Finally, 108 valid questionnaires were collected (the effective response rate as 88.5 percent).

Variables

As suggested by the interviewees, the independent variable, satisfaction with public service outputs, was gauged from two angles: those outputs aimed at increasing incomes of households running front shop business, and those outputs making *Sajin qiao* a more comfortable environment to live in. Items for the first dimension inquired respondents' satisfaction with performance of the street level government in the last three years on (1) running water supply, (2) electricity supply, and (3) safety protection for running business. Environment oriented outputs were indicated by households satisfaction with government services on (1) basic education, (2) public security, (3) street cleanness, (4)health care, (5) noise control, (6) sports facility updates, and (7) management of leisure and entertainment. Households' strongest support is coded five points and strongest resistance is coded one point. Two indexes were computed by averaging their responses to each output.

Social integration as the moderating variable was assessed from two dimensions: neighbor relations and involvement in community activities. Items designed for the first dimension asked respondents to evaluate the to extent to which their households (1) share a good relations with neighbors (2) frequently talk with their neighbors, (3) perceive neighbors as intimate, (4) often accept favors from neighbors, (5) often send favors to them, (6) are satisfied by living with them. Households' strongest agreements to these statements are coded five points and strongest disagreements are coded one point. On the community level, we asked the frequency that one household (1) gathers with other community members for information exchange, (2) participates in religious activities organized by the community, and (3) attends voting for administrative leaders. The response "Never" is coded one point and "Quite often" is coded five points. Two indexes are also created by averaging the scores in each category.

In measuring support for the compensation proposals, we not only investigated the current solutions under resistance but also two other solutions suggested by the interviewees. Totally four conditional solutions were contained: (1) government keeps their ownership of shop fronts in the original community intact; (2) the new community is not far from the current one; (3) a business zone in new community is built up in exchange for their current land ownerships; (4) temporary displacement in other places is needed to initiate a new bargaining. Households' strongest support for each solution is coded five points and strongest resistance coded one point. The four items were averaged to form an index.

We examined socio-economic status of the surveyed household was by their income level, overall floorage, and family scale. The attributes of respondent were investigated in terms of sex, age, education, political profile (Chinese Communist Party Member or not), and employment opportunity (working for public budgeted organizations or not). Details of these all the items were shown in the appendix.

Analyses

Statistical Results

The households in *Sajin qiao* area are more positive about previous public service outputs serving their incomes, than those aimed at making living more comfortable. Table 1 reports to which degree the respondents regard each output as satisfactory. Although the highest rating goes to government service to maintain public safety, other environment-oriented outputs are all negatively evaluated, indicated by their average score(less than 3 points). The electricity and safety protection services obtained the highest percentages of "satisfied" responses. A comparison shows that the poor evaluations correspond with services provided by agencies closer to the households, e.g., basic education, public health, and entertainment. Funding insufficiencies of these frontline service units seems to limit

their competence in meeting the local service needs. In contrast, since street level government is able to increase revenues by collecting administrative fees from the households running businesses, it is more motivated to increase the outputs, thus win higher satisfaction in these service fields.

[The position of Table 1 about here]

The findings in table 2 illustrate the level of social integration of *Hui* households in the surveyed area. It is evident that interaction and reciprocity with neighbors play a salient role in their social lives. A majority of respondents perceive their neighbors as intimate (58.30%) and are satisfied with their interactions (56.50%). In comparison, they evaluate themselves as more engaged in offering favors to (mean score=4.04) than accepting favors from (mean score=3.96) neighbors. Another social integration index, involvement of community activities, gains lower evaluations. Except the item gauging the frequency of "attending religious activities", the residents appear to be not frequently exchange information with other community members, and vote for community leader even the candidates have an identical religious belief with them.

[The position of Table 2 about here]

As table 3 indicates, the households are resistant to the current compensation solutions proposed by the developer, and supportive for more favorable proposals that provide more economic returns and better locations. Having their ownerships of the street front shops intact and keeping from the risk of transferring them to unattractive areas gain the highest ratings. It is likely this recognition is associated with their trading pattern based social network with *Han* patrons living nearby, and a calculation that their current compensation are disproportionate to the commercial value of renovated *Sajin qiao*. The highest resistance goes to the solution that they were resettled elsewhere temporarily for a smooth re-negotiation. Accepting this offer means that the social networks formed especially for resisting the demolition threats shall be broken into pieces as a result of dispersed settlements. This also indicates that faced the forced relocation, the *Hui* households recognized that only present and observable compensations

can be trusted.

[The position of Table 3 about here]

The results for the statistical tests of the impact of public service outputs and social integration on households'

support for compensation solutions are shown in table 4. Three models are presented in the article in the following

sequence: model 1 contains the attributes of respondents and their housing status, and the measures of economy

and environment oriented public service outputs; model 2 adds the measures of social integration; model 3

examines whether the two latter variables moderated the impact of public service outputs. The models generally

provide a good explanation of variations in the level of support households have in the compensation solutions.

The average R^2 is above 40 percent at the significant level of $P<0.01$. The housing floorage measured by square

meters is consistently significant in the three models, indicating the larger the house, the less supportive for the

household to support the compensation solutions. Taken together, the R^2 and the effects of policy targets (housing

floorage) suggest that the models laid valid empirical bases to understand what caused the impasse of

compensation policy enforcement in *Sajin qiao* area.

[The position of Table 4 about here]

In general, these findings lend partial support for our hypotheses. As for hypothesis 1, it is found that the more

positive the households are about public service outputs that helped them increase business incomes, the less likely

they would demonstrate support to any of the compensation solutions. This might be expected since the relocation

means that the *Hui* households shall be put into a new and uncertain environment, where they have to seek

favorable policy outputs from local government again. The "sunk cost" that would be afforded seemed to be in the

core of their reluctance to accept the compensation proposals.

The addition of two social integration variables gave rise to marginal increase of the variation explained (R^2 from

0.35 to 0.38). For the two variables, only the involvement in community activities is significant in predicting their supportive attitude. Moreover, the effects become insignificant after introducing the interaction variables. This means that social integration does not directly contribute to support for compensation solutions, which is consistent with our hypotheses that it plays the role as a moderator in shifting the relations between public service outputs and support. The hypothesis 2 is partially supported by the model 3, which shows significant effects from all the four interaction variables on the dependent variable.

Discussions

Although we are able to draw on the findings in table 4 to argue that the causal relations among public service outputs, social integration and household support for compensation solutions can be sustained, it also indicates that the relationships among these constructs are at odds with former arguments and our hypotheses.

First, environment-oriented outputs does not gain a significant effect in any of the three models, implying that no matter how outdated the local infrastructure, and how intolerable the performance of local public services aimed on bettering the environment, the *Hui* households are not likely to be support forced resettlement. Presumably it is because while some *Hui* households regard poor environment as a reason to leave, others might judge it as having minute effects on their choices. The ethnical traits of the *Hui* nationality offered an alternative explanation. The ethnicity is characterized by peculiar perseverance in difficult situations. The torture, besiege and holocaust threat by *Manchu* nationality during Qing' *Tongzhi* Dynasty actually occurred in the *Sajin qiao* area(Gillette, 2008). Their recognition on adverse environmental factors as a meaningful "practice" might also render comfortable environment a less important factor to consider, especially compared to the request for more favorable compensation during this unusual period in their lives.

Second, as mentioned above, different types of social integration moderate the relations between public service outputs and support in distinct approaches. The coefficient of Neighbor relations × Economy oriented outputs has a negative sign that is statistically significant, while the rest of the three interaction variables have coefficients that are positive in statistical sense. The first means that when households are more positive about public service outputs, a high level of reciprocity is able to make them increasingly determined to stand shoulder by shoulder with their neighbors in requesting better compensation solutions. The positive coefficient of Neighbor relations × Environment oriented outputs implies that for households more unsatisfied with the quality of these public services outputs, their rejections to the compensation solutions can be enhanced when their reciprocities with neighbors are inadequate. Indeed, our interviews showed that some *Hui* households have regarded the relocation programs as a challenge to their neighbor relations, assuming that if they are relocated, there are no meanings for them engage in these connections since they might not have the opportunities to see others. This might give rise to a lower assessment of their neighbor relations, and causing the concern about environmental outputs in public service more crucial for a negative evaluation on the compensation solutions.

Involvement in community activities also has a positive moderating effect on the Environment oriented outputs-support association. This shows that environment-concerned households that are more frequently involved in such activities are more likely to accede to the solution even if the economic compensations are not favorable. Indeed, some households in the area readily accepted the solutions once the *Method* is promulgated. Our interviews suggested that they are viewed as the "more socializable and influential" and "having more important ties with the outside world." Those that more isolated seemed to regarded them as "incomparable". One businessman running an Islamic food shop on the street indicated that their ancestor' house in another Hui-populated area (*Da maishi jie*)

was demolished ten years ago. The real estate developer promised to him that he and his family member would be relocated in more beautiful, safe, and developed community on the original ground, but ate its words. In his view, if more critical information from some important figures in the community is available at that time, he would avoid make a decision like this. The surveyed households recognitions that their might be disparities among their social connections outside the neighborhoods is consistent with the findings on the inner-group variances within the *Hui* communities(Zang, 2006).

The positive coefficient of community involvement-economy oriented outputs interaction shows that households satisfied about government efforts to promote their trade become more supportive to the compensation solution when they have been frequently involved in community activities. This, together with the negative association between economy-oriented outputs and support, shows that the role of benefits from previous public service outputs might be able to push and impede their support to the compensation at the same time. As aforementioned, when these households expect that these high level public service outputs as difficult to receive in the new environment, they would be more cautious and unsupportive of the current compensations. Perhaps via conversing with participants from other communities in the activities, they are able to detect that the favorable outputs beneficial for doing business were also possible elsewhere, since local authority can reap from flourished private economies. When frequent involvement of such activities confirm their recognition, it is reasonable that some of them might be more willing to accept the solutions for immediate monetary compensation, which can be used for resuming and expanding business in the new community. In this light, the crux of low support for compensation solution lies in the difficulty of convincing the *Hui* households that they are able to have a better-off tomorrow by compliance with local government. The expanded source of information might be able to enhance their knowledge and confidence. In practice, involving celebrated *Hui* merchants successful in gaining the support of government in

new environment might be promising to helping them visualize these potentials.

Conclusion

Respecting the policy preferences of ordinary and taking care of their interests have been repeatedly recommended to China as a principle in local governance, while the complex nature of their policy feedback and its implications for different social policy have produced mixed findings in empirical studies. At individual level, it is argued that citizens involved in policy formulation can be more supportive as they are ascertained about their increased utilities in the future, and as they form a "memory" favorable for policy makers and implementers(Chen and Zhong, 1997; Chen, Lu et al., 2007). However, as one closely examines the ecology of community where these citizens are socially embedded, it can be seen that their level of social integration are crucial for shaping and reshaping individual interpretations of policy. Thus, the role of social integration should also be well examined. Community created important occasions where individuals' belief and new knowledge and norms are shared. This process is especially relevant for socially disadvantaged groups caused by shocks from new and mandatory policy enforcement, such as the involuntary relocation for *Hui* households in transitory China.

In this regard, the article combines perspectives of both policy feedback and social integration to investigate whether or not there exists a causal relationship between perceived public service outputs and households' support/resistance to the compensation solutions, moderated by social integration. Survey data are collected in households from *Sajin qiao* area in Xi'an. The findings show that the households perceived higher level of public service outputs in business promotion are actually fearful of being improvised due to the relocation, thus are more resistant to the compensation solutions. Further, social integration at neighbor and community levels are able to shift the relations from being insignificant to significant, and from being negative to positive. The complex patterns

of interactions between specific types of social integration and policy feedback merit more intensified studies in the future.

To conclude, it is important to note that the findings of this article should be generalized to other Chinese settings with great cautions. *Hui* ethnicity shares its unique high level of social integration based on common religious belief and historic relics. For socially disadvantaged households in *Han* communities, inadequate level of social integration might render them more compliant with compensation solutions. Similarly, for *Hui* households in rural China where their desirability of commercial success is tempered by local environments, there might also be different patterns of moderating effects. To have these forced relocation programs implemented smoothly, public administrators should not only promote the future benefits to the household. Rather, the findings of the article suggest that they should assess the images of public service outputs provided to these residents in the past and the role of their social integration in shape this image to have a more clear picture about the consequences of their compensation strategies.

	Extremely Unsatisfied %	Unsatisfied %	Don't know %	Satisfied %	extremely satisfied %	Mean
Economy oriented outputs						
Running water supply	8.30	40.70	11.10	33.30	6.50	2.89
Electricity power supply	0.90	33.30	10.20	47.20	8.30	3.29
Safety protection in running business	0.90	30.60	16.70	47.20	4.60	3.24
Environment oriented outputs						
Basic education	16.70	60.20	13.00	9.30	0.90	2.18
Public security	3.70	16.70	12.00	61.10	6.50	3.50
Street cleanness	14.80	48.10	9.30	25.00	2.80	2.53
Health care	12.00	56.50	15.70	15.70	0.00	2.35
Noise control	21.30	54.60	11.10	11.10	1.90	2.18
Sports facility	13.90	67.60	8.30	8.30	1.90	2.17
Leisure and entertainment	13.90	67.60	8.30	8.30	1.90	2.17

Table 1 . Community Residents' Assessment on Public service outputs

Table 2 . Community Residents' Assessment on their Social Integration

	Strongly disagree %	Disagree %	Don't know %	Agree %	Strongly Agree %	Mean
Social ties with neighbors						
good relationships	0.00	0.90	36.10	52.80	10.20	3.72
Frequently conversations	0.00	0.90	38.00	50.90	10.20	3.70
Perceiving neighbors as intimate	0.00	0.00	32.40	58.30	9.30	3.77
Often accept help from neighbors	0.00	0.00	23.10	57.40	19.40	3.96
Often offer help for neighbors	0.00	0.00	19.40	57.40	23.10	4.04
Satisfied with living with neighbors	0.00	0.90	32.40	56.50	10.20	3.76
	Never %	Rarely %	Sometimes %	Often %	Quite often %	Mean
Involvement in community activity						
Gather for information exchange	7.40	30.60	46.30	11.10	4.60	2.75
Participate religious activities	6.50	8.30	27.80	38.00	19.40	3.56
Voting for community leaders	32.40	27.80	29.60	8.30	1.90	2.19

Table 3．Residents' Assessment of the Compensation Solutions

	Very unacceptable %	Unacceptable %	don't know %	Acceptable %	Very Acceptable %	Mean
keeping ownership of shop fronts in the original community intact	5.60	6.50	50.00	32.40	5.60	3.26
New community is not far from the current one	9.30	10.20	45.40	28.70	6.50	3.13
Business zone in new community is built for trading current ownerships	7.40	6.50	59.30	25.00	1.90	3.07
Temporary displacement is needed for further bargaining	23.10	36.10	27.80	11.10	1.90	2.32

Table 4. Regression Analysis

Variables	Model 1	Model 2	Model 3
Constant	0.48 (0.49)	0.93 (0.88)	1.83 (1.87*)
Sex	0.16 (0.89)	0.14 (0.72)	0.12 (0.70)
Age	0.13 (1.55)	0.16 (1.90*)	0.06 (0.82)
Ethnicity	0.13 (0.29)	-0.04 (-0.09)	-0.15 (-0.35)
Education	-0.03 (-0.36)	-0.06 (-0.71)	-0.04 (-0.48)
CPC member	-0.01 (-0.05)	-0.02 (-0.2)	0.01 (0.08)
Government-affiliated employment	-0.08 (-1.76*)	-0.06 (-1.21)	-0.01 (-0.21)
Family scale	0.03 (0.68)	0.02 (0.5)	0.03 (0.64)
Housing floorage	-0.31 (-2.73*)	-0.30 (-2.66**)	-0.28 (-2.72**)
Family annual incomes	-0.08 (-1.05)	-0.07 (-0.9)	-0.12 (-1.68)
Environment oriented outputs	0.15 (1.58)	0.11 (1.17)	0.02 (0.17)
Economy oriented outputs	-0.33 (-3.48*)	-0.32 (-3.36*)	-0.26 (-2.85**)
Relations with neighbors	--	-0.24 (-1.32)	-0.33 (-1.97)
Involvement in Community activities	--	0.27 (1.95*)	0.16 (1.20)
Neighbor relations × Economy oriented outputs	--	--	-0.22 (-2.30**)
Neighbor relations × Environment oriented outputs	--	--	0.17 (2.04**)
Community activity × Environment oriented outputs	--	--	0.18 (2.24**)
Community activity × Economy oriented outputs	--	--	0.16 (2.08**)
R square	0.35***	0.38***	0.52***
Adjusted R square	0.27***	0.29***	0.42***

*Notes 1: T-scores in parentheses; 2: *Significant at p<0.10, ** significant at p< 0.05, ***significant at P< 0.01*

Appendix The Attributes of Survey respondents and their Houses in Sajin qiao Area

Respondents Variables		Housing Status Variables	
Male (%)	63.9	Family Member in the house(Mean)	4.84
Age (%)		House floorage (%)	
≤30	11.1	≤50 m^2	24.1
31-40	13.9	50-100 m^2	39.8
41-50	17.6	100-200 m^2	16.7
51-60	35.2	≥200 m^2	19.4
≥61	22.2	Annual family income (%)	
Ethnicity (%)		On Maximum Living Security	7.4
Hui Percentage	93.8	≤5,000 RMB	13.9
Education (%)		5,000-10,000 RMB	19.4
Illiteracy	0.9	10,000-20,000 RMB	27.8
Elementary School	18.5	20,000-50,000 RMB	18.5
Junior high school	35.2	50,000-100,000 RMB	11.1
Senior high school	25	100,000-20,0000 RMB	0.9
College	15.7	≥200,000 RMB	0.9
Bachelor degree and higher	4.6		
Political Profile (%)			
CPC member	2.8		
Employment (%)			
Government related jobs	17.2		

Note: Total number of households =108

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