The Political Economy of Eminent Domain: The Economic and Political Effects of Housing Demolition in China*

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Abstract

We ask whether eminent domain can deliver net benefits to households and how affected citizens politically interact with the government. Our context is house seizure and demolition in urban China during 2010-2018, a period in which market value-based compensation is offered for seized houses. Exploiting variation in the timing of house seizure and demolition across households using large-scale panel data, we find that having one household's housing seized or demolished increases households' housing wealth by 14% and total consumption by 20%. It also reduces the labor supply of affected household members and improves their psychological well-being. We find no evidence of house seizure and demolition producing adverse political effects. Instead, housing demolition increases affected citizens' trust in local officials and subjective evaluation of local government performance in less corrupt cities. Our findings highlight the importance of fair compensation and sound governance for implementing eminent domain programs in developing countries.

Keywords: housing demolition, economic benefits, political risks, governance
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1 Introduction

While eminent domain (i.e., the legal right to acquire property by forced exchange) is a common tool used by the state to achieve economic (re)development,[1] it often is controversial. First, what constitutes public interest that justifies state expropriation is ambiguous. Often, the state tends to expand public interest to public purposes that have wider interpretations. Second and perhaps more importantly, how to compensate affected households is not always clear in different contexts. For example, even the fair market value compensation could be subject to debate, especially when considering rising property prices or sentimental attachment to the property. The fundamental question is to what extent affected households could benefit from the eminent domain programs, which in turn affects citizens' perceptions of and responses to compulsory takings. The public interest justification seems to focus more on indirect benefits (e.g., positive externalities from public goods) possibly at the expense of property rights deprivation. In contrast, the just compensation requirement is focused directly on the net benefits delivered by the programs to affected households. Additionally and relatedly, reflecting local governance, how affected citizens are treated by the government during the expropriation process may also be important in influencing the public responses to the eminent domain programs.

Social scientists (mainly, economists and legal scholars) have theoretically analyzed how those affected should be compensated (e.g., Michelman, 1967; Munch, 1976; Fischel, 1995; Serkin, 2004; Chen, 2014; Ghatak and Mookherjee, 2014). In particular, some have argued that the fair market value of the condemned property may not indemnify owners fully when taking into account additional economic losses, subjective losses, or dignitary harms, the latter two of which are related to sentimental attachment to the property (or endowment effect) and perception of government actions, respectively (see Garnett (2006) for a detailed discussion). Yet, few attempts have been undertaken to empirically study the extent to which affected households could economically benefit from the eminent domain programs and how they politically interact with or perceive the government that exercises the power.

To fill this gap, this study provides a systematic empirical investigation by examining the economic and political effects of house seizure and demolition (or housing demolition) in urban China.[2] We use data from the China Family Panel Studies (a survey with national coverage) and focus on the 2010-2018 period, during which urban property rights are well protected and market value-based compensation is offered for the houses taken by the government. Our data has several strengths. First, as depicted in Figure 1 using data from the China Family Panel Studies (a survey with national coverage), up to 2018, about 20% of urban households have had some of their housing seized or demolished, indicating the significance of the phenomenon and generating sufficient variation for empirical analysis. Second, we construct large-scale panel data, which helps us to estimate causal effects. Last but not least, our data contains information on a wide range of outcomes, including direct measures of material benefits (housing wealth and consumption), labor supply (leisure time), subjective well-being (life satisfaction and depression), and political behavior and attitudes (e.g., conflict with or trust in local officials and evaluation of local government

[1] For example, see Besley and Ghatak (2010) for a summary of state expropriation activities in history.

[2] Throughout the paper, we use housing demolition and house seizure and demolition interchangeably, referring to the government takings of housing property from local residents.

performance). Thus, we can empirically answer whether house seizure and demolition is economically beneficial as well as psychologically miserable for affected households and politically risky for local governments that have the executive power.

[Figure 1 about here]

It is empirically difficult to answer how much compensation is adequate if one focuses only on the compensation provided by the government. First, as mentioned above, rising prices and endowment effects may make fair market compensation inadequate. Second, affected citizens may incur disutility, for instance, because of reallocation. Third, eminent domain programs for economic (re)development usually generate positive externalities, which are not directly captured by the compensation. Therefore, which compensation scheme is preferred by affected citizens may depend not only on the compensation they receive but also on the extent to which they benefit from the projects. The rich set of outcomes, which again includes measures of material and psychological benefits and political responses, enable us to employ a "revealed preference" approach to elicit whether affected citizens support the housing demolition programs or not.

China's housing demolition is particularly interesting and important to study in and of itself. As shown in Figure 1, it has affected a large population in China and has profound social, economic, and political consequences. Many have criticized China's housing demolition since it often was accompanied by forced eviction, violent conflicts, and corruption. Indeed, nail houses (Chinese: *Dingzihu*) resulted from refusing to move out (i.e., the holdouts) and demolition-triggered protests were not uncommon in the past several decades (e.g., He, 2014; Deng, 2017). The most prominent phenomenon is self-immolation, which occurred in many regions across the country (especially in the first decade of this century) and attracted worldwide attention such as media coverage by *The New York Times* (e.g., Cohen, 2010). Even more recently, forced demolitions that caused death still occurred (see Liu and Xu (2018) for several examples for the 2014-2017 period). Scholars have argued that house seizure and demolition manifests China's socio-political tension and undermines political legitimacy in China (e.g., He, 2014; Wu and Heerink, 2016; Liu and Xu, 2018). However, it seems puzzling that the Chinese government has been carrying out housing demolition programs up to the present, but *(i)* we observe little resistance from the public, and *(ii)* perhaps more surprisingly, recent years have witnessed residents' support for the demolition programs. Interestingly, housing demolition becomes the synonym for getting rich overnight in China in the recent decade. Thus, our goal is to provide empirical evidence on the economic and political impacts of house seizure and demolition and to further provide insight into the political economy of eminent domain.

More broadly, it also is of paramount importance to study how transformation rent is shared or whether it is mostly captured by a powerful group in rapidly developing countries. In the process of structural transformation (e.g., urbanization and industrialization), the use of land often is changed from low- to high-profit projects and the value of land also is rising, generating transformation rent.[3] China's real estate boom since 1998 has made housing and thus land highly valuable (Glaeser, Huang, Ma and Shleifer, 2017), incentivizing local governments (the sole legal land supplier in the primary market) to extract land from residents to further finance their development projects. In the beginning, when local governments carried out housing demolition programs, most

[3]See de Janvry and Wang (2015) for detailed analyses and discussions about transformation rent.

of the rent was captured by the government and/or the property developers, which created huge civilian conflicts and eventually became unsustainable (de Janvry and Wang, 2015). As a result, the Chinese government began to require local governments to offer market value-based compensation to households whose housing is demolished from 2011 onwards (see Section 2 for a detailed description). That is, citizens can share the transformation rent since then. Given that our study period is 2010-2018, our empirical findings offer a better understanding of citizens' responses to eminent domain programs when the transformation rent is shared among all parties involved.

Empirically, we construct nationally representative household and individual panel data from the China Family Panel Studies (CFPS) for the 2010-2018 period. Since house seizure and demolition mainly happened in urban and suburban areas, we exclude the rural sample of the CFPS, following the definition of China's National Bureau of Statistics.[4] This makes our treatment and control groups less heterogeneous and more comparable. In the data, different households experienced house seizure or demolition at different years. We employ a generalized difference-in-differences strategy, which mainly explores changes before and after experiencing housing demolition and thus identifies the treatment effects on the treated.

The key concern for our identification is that differential time trends could be correlated with the timing of demolition across households. Our difference-in-differences specification includes household (or individual for individual-level outcomes) and county-by-year fixed effects. The household/individual fixed effects enable us to exploit within-household/individual variation and compare households/individuals before and after their housing is taken. The county-by-year fixed effects allow us to flexibly control for differential time trends and compare households/individuals within the same county and the same year. Importantly, our balance tests show that location is the most critical determinant of having one's housing seized or demolished. Although this may cause selection bias, including household/individual fixed effects will eliminate all possible identification threats due to time-invariant characteristics. We also regress the dummy of whether one household experiences housing demolition on family size, wealth, consumption, and income (logged and lagged by one and two periods) and find no statistically significant results, suggesting the randomness of the timing of housing demolition. Finally, our dynamic estimates provide evidence that the parallel pre-trends assumption largely holds for the outcomes of interest, lending strong support to the causal interpretation of our baseline results.

In addition to the average treatment effects, we also are interested in the dynamic treatment effects, which allow us to check for the parallel pre-trends assumption and the persistence of the effects. In particular, whether housing demolition brings about a permanent wealth shock to households is crucial for understanding our empirical results from a theoretical perspective. Theoretically, a lifetime wealth shock would lead households to adjust their consumption and labor supply. When using event study specifications to estimate dynamic effects, we follow Sun and Abraham (2021) to account for potential contamination and bias. Last, we also examine the heterogeneous effects arising from differential levels of governance quality, given that sound governance matters

[4]In this paper, we do not study state expropriation of agricultural land in rural China, which also is an important type of eminent domain in China. See Sha (2022) for a relevant analysis. Also, our sample do not include large-scale reallocation programs that move the entire community to another place, which are mostly related to poverty alleviation programs, see Zhang, Xie and Zheng (2023) for example. See Appendix Figure A1 for the distribution of share of households experienced housing demolition within communities.

for implementing development projects in China (e.g., Park and Wang, 2010; He and Wang, 2017; Sha, 2022).

Regarding average treatment effects, the main finding is as follows. First, housing demolition increases the average number of houses owned by affected households by 0.17 units, and their total housing wealth increases by 14%, both of which are statistically significant, confirming that having one's housing seized or demolished serves as a positive wealth shock. Second, the impact of housing demolition on household consumption is sizeable and statistically significant. For instance, the consumption of food per capita increases by 15.6%, the consumption of clothing increases by 25.6%, and the total consumption per capita increases by about 20%. Third, the family members of affected households tend to work less and their weekly working time decreases by 3 hours. Fourth, housing demolition increases life satisfaction and decreases depression for individuals living in affected households. Overall, the estimated impacts on economic outcomes suggest that house seizure and demolition are not only economically beneficial but also are not psychologically miserable to affected households.

After documenting the huge economic and psychological benefits delivered by the housing demolition projects to affected households, we further examine whether house seizure and demolition are politically costly or even risky for the Chinese government as argued by scholars.[5] To this end, we estimate the average treatment effects on six political outcomes: whether individual members of affected households would have a higher probability of having conflicts with local government officials, experiencing an unreasonable delay when dealing with local government agencies, or receiving unfair treatment from local officials, and whether they lose trust in local government officials, negatively evaluate local government performance, or perceive a severer level of nationwide corruption. None of the estimated impacts are statistically significant. Overall, the results suggest that during the study period (2010-2018), housing demolition is not politically risky for the Chinese political regime. It is worth pointing out that during our study period, violent conflicts resulting from demolitions still exist (e.g, Liu and Xu, 2018). This is not necessarily in contrast to our findings, given that our estimates capture the average effects rather than individual cases.

Turning to dynamic treatment effects, we find persistent effects on the average number of houses owned by affected households as well as on total housing wealth (i.e., the market value of all houses owned). Taken together, these results indicate that housing demolition is a permanent, positive wealth shock to affected households. In theory, a life cycle model predicts that households will adjust their consumption and labor supply when there is new information about, or an unanticipated shock to, their lifetime wealth (e.g., Browning, Gørtz and Leth-Petersen, 2013). In this regard, our estimated effects on economic outcomes are consistent with theoretical predictions.

Finally, in terms of heterogeneous effects, we are interested in whether sound governance matters or not. Specifically, we examine how the estimated impacts would differ concerning differential levels of government corruption or transparency across cities, both indicative of governance quality. Overall, three findings stand out. First, we do not find any statistically significant heterogeneity in the impacts on housing wealth, consumption, and labor supply (see Appendix Tables A1, A2, and A3). Second, the impact on depression is mainly driven by better-governed cities (i.e., those with a below-mean corruption level or an above-mean transparency level). Third and most impor-

[5] See, for example, Chen (2014); He (2014); Wu and Heerink (2016); Liu and Xu (2018).

tantly, in less corrupt cities, citizens express a higher level of trust in local government officials and a higher level of evaluation score of local government performance after experiencing housing demolition. In other words, housing demolition programs help the government gain political support when there is sound local governance. In summary, the economic impacts do not vary across cities with differential levels of governance quality, but sound governance is crucial in determining the effects on psychological well-being and political attitudes. In a companion study, using the same dateset, Sha (2022) investigates the political consequences of rural land expropriation (another type of eminent domain in China) and finds adverse political impacts, which are mainly due to low compensation and can be mitigated by better local governance and undertaking projects with public benefits. Both papers highlight the importance of fair compensation and sound governance for implementing development projects in China and for eminent domain more generally.

Our paper contributes first to the literature on the political economy of property rights and eminent domain. How those affected should be compensated is central to implementing eminent domain programs. Both legal scholars and economists emphasize fair compensation based on the market value of the property (e.g., Michelman, 1967; Munch, 1976; Serkin, 2004; Chen, 2014). Some have also considered economic efficiency (e.g., Ghatak and Mookherjee, 2014), and how introducing market mechanism and competition affects the welfare consequences (e.g., Kitchens and Roomets, 2015; Winn and McCarter, 2018). Most of these studies focus on either theoretical analysis or experimental designs, we provide an empirical investigation based on a real-world natural experiment. In addition, related to under-compensation, another issue arising from the eminent domain activities is that the programs may lead to political resistance or even political risks in countries lack of accountability (e.g., Garnett, 2006; Sha, 2022). We show that eminent domain (or state expropriation) can deliver net benefits to affected households and does not necessarily lead to adverse political consequences when the benefits are shared with residents and there is improved local governance. Additionally and specifically, our paper relates to the literature on the labor market consequences of strengthened property rights (e.g., Field, 2007; de Janvry, Emerick, Gonzalez-Navarro and Sadoulet, 2015).

Given that we show that house seizure or demolition dramatically increases housing wealth in China, our paper also complements a large strand of literature on the relationships between wealth and consumption (Lettau and Ludvigson, 2004; Case, Quigley and Shiller, 2005; Campbell and Cocco, 2007; Browning et al., 2013; Berger, Guerrieri, Lorenzoni and Vavra, 2018; Christelis, Georgarakos, Jappelli, Pistaferri and Van Rooij, 2019), labor supply (Jacob and Ludwig, 2012; Cesarini, Lindqvist, Notowidigdo and Östling, 2017; Zhao and Burge, 2017; Li, Li, Lu and Xie, 2020), and psychological well-being (Frijters, Haisken-DeNew and Shields, 2004; Gardner and Oswald, 2007; Lindqvist, Östling and Cesarini, 2020). Previous studies rely mainly on estimating the housing price dynamic equation to obtain the unexpected housing price change or winning a lottery to gain unexpected income. We utilize a natural experiment that generates exogenous, direct housing windfalls for households.

Last but not least, this paper contributes to the literature studying housing demolition. Housing demolition in the US is initiated to demolish public housing in high-poverty areas and to provide displaced residents housing vouchers. In China, demolition is mainly used for the reconstruction of urban areas. Chyn (2018) examine the impact of housing demolition on children's educational and

labor market outcomes in the US; Chyn and Haggag (2019) examine the impact of house demolition on political participation in the US. While they focus mainly on documenting the impacts of moving out of a disadvantaged neighborhood, our paper emphasizes the overall impact of housing wealth induced by housing demolition.

The rest of this paper is structured as follows. Section 2 describes the background information of housing demolition in China. Section 3 presents the data. Section 4 explains our empirical strategy. Section 5 reports the results of the economic impacts on housing wealth, household consumption, individual labor supply, and subjective well-being. Section 6 examines the extent to which housing demolition is politically risky. Section 7 concludes. The supplementary appendix contains additional figures and tables.

2 Housing Demolition in China

The Chinese government began to privatize the housing market soon after it started economic reforms and opening up policy in 1979; and a nationwide private housing market emerged in 1998 after major housing reform policies were implemented (see Porter and Park (2012) for more detail). Since then, China has witnessed a real estate boom in the following two decades (Glaeser et al., 2017). Rapid urbanization has pushed local governments to seize houses from local households and use them for economic (re)development. In addition, local political leaders have strong incentives to seize and demolish houses because of their promotion prospectus (Chen and Kung, 2019; Wang, Zhang and Zhou, 2020).

It is undeniable that housing demolition in China often was violent and accompanied by forced evictions and sometimes would cause deaths (see Liu and Xu (2018) for a more detailed description), resulting in social unrest (e.g., protests, litigation, and petitions) and resistance from the homeowners (e.g., refusing to move out). For example, nail houses could be found almost everywhere in the country (see Balson (2014) for illustrative pictures). Importantly, a notable phenomenon occurring at the same time is that many members of affected households organize collective protests, and meanwhile, they also file litigation against local governments and property developers by using the protests as credible threats, which has brought about social changes favoring affected households (He, 2014). This is mainly because being unable to solve social unrest peacefully plays a vote role for political promotion of local leaders and the courts also want to constrain the behavior of local governments in the name of the Communist Party's interest in maintaining social order and stability.

During our study period (roughly after 2011), property rights of urban housing are well protected because of the increased compensation offered to households subject to demolition and the improved judicial quality and independence.[6] First, local governments are required to provide market value-based compensation (including relocation fee) to affected households. Specifically, the compensation should take into account the location of the house and its market value which needs to be based on the assessment of an independent third party chosen by both affected households

[6]See the *Regulations for Demolition and Compensation for Houses on State-owned Land of 2011* (Chinese: *Guoyou Tudi Shang Fangwu Zhengshou Yu Buchang Tiaoli*) for more detail. Also, see Chen (2014) for a comprehensive analysis of legal changes pertaining to housing demolition in China.

and the government, which has dramatically increased compensation received by local residents. In addition, local governments are required to deposit the total amount of the compensation into a unique bank account and not allowed to used it for any other purposes.

In practice, the two most common compensation methods are receiving new houses or money, which are not mutually exclusive. Oftentimes, one household would receive both new houses and monetary compensation. For example, about 46% (39%) were compensated with new houses (money) during 2000-2014 (see Panel A of Figure 2). We also can see a huge jump in per capita compensation paid to those affected after 2011 (see Panel B of Figure 2), which supports our argument that fair compensation is offered during the study period (2010-2018).

[Figure 2 about here]

Second, transparent procedures also are required to carry out the projects. It is mandatory to conduct a cross-department review of the demolition plan at the beginning. Then, the government department in charge of the house seizure and demolition programs needs to make its detailed plan (regarding affected areas, compensation, and settlements) publicly available for no less than thirty days, and report the plan to the prefecture/county council. After incorporating comments or feedback from the public and the prefecture/county council, if any, the original plan is revised. Finally, a risk assessment of social stability is required to conducted before the project gets eventually implemented. These transparent procedures likely hold local governments accountable to citizens.

Third, to further minimize potential political risks, local governments are obligated to hold public hearings when affected citizens raise disputes over compensation or settlements or any other concerns. Additionally and as noted earlier, when affected citizens file (protest-supported) litigation against the local government, they are likely to win, especially after China's Supreme People's Court issued clear guidelines in 2012 that enable local courts to refuse enforcement of eviction orders if there is any law violations (e.g., absence of legal basis for the project, unfair compensation, fail to guarantee living conditions of affected households) (see Chen (2014) and He (2014) for more detail). This was further strengthened when reforms improving judicial independence were started in 2014 (e.g., Cao, Liu and Zhou, 2021). Last but not least, only a government agency (not property developers) is allowed to sign off on agreements with affected households, which to some extent reduces corruption. These mechanisms make it possible for affected households to voice their concerns and demands, which in turn may largely reduce their grievance.

Taken together, one the one hand, what described above largely increases the economic benefits that the households can receive if their houses are seized or demolished. On the other hand, they also minimize the potential political risks facing the government. In what follows, our goal of empirical analyses is twofold. We first document the extent to which local households would benefit from housing demolition economically, and then we answer whether housing demolition is politically costly or even risky for the Chinese government.

3 Data

We obtain our data from the China Family Panel Studies (CFPS, see http://www.isss.pku.edu.cn/cfps/). The CFPS is a nationally representative survey of Chinese communities, families, and

individuals, which was first conducted in 2010 and then carried out every other year. In this paper, we use the first five waves (2010, 2012, 2014, 2016, and 2018). In addition, we focus only on urban households and individuals, because house seizure and demolition are mainly occurred in urban or suburban areas. We follow the definition given by China's National Bureau of Statistics to select our urban sample (Chinese: *Chengzhen*), which drops about half of the entire CFPS sample.

We present the summary statistics of key variables of interest in Table 1. Our treatment indicator of interest is whether one household has ever experienced house seizure or demolition in a given year (Panel A). As a standard difference-in-differences requires, we exclude the households who had their housing seized or demolished in or before 2010 (or 2012 for the outcomes for which data is available from 2012 onwards), that is, we do not include treated households and individuals in the first period of our sample.[7] That said, restricting attention to urban and suburban areas and the 2012-2018 period, the housing demolition variable has a mean of 4%.

[Table 1 about here]

We are interested in both economic and political outcomes. For economic outcomes, we focus on four sets of measures (Panels B-E). In addition to basic descriptive statistics (columns 1-5), we also report means of the treated units before and after experiencing housing demolition (columns 6-7) and that of those without housing demolition (column 8). First, we examine the extent to which having one household's housing seized or demolished increases housing wealth by using four variables: whether the household owns additional houses or not; if so, how many; per capita market value of the house that the household owns and currently resides; and per capita market value of all houses owned by the household (Panel B). One can see that affected households do experience an increase in housing wealth based on all four measures, and that after treatment they tend to have more housing wealth than those without housing demolition. Second, we are interested in how households adjust their consumption after having their housing seized or demolished (Panel C). We use both separate (food, clothing, daily necessities, housing, health, transportation and communication, education and entertainment, and other) and total household-level consumption expenditures. We also can observe that affected households not only increase their consumption expenditure, but their post-treatment consumption also is higher than those who have not had their housing taken by the government. Third, we investigate how individual members of affected households change their labor market behavior (Panel D), focusing on labor market participation, weekly working time, and annual salary income. Here we further restrict our sample to the working-age population (aged between 16 and 64) and also exclude current students. Fourth, we examine whether subjective well-being of affected household members has been improved or not using two measures: life satisfaction and depression (Panel E), for which data is only available for adults. The life satisfaction variable is a categorical variable, ranging from 1 (very low) to 5 (very high). The depression variable is a standardized score, obtained using the item response theory based on six items that are widely used to measure depression in survey data.

As for political outcomes, we use six individual-level variables (Panel F). Specifically, we first examine whether having one's housing seized or demolished increases the likelihood of having conflicts with local government officials, experiencing unreasonable delay at local government

[7] Importantly, as described above, national-scale major legal reforms and changes started in 2011, another reason why we excluded treated units in 2010 or 2012.

agencies when going to local agencies to ask for help,[8] or receiving unfair treatment from local officials. All of the three variables are dummy indicators. Somewhat surprisingly, affected household members tend to report lower probability of having conflicts with local officials and assess government service more positively than before. We then study whether experiencing housing demolition reduces one's trust in local officials (ranging from 0 to 10, with 0 indicating extremely low and 10 extremely high), increases one's evaluation of local government performance (ranging from 1 to 5, with 1 indicating much worse than before and 5 much better), or increases one's perception of the severity of nationwide corruption in China (ranging from 0 to 10, with 0 indicating extremely low and 10 extremely high). In Panel F, data on the trust variable (other remaining five variables) is only available for those aged 10 (16) or above; data on the conflict/delay/treatment (trust/corruption) variable is only available for the 2010-2016 (2012-2018) period, while data on the evaluation variable is available for all five waves. We see that after experiencing house seizure or demolition, those affected report a higher level of trust in local officials as well as a higher evaluation score of local government performance.

When examining the heterogeneous effects possibly arising from differential levels of governance quality across cities, we use data obtained from Nie, Han, Ma and Zhang (2019) who provide government corruption and transparency level for Chinese cities in 2018. We assume that the variation in city-level corruption and transparency is more of cross-sectional and then divide the sample into subsamples based on the mean of corruption or transparency level. We regard the cities with a below-mean corruption or below-mean transparency level as the subsample with better local governance. We finally interact the treatment dummy (whether one is subject to housing demolition) with the governance indicator (whether one is in a better governed city) to examine the heterogeneity of interest.

4 Empirical Strategy

Housing demolition occurs at different periods for different households in the data. By exploiting staggering variation across households, we first estimate a generalized difference-in-differences model (essentially, a standard fixed effects regression) as follows at the household level:

$$y_{hjct} = \beta Demolition_{hjct} + X'_{hjct}\delta + \alpha_h + \lambda_{ct} + \varepsilon_{hjct}, \tag{1}$$

where h indexes households, j communities, c counties, t time periods (corresponding to waves in the survey). y_{hjt} is one of the household-level outcomes of interest. $Demolition_{hjct}$ is the treatment variable, a dummy that is 1 if household h has had her housing demolished at time t, and 0 otherwise. X_{hjct} is a set of exogenous time-varying covariates at the household level. α_h and λ_{ct} are household and county-by-time fixed effects, respectively. The error term ε_{hjt} is clustered at the community level, allowing for correlation across households within a community.[9]

β is the coefficient of our interest to be estimated. Our identification is mainly based on the two sets of fixed effects in the regression: household and county-specific time fixed effects. By

[8] This is known as "kicking balls" in China.

[9] For a community, its counterpart in rural areas is a village. They are at the same rank in the Chinese administrative hierarchy. For convenience, we use "community" throughout this paper.

including household fixed effects, α_h, we account for any time-invariant determinants of the outcome of interest that are specific to each household. This enables us to exploit within-household variation and to compare households before and after experiencing housing demolition. In this regard, we identify the average treatment effects on the treated. The county-by-time fixed effects, λ_{ct}, further enable us to compare households within the same county and the same year, absorbing all county-specific differences in the outcome of interest across different time periods and controlling for differential time trends flexibly. Moreover, the control variables, X_{hjct}, capture time-varying characteristics that are potential additional determinants of household-level outcomes.

We also are interested in individual responses to housing demolition. To estimate the impacts on individual-level outcomes, we use an analogous equation as follows:

$$y_{ihjct} = \beta Demolition_{hjct} + X'_{ihjct}\delta + \alpha_i + \lambda_{ct} + \varepsilon_{ihjct}, \tag{2}$$

where i indexes individuals, h households, j communities, c counties, t time periods. In this equation, we replace household-level variables (outcomes and covariates) and household fixed effects in Equation (1) with individual-level variables and individual fixed effects, respectively. The identification of this specification is similar as we described above.

As required by a difference-in-differences framework, our treatment and control groups should follow similar parallel pre-trends in the outcomes of our interest. To look at the pre-demolition and post-demolition trends, we estimate a event study specification at the household level as follows:

$$y_{hjct} = \sum_{\tau=-3,\tau\neq-1}^{2} \beta_\tau RelativeDemolition_{hjct,\tau} + X'_{ihjct}\delta + \alpha_h + \lambda_{ct} + \varepsilon_{hjct}, \tag{3}$$

where τ = -3, -2, 0, 1, 2 (the gap between every two consecutive periods is two years). Period -1 (τ = -1, base period) is used as the reference group and hence omitted in the regressions; Period 0 (τ = 0) is the period right after the demolition occurred. $RelativeDemolition_{hjct,\tau}$ is a dummy variable indicating the τth period relative to the demolition in the household. For example, $RelativeDemolition_{hjct,1}$ refers to one period after the demolition; $RelativeDemolition_{hjct,-2}$ refers to two periods prior to the demolition. The error term ε_{hjct} is clustered at the community level. Again, we estimate an analogous equation for individual-level outcomes. Notice that we do not include households whose had their housing demolished before 2010. This specification allows us to test whether the pre-trends are parallel, validating the identifying assumption of our empirical strategy, as well as to examine whether the effects are persistent, checking for households' long-run responses to a large wealth shock.

Our dynamic estimates could be biased due to two reasons. First, because the main sample is a unbalanced panel, the results could be biased by sample composition changes. To address this concern, therefore, we also report the results of the dynamic impacts using balanced panels. Second, the estimates could be contaminated and treatment effect heterogeneity may lead to apparent pre-trends in setting with variation in treatment timing across units. Thus, we further report the results using the estimator proposed by Sun and Abraham (2021) to avoid potential contamination and bias.

Although our empirical strategy relies mainly on the parallel pre-treatment trends assumption,

it is important to know whose housing tends to be demolished in the sample. To this end, we now turn to conduct a balancing test of baseline characteristics across demolition and non-demolition groups, and examine whether some important, time-varying household characteristics could predict the possibility of having one household's housing demolished.

First, we present the results of mean comparisons of baseline characteristics in Table 2. We focus on three sets of characteristics between individuals (Panel A), households (Panel B), and communities (Panel C) with and without experiencing housing demolition. Columns 5-6 report the unconditional differences in means and their corresponding p-values, while we conduct *within-county* comparisons in columns 7-8. Several insights emerge. First and foremost, we find that location is the most important factor. For example, households who tend to have their housing demolished are more likely to be the ones located closer to high schools (after we control for county fixed effects, see Panel B), which is located in more developed areas within each county; moreover, one also can see that communities located closer to administrative the county or provincial centers are more likely to carry out housing demolition projects (see Panel C), although the differences are not statistically significant. This result indicates that the government and the property developers tend to select locations where the land value is greater. Second, we do not find evidence supporting the importance of individual political connection when examining the difference in one's (and his or her parents') Chinese Communism Party (CCP) membership (see Panel B). Third, nor do we find that kinship group is important in influencing housing demolition when we compare characteristics capturing clan culture such as family genealogy, ancestral hall, and population share of clans (see Panels B and C). Last but not least, we find that non-Han minorities are less likely to have their housing demolished (see Panels A and C), which may reflect the fact that they generally reside in less developed regions that are not targeted areas by the government.

[Table 2 about here]

Taken together, the evidence reported in Table 2 suggests that the government prioritizes locations when deciding where to carry out the housing demolition projects; moreover, politically less powerful individuals and households appear not to be any more likely to have their housing demolished. Although we still have statistically significant differences in some characteristics between the treatment and control group after controlling for county fixed effects, it does not undermine our identification strategy given that *(i)* we include household/individual fixed effects and *(ii)* that all these characteristics are time-invariant.

Second, we also examine some potentially important, time-varying household-level determinants of having one's housing demolished. Specifically, we regress the dummy variable of experiencing housing demolition on family size, family asset value per capita, family consumption per capita, and family income per capita. All regressors are logged and lagged by one and two periods. Table 3 reports the estimated results, where we include the regressors one by one from column 1 to 8 and include all regressors in a single regression in column 9. One can see that none of them are statistically significantly different from zero and the magnitudes are negligible across almost all specifications, suggesting that pre-demolition economic status cannot predict the likelihood of having one's house seized or demolished. This result to largely lends support to the exogenous timing of housing demolition, a crucial underlying identifying assumption for our empirical framework.

[Table 3 about here]

5 How Beneficial Is Housing Demolition?

This section reports the results of the economic effects of housing demolition. We first confirm that having one's housing seized or demolished does bring about housing windfalls to affected households. We then show that affected households would consume more, work less, and be happier and less depressed.

5.1 Impacts on Housing Wealth

Table 4 presents the estimated impacts of housing demolition on families' housing wealth. The results show that housing demolition increases the likelihood of one household owning more houses in addition to the one the family currently resides by more than 8% (column 1); on average, affected households tend to own 0.17 additional houses (column 2). In terms of housing wealth, after experiencing housing demolition, affected households tend to live in houses with higher market value compared to those without housing demolition (column 3), even though it is not statistically significant. Strikingly, column 4 shows that the impact on the market value of all houses (per capita) is both economically remarkable (increased by 14%) and statistically significant. These results confirm that housing demolition serves as a positive wealth shock to affected households.

[Table 4 about here]

We report the dynamic effects of housing demolition on housing wealth in Figure 3. Note that the housing demolition happened during the shaded-region time period. Two insights emerge. First, we do not find any evidence of the existence of pre-trends between households with and without housing demolition before the demolition. Second, we find strong, persistent effects of housing demolition on housing wealth. The dynamic estimates are similar and robust across specifications using unbalanced panel, balanced panel, and the method proposed by Sun and Abraham (2021) are similar. This result lends strong support to the causal identification of our empirical strategy and the argument that housing demolition brings about windfall gains to affected households.

[Figure 3 about here]

Table A1 presents the estimated heterogeneous effects using an interaction between the housing demolition dummy and the governance indicator (below-mean corruption for Panel A and above-mean transparency for Panel B). One can see that there is no heterogeneity in the impacts on housing wealth, suggesting that local governance does not matters, which may reflect the fact that local governments need to offer generous compensation to affected households independent of their governance quality, which otherwise would cause social instability and thus affect the promotion likelihood of local leaders.

5.2 Impacts on Household Consumption

We now examine how having one household's housing seized or demolished affects household consumption. According to a life cycle model, households adjust their consumption and labor supply when they have new information about their lifetime wealth (e.g., Browning et al., 2013). Household consumption responds to an unanticipated change in wealth (e.g., Case et al., 2005; Carroll, Otsuka and Slacalek, 2011; Campbell and Cocco, 2007). Table 5 reports the estimated impacts of housing demolition on household consumption (per capita). In the regressions, we control for household composition: shares of family members aged below 16 and aged between 16 and 64. We separately examine the impact of housing demolition on food consumption, clothing consumption, daily consumption, housing consumption, health expenditure, transportation expenditure, education, entertainment expenditure, other expenditure in the family except for the above categories, and total expenditure per capita (corresponding to columns 1-9, respectively). The results show that almost all consumption types increase, although only the effects on food, clothing, housing, and total expenditure are statistically significant. Specifically, the consumption of food per capita increases by 15.6%, and the consumption of clothing increases by 26.5%. These results suggest that the people tend to increase their daily consumption to increase their quality of life and thus their welfare. The housing consumption also increases dramatically because the families whose houses get demolished tend to rent a house for a period before they move into their new houses; in addition, there will be property costs and management fees after moving into new houses that are usually located in better communities. The impact on health and education expenditures is positive but not statistically significant. It is mainly because health and education consumption is rigid demand and does not respond strongly to the household windfall. Overall, the total consumption per capita increases by about 20% (see column 9).

[Table 5 about here]

It is interesting to check whether households increase their consumption permanently or only for a short period after the households receive the compensation for housing demolition. Figure 4 shows the dynamic impacts of housing demolition on housing consumption. The results indicate that expenditure on food, clothing, and housing and total consumption increase right after having experienced housing demolition, and the effects do not dissipate over time. This result suggests that household welfare increases in the long run. The results are robust to using different sample frames (unbalanced panel and balanced panel) and different estimation methods (standard event-study approach and method proposed by Sun and Abraham (2021)). For all three specifications, we do not find evidence supporting the existence of pre-trends between the treated and untreated groups.

[Figure 4 about here]

In Table A2, we report the heterogeneous impacts on household consumption using an interaction as for earlier tests. Overall, we do not find strong evidence of heterogeneity arising from government corruption or transparency. Interestingly, we find that the positive impact on education and entertainment expenditure only exists in high transparent cities (column 7 of Panel B).

5.3 Impacts on Individual Labor Supply

Next, we investigate the impacts of housing demolition on individual-level labor market outcomes. Table 6 presents the estimates. In the regressions, we restrict the sample to the working-age population and exclude current students; and we control for age and years of schooling. Theoretically, the household windfall caused by the housing demolition would increase the leisure time of the household members and thus reduce their labor supply. The empirical results confirm the theoretical prediction. Compared to those who did not experience housing demolition, family members of affected households decreased their labor market participation by 2%, although it is not statistically significant (column 1). They also tend to work less, and the weekly working time is reduced by 3 hours (column 2). Their total annual salary income decreases about 2,000 *yuan* (in RMB). The results on working time and annual income are statistically significant. Our findings suggest that the household members' labor supply response on the intensive margin after the housing demolition instead of on the extensive margin. Our findings are in line with the literature (e.g., Blundell and MaCurdy, 1999; Cesarini et al., 2017; Li et al., 2020). For instance, Cesarini et al. (2017) use lottery winning as an exogenous shock for household wealth and also find that labor supply response occurs on the intensive margin instead of the extensive margin.

[Table 6 about here]

Figure 5 presents the estimates of the dynamic impacts of housing demolition on labor market outcomes. Again, there is no supportive evidence of pre-trends between households with and without experiencing housing demolition. Panel A reveals no persistent effects on labor market participation. However, we see a statistically significant downward trend for the impacts on weekly working hours as well as annual income (Panels B and C). As the household members only adjust in the intensive margin, it often takes time to find a new job, which may in part explain why the effects become more prominent over time. The results are also robust to using unbalanced sample, balanced sample, and the method proposed by Sun and Abraham (2021).

[Figure 5 about here]

Table A3 presents the estimated heterogeneous impacts on labor market outcomes by governance quality. We do not find any statistically significant heterogeneity. We also explore the heterogeneous impacts of housing demolition on labor market outcomes by age, education, and gender. We report the results in Appendix Table A4. First, in panel A, we separate the whole sample into three age groups: 16-34, 35-44, and 45-64. According to the standard life cycle model, the elderly respond to the wealth shock more strongly since they have fewer years to spend their total wealth. The results show that the effects are most prominent for individuals aged 45 or above. Second, in panel B, we test whether the response depends on educational attainment. The sample with an education level less than high school completion responded more strongly to the house demolition. This might be because the less educated people are more likely to work in the informal sector with a lower wage and greater flexibility. Third, we examine the heterogeneous effects by gender (Panel C). The literature also suggests that women have larger labor supply elasticity (Keane, 2011). Our findings are consistent with the literature that the coefficients before the annual

income is negative and statistically significant for women but not for men. We find no evidence of heterogeneous effects on labor force participation and working hour for men and women. In summary, we find more profound effects on the elderly and the less educated.

5.4 Impacts on Psychological Well-being

Last, we ask whether individual members of affected households become happier after their economic status has been improved substantially. We focus on two variables measuring subjective well-being: life satisfaction and depression. Table 7 reports the estimated impacts of experiencing housing demolition on psychological well-being. In the regressions, we control for age and years of schooling; and both outcomes are standardized by the wave-age cells. Having one household's housing demolished increases 0.13 standard deviations in life satisfaction (column 1) and decreases 0.06 standard deviations in depression (column 2). The results suggest that affected households get richer and tend to be happier and less depressed. The findings in our previous analysis are relevant to explaining the impacts on life satisfaction and depression. The household members with housing demolition tend to consume more, work less, and enjoy more high-quality leisure time. These factors all contribute to the increase in life satisfaction and decrease in depression.

[Table 7 about here]

We present the dynamic estimates of housing demolition on psychological well-being in Figure 6. The effect of housing demolition on life satisfaction is immediate and stable over time. The effects are statistically significant whether we use an unbalanced or balanced sample. The coefficients become not statistically significant when we adopt the method proposed by Sun and Abraham (2021). The pre-treatment effects on depression are negative and marginally statistically significant.

[Figure 6 about here]

Table 8 reports the estimated results of the heterogeneous effects on psychological well-being by differential levels of corruption or transparency across cities. For life satisfaction, we do not find statistically significant difference across cities with different governance quality (column 1). However, we do find strong heterogeneity in the impact on depression. One can see that the effect on depression is mostly driven by less corrupt or more transparent cities (column 2). This result may reflect that local governments with better governance quality treat affected citizens in a better way and implement the programs in a manner that is more transparent and thus bring no psychological harms to those affected.

[Table 8 about here]

We also explore the heterogeneous impact of housing demolition on psychological well-being by age, education, and gender. The results are shown in Appendix Table A5. We do not find any heterogeneous impacts by different groups. The effect on psychological well-being and depression are quite stable in different sample groups. The homogeneous effect is also in line with the existing empirical findings; see Lindqvist et al. (2020) for example.

6 Is Housing Demolition Politically Risky?

This section first reports the results of the political effects of housing demolition. Then, we offer some discussions about how to understand the overall empirical findings of our paper.

6.1 Impacts on Political Outcomes

The result that housing demolition actually can deliver numerous net economic benefits to affected households as documented above is in sharp contrast with some people's conventional view toward house seizure and demolition in China. In those people's view, China's housing demolition does not provide fair compensation and thus is not supported by local residents, so we saw plenty of forced evictions, nail houses, and violent conflicts in the past years (e.g., He, 2014; Liu and Xu, 2018), which in turn may lead to political risks or costs for the Chinese government. In this section, we study the extent to which house seizure or demolition may have such political risks.

To do so, we focus on a set of political outcomes. We present the estimated political impacts in Table 9. In the regressions, we control for age and years of schooling. Specifically, we first examine whether having one's housing seized or demolished increases the likelihood of having conflicts with local government officials (column 1), experiencing unreasonable delay at local government agencies when going to local agencies to ask for help (column 2), or receiving unfair treatment from local officials (column 3); we then study whether experiencing housing demolition reduces one's trust in local officials (column 4), increases one's evaluation of local government performance (column 5), or increases one's perception of the severity of nationwide corruption in China (column 6). We can see that none of the estimated coefficients are statistically significant and the magnitudes are almost negligible. This result is consistent with our conjecture that fair compensation and improved legal and judicial quality may not lead to adverse political impacts.

[Table 9 about here]

We plot the dynamic estimates in Figure 7. Again, we control for age and years of schooling in the regressions. Not surprisingly, none of the effects are persistent. Taken together, the results suggest that during the study period (i.e., roughly after 2011), house seizure and demolition are not politically costly and less likely to produce political risks for the Chinese political regime.

[Figure 7 about here]

In Table 10, we present the estimated results of the heterogeneous impacts on political behavior and attitudes using an interaction between the treatment dummy and the dummy indicating whether one is a city with below-mean corruption level (Panel A) or above-mean transparency level (Panel B). We find that having one's housing seized or demolished has a positive impact on individuals' trust in local government officials in less corrupt cities (column 4 of Panel A). Additionally, housing demolition has a negative impact on individuals' evaluation of local government performance in more corrupt cities, while this negative effect does not emerge in less corrupt cities (column 5 of Panel A). Rather, people in less corrupt cities tend to have a higher score of the evaluation of local government performance after experiencing housing demolition. This result suggests that sound local governance helps the government gain political support from the affected citizens.

[Table 10 about here]

6.2 Discussion

Of course, the empirical evidence reported in the subsection above is not to deny that forced demolition did not happen in China during the study period 2010-2018. Instead, violent conflicts resulting from demolitions still occurred during the period studied; for example, see Liu and Xu (2018). It is unavoidable that individual cases may occur, especially when affected households have a very high expectation about the compensation paid to them and hence their reservation compensation is much higher than what the government could pay. Our results thus capture the average political effects, which suggests that on average housing demolition becomes politically unrisky in China when the generous compensation delivers net economic benefits to households with improved legal and judicial quality.

Furthermore, we find that the effects on housing wealth, consumption, and labor supply do not differ in cities with differential levels of governance quality, implying that local governments largely follow the compensation scheme required by the central government. Thus, governance does not matter for the economic impacts of housing demolition across localities. However, we do find that in better-governed cities, housing demolition makes affected citizens tend to be less depressed, have great trust in local government officials, and hold a higher score of subjective evaluation of local government performance, suggesting that affected citizens would positively respond to the housing demolition projects when they are well treated in the demolition process. Relatedly and notably, our findings indicate that governance is crucial in determining the effects of housing demolition on subjectively measured outcomes (i.e., psychological well-being and political attitudes). In other words, how affected individuals perceive the government takings is critical to public responses. Taken together, the results suggest that in addition to fair compensation, sound governance is necessary for soliciting political support from citizens when carrying out eminent domain programs.

7 Conclusion

Eminent domain is controversial despite the fact that it is often used by the state to achieve economic (re)development. First, what constitutes public interest that justifies state's eminent domain is often ambiguous, which seems to focus more on indirect benefits (e.g., positive externalities from public goods) at the expense of deprivation of property rights. Second and perhaps more importantly, how to compensate affected households is not always clear in different contexts, which is directly related to net benefits delivered by the programs to affected households.

This study asks whether eminent domain can deliver net benefits to households and is politically risky for the government with the executive power in the context of China's housing demolition from 2010 to 2018, a period that provides generous compensation for seized houses. We use nationally representative household and individual panel data and adopt a difference-in-differences method. Our empirical study shows that housing demolition increases the housing wealth of affected households by 14% and their total consumption by 20%; additionally, labor supply of mem-

bers of affected households decreases and their subjective well-being improves; last, there is no evidence of housing demolition producing adverse political impacts. Instead, affected citizens in less corrupt cities express more favorable political attitudes toward the government after housing demolition. Our results highlight the importance of fair compensation and sound governance for implementing eminent domain programs, and thus have wider implications for the developing world. Eminent domain with well-protected property rights and sound governance may be able to deliver net benefits to affected households, development benefits to the entire society, and political support to the government.

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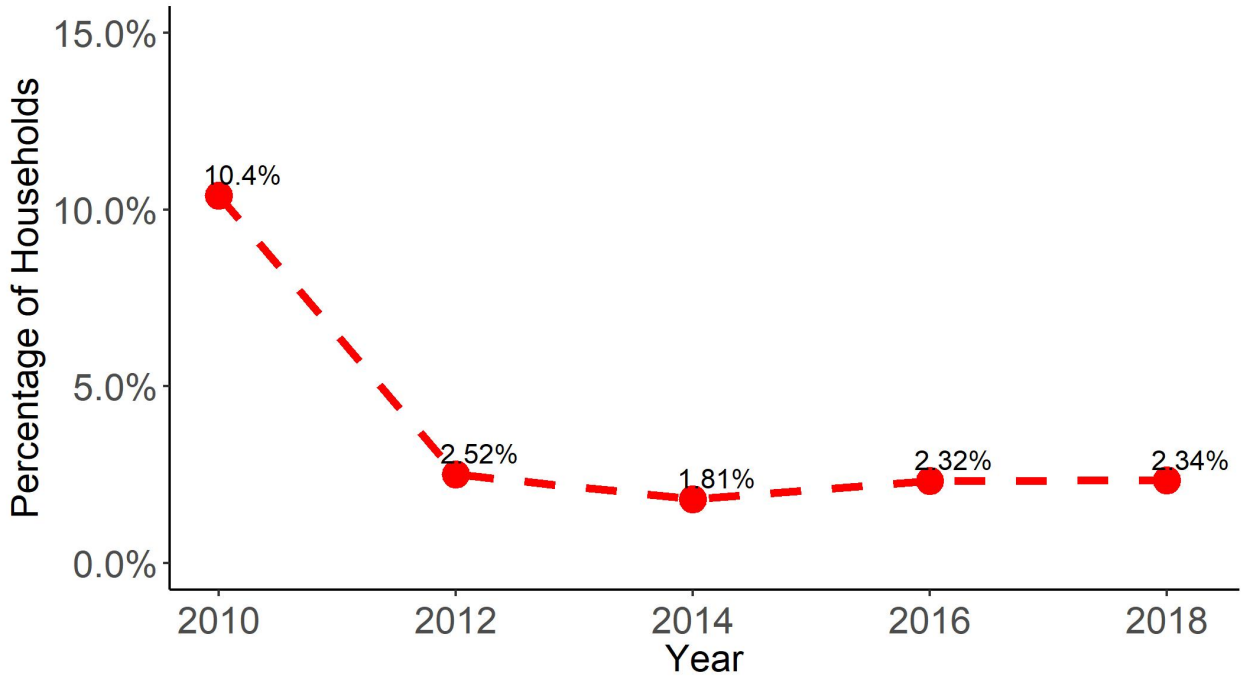

Figure 1: Share of Households with Demolition Experience by Survey Wave

Notes: The data source is the China Family Panel Studies. The red circles indicate the percentages of households who had their house demolished in the survey years: 2010, 2012, 2014, 2016, and 2018. In the first wave (2010), the survey asks about all the demolition events of households in history (i.e., *ever-demolished*), thus the share is higher in this year. Note that those who had their housing seized and demolished in or before 2010 (i.e., the first wave) do not enter our regression analysis.

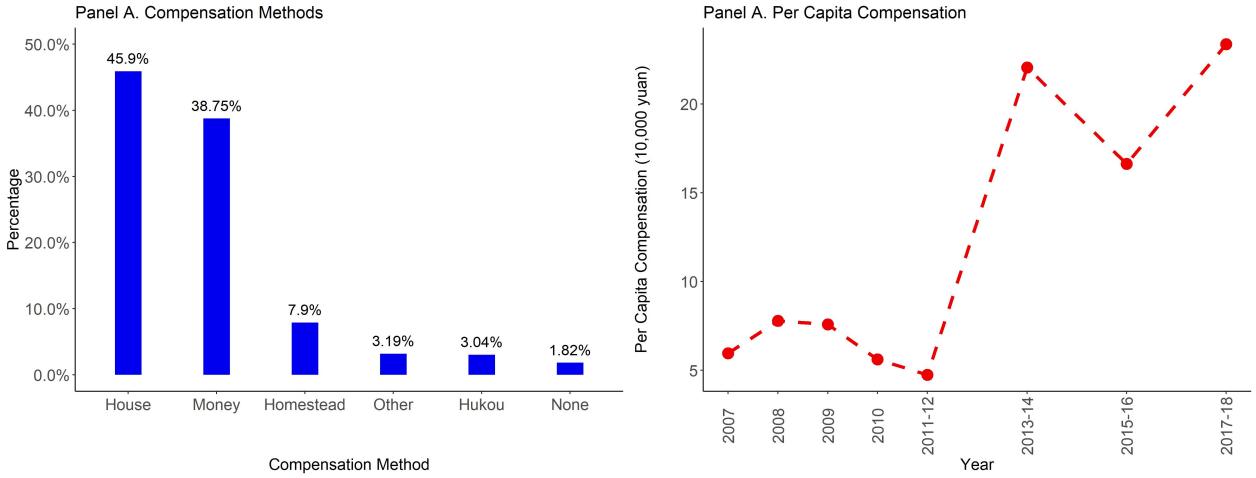

Figure 2: Compensation Methods and Amount for Housing Demolition

Notes: The data source is the China Health and Retirement Longitudinal Study for Panel A and the China Family Penal Studies for Panel B. Both are calculated from using urban sample only, Panel A (B) covers the period 2000-2014 (2007-2018). In Panel B, the compensation include money received and the value of new houses, which are calculated from using using housing price at the time of survey.

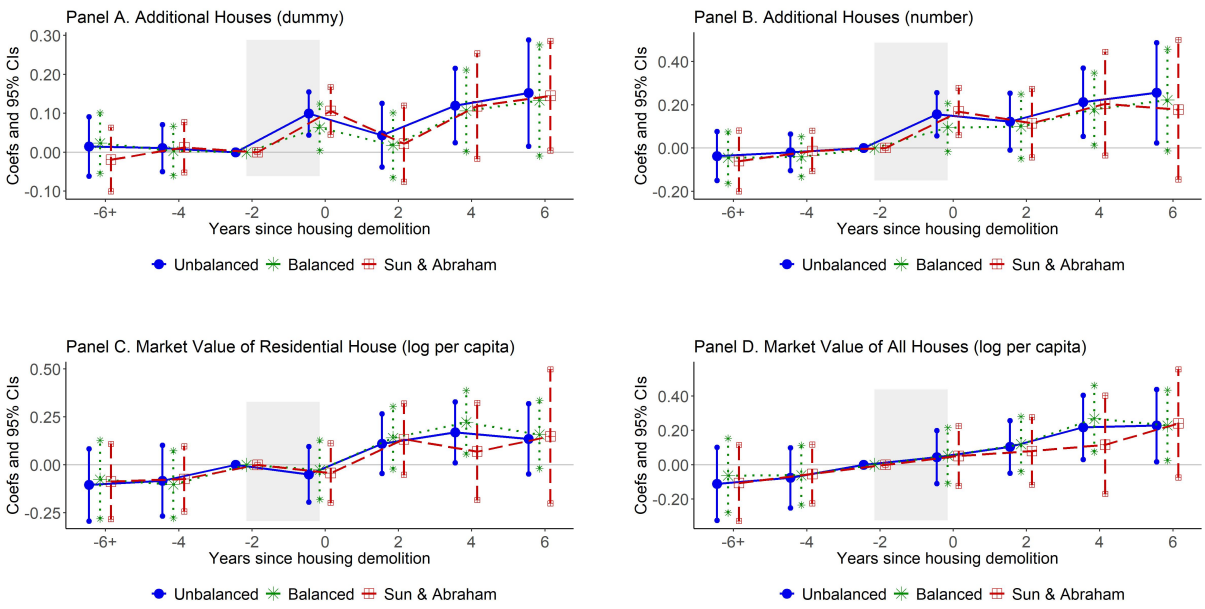

Figure 3: Dynamic Impacts of Housing Demolition on Housing Wealth

Notes: The data source is the China Family Panel Studies. Unit of observation is the household-year. We plot the point estimates of coefficients with their 95% confidence intervals. The shaded region indicates the demolition was happening during this time period. The CFPS survey is conducted in every two years, thus, the gap between two consecutive periods is two years (the horizontal axis). The blue, green, and red lines and points are corresponding to estimates using unbalanced panel, balanced panel, and the method proposed by Sun and Abraham (2021), respectively.

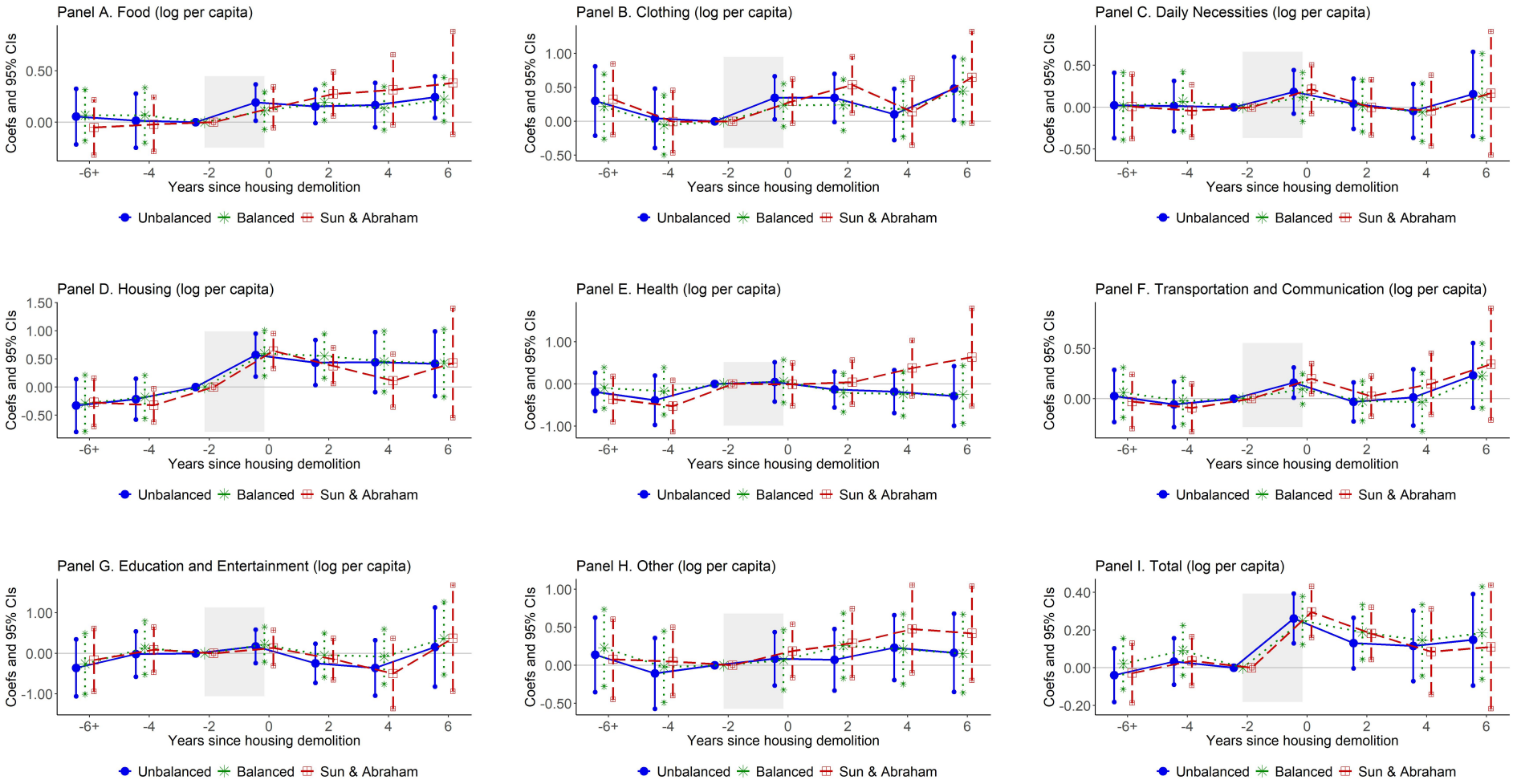

Figure 4: Dynamic Impacts of Housing Demolition on Household Consumption

Notes: The data source is the China Family Panel Studies. Unit of observation is the household-year. We plot the point estimates of coefficients with their 95% confidence intervals. The shaded region indicates the demolition was happening during this time period. The CFPS survey is conducted in every two years, thus, the gap between two consecutive periods is two years (the horizontal axis). The blue, green, and red lines and points are corresponding to estimates using unbalanced panel, balanced panel, and the method proposed by Sun and Abraham (2021), respectively.

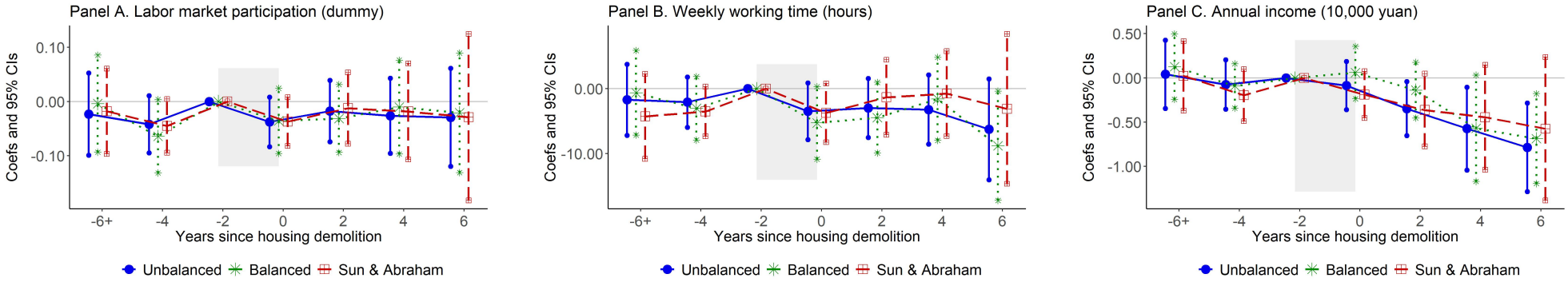

Figure 5: Dynamic Impacts of Housing Demolition on Labor Market Outcomes

Notes: The data source is the China Family Panel Studies. Unit of observation is the individual-year. We plot the point estimates of coefficients with their 95% confidence intervals. The shaded region indicates the demolition was happening during this time period. The CFPS survey is conducted in every two years, thus, the gap between two consecutive periods is two years (the horizontal axis). The blue, green, and red lines and points are corresponding to estimates using unbalanced panel, balanced panel, and the method proposed by Sun and Abraham (2021), respectively.

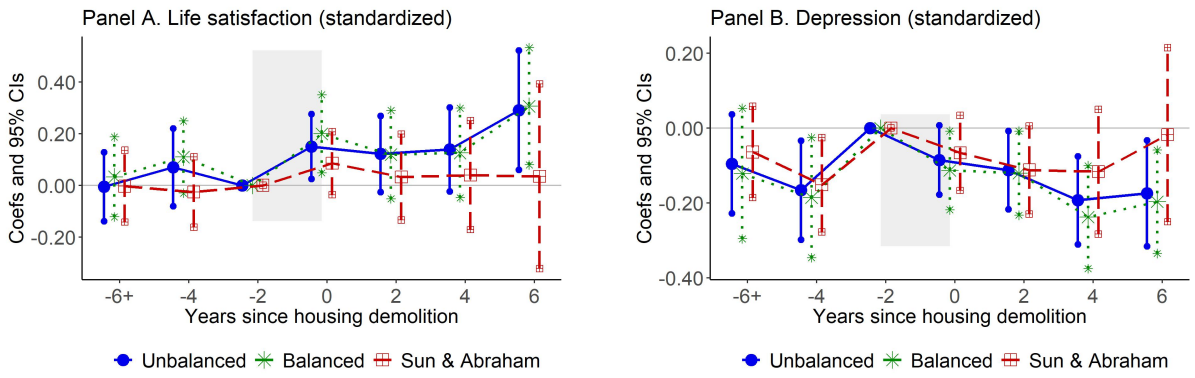

Figure 6: Dynamic Impacts of Housing Demolition on Subjective Well-Being

Notes: The data source is the China Family Panel Studies. Unit of observation is the individual-year. We plot the point estimates of coefficients with their 95% confidence intervals. The shaded region indicates the demolition was happening during this time period. The CFPS survey is conducted in every two years, thus, the gap between two consecutive periods is two years (the horizontal axis). The blue, green, and red lines and points are corresponding to estimates using unbalanced panel, balanced panel, and the method proposed by Sun and Abraham (2021), respectively.

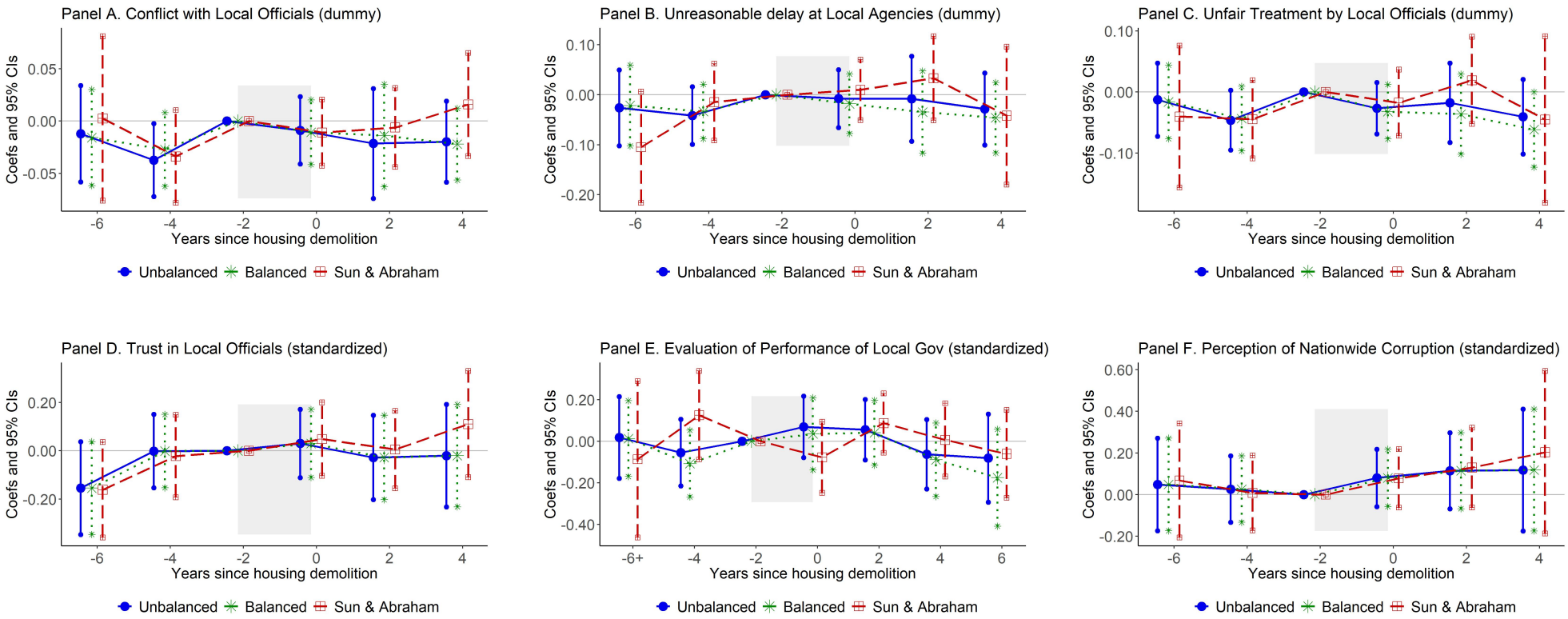

Figure 7: Dynamic Impacts of Housing Demolition on Political Attitudes

Notes: The data source is the China Family Panel Studies. Unit of observation is the individual-year. We plot the point estimates of coefficients with their 95% confidence intervals. The shaded region indicates the demolition was happening during this time period. The CFPS survey is conducted in every two years, thus, the gap between two consecutive periods is two years (the horizontal axis). The blue, green, and red lines and points are corresponding to estimates using unbalanced panel, balanced panel, and the method proposed by Sun and Abraham (2021), respectively.

Table 1: Summary Statistics for Key Variables

	Full Sample					Pre-demo.	Post-demo.	Non-demo.
	Obs	Mean	SD	Min	Max	Mean	Mean	Mean
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Panel A. Housing Demolition								
Housing demolition (ever-experienced)	31425	0.0371	0.1889	0	1			
Panel B. Housing Wealth								
Additional houses (dummy)	31424	0.1985	0.3989	0	1	0.1725	0.2793	0.1951
Additional houses (number)	31451	0.2359	0.5321	0	11	0.2130	0.4084	0.2289
Market value of residential house (per capita 10,000 yuan)	25546	18	43	0	2963	13	23	18
Market value of all Houses (per capita 10,000 yuan)	25546	22	52	0	2963	16	35	22
Panel C. Household Consumption Expenditures								
Food (per capita yuan)	30363	6217	6549	2	270387	4453	6871	6261
Clothing (per capita yuan)	28572	1012	2010	0	90129	640	1051	1025
Daily necessities (per capita yuan)	29931	2781	11560	1	675733	1864	4053	2762
Housing (per capita yuan)	28247	2972	9378	2	446642	1542	6421	2873
Health (per capita yuan)	27205	1945	6938	0	454023	1594	3195	1905
Transportation and communication (per capita yuan)	29846	1576	2430	6	83985	1029	1432	1588
Education and entertainment (per capita yuan)	30795	1753	4480	0	315000	1169	1992	1749
Other (per capita yuan)	31125	465	3034	0	251543	351	411	478
Total (per capita yuan)	28517	18047	24509	22	1198473	11933	24138	18023
Panel D. Labor Market Outcomes								
Labor market participation (dummy)	58039	0.7444	0.4362	0	1	0.6410	0.7552	0.7521
Weekly working time (hours)	48376	34.0272	28.6098	0	168	30.1481	32.1893	34.5019
Annual income (10,000 yuan)	44352	1.9141	2.8719	0	92.44	1.3167	1.7429	1.9417
Panel E. Subjective Well-Being								
Life satisfaction	71636	3.6382	1.0409	1	5	3.4239	3.8271	3.6373
Depression (standardized)	75771	-0.0586	0.8050	-1.1943	3.2728	-0.0541	-0.0849	-0.0568
Panel F. Political Outcomes								
Conflict with local government officials	52096	0.0466	0.2107	0	1	0.0641	0.0405	0.0450
Unreasonable delay at local agencies	52061	0.1666	0.3726	0	1	0.1861	0.1515	0.1643
Unfair treatment by local government officials	52119	0.1087	0.3113	0	1	0.1329	0.0990	0.1069
Trust in local government officials	58486	4.8049	2.5708	0	10	4.4646	4.7879	4.8083
Evaluation of local government performance	67077	2.5287	0.8940	1	5	2.4838	2.5903	2.5332
Perception of nationwide corruption	55131	6.7218	2.6299	0	10	6.3879	6.5918	6.7350

Notes: The data source is the China Family Panel Studies. Unit of observation is the household-year for Panels A, B, and C, the individual-year for Panels D, E, and F. The sample is a five-year panel (2010, 2012, 2014, 2016, and 2018). All variables that use "yuan" as monetary unit are in 2010 RMB. In Panel D, we restrict the sample to individuals who are at their working age ($16 \leq$ age ≤ 64) and exclude current students. In Panel E, data is only available for individuals aged 10 or above (age ≥ 10). In Panel F, data on the conflict/delay/treatment/evaluation/corruption variable is only available for individuals aged 16 or above (age ≥ 16); data on the trust variable is available for individuals aged 10 or above (age ≥ 10). Data on the conflict/delay/treatment variable is only available for the 2010, 2012, 2014, and 2016 waves and data on the trust/corruption variables is only available for the 2012, 2014, 2016, and 2018 waves, while data on the remaining variables is available for all five waves.

Table 2: Balance Checks of Baseline Characteristics

			Demolition					
	Full Sample		Yes	No	Unconditional		Conditional	
	Mean (1)	SD (2)	Mean (3)	Mean (4)	Diff. (5)	p-value (6)	Diff. (7)	p-value (8)
Panel A. Individual-level Characteristics								
Han (dummy)	0.9383	0.2405	0.9505	0.9399	0.0106	0.0868	0.0090	0.3383
CCP membership (dummy)	0.1487	0.3558	0.1368	0.1492	-0.0124	0.2298	0.0026	0.7973
Father CCP (dummy)	0.1658	0.3720	0.1545	0.1672	-0.0126	0.3019	-0.0145	0.3735
Mother CCP (dummy)	0.0298	0.1700	0.0312	0.0292	0.0020	0.7175	0.0046	0.5357
Panel B. Household-level Characteristics								
Family genealogy (dummy)	0.2155	0.4112	0.1787	0.2199	-0.0412	0.0615	-0.0050	0.7925
Distance to nearest medical clinic (km)	1.0122	4.6949	1.1407	0.9981	0.1426	0.5846	0.1649	0.2360
Distance to nearest high school (km)	6.7070	22.8719	5.2240	6.0874	-0.8634	0.4220	-2.1533	0.0859
Distance to nearest marketplace (km)	16.3745	16.8104	16.8295	16.4324	0.3971	0.6588	0.3070	0.7066
Panel C. Community-level Characteristics								
Ancestral hall (dummy)	0.0805	0.2724	0.0955	0.0681	0.0275	0.3498	-0.0046	0.9249
Any clan with population share>=10%	0.2586	0.4385	0.2739	0.2461	0.0278	0.5568	0.0042	0.9445
Number of clans with population share>=10%	0.6293	1.3315	0.6433	0.6178	0.0255	0.8591	0.0300	0.8510
Minority area (dummy)	0.5575	1.5049	0.4777	0.6230	-0.1453	0.3708	-0.2353	0.0723
Natural resource area (dummy)	0.3793	1.2950	0.3758	0.3822	-0.0064	0.9635	-0.1270	0.4104
Distance to town center (km)	1.8226	15.6782	3.3462	0.5702	2.7760	0.1003	-0.0509	0.8720
Distance to county center (km)	6.9066	13.8431	6.5096	7.2330	-0.7234	0.6283	-2.0666	0.2581
Distance to province center (km)	72.8075	172.2267	59.2070	83.9869	-24.7799	0.1821	-17.7647	0.2686

Notes: The data source is the China Family Panel Studies. Columns 1-2 present summary statistics; columns 3-4 show the means between demolished and non-demolished groups; columns 6-7 report unconditional differences in means and the corresponding p-values; columns 8-9 report differences conditional on *county* fixed effects: that is, we regress the characteristic on the housing demolition dummy each time, controlling for *county* fixed effects. Standard errors clustered at the community/county level for Panels A-B/C, respectively. At the individual level, we check for gender dummy, *han* indicator, Chinese Communist Party (CCP) membership dummy, and parental party membership dummies. At the household level, we check for family genealogy dummy and the distance between the household's geographical location to the nearest medical clinic (kilometers), high school (kilometers), and marketplace (minutes by walking). At the community level, we check for whether the village has a ancestral hall or a clan whose population share is larger than 10%, number of clans with population larger than 10%, whether it is a minority area or a natural resource area, and geographic distances to town center, county center, and provincial center. In this table, we refer to the baseline wave as the first wave when the household (and the individual) is surveyed.

Table 3: The Time-varying Determinants of Housing Demolition

	Housing demolition								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Log family size (t-1)	−0.0024								−0.0041
	(0.0100)								(0.0184)
Log family size (t-2)		−0.0013							0.0005
		(0.0128)							(0.0207)
Log asset value per capita (t-1)			0.0003						−0.0019
			(0.0019)						(0.0033)
Log asset value per capita (t-2)				0.0010					−0.0002
				(0.0018)					(0.0024)
Log consumption per capita (t-1)					0.0030				−0.0026
					(0.0025)				(0.0046)
Log consumption per capita (t-2)						0.0006			0.0015
						(0.0031)			(0.0040)
Log income per capita (t-1)							−0.0002		−0.0017
							(0.0017)		(0.0030)
Log income per capita (t-2)								0.0002	−0.0010
								(0.0019)	(0.0033)
Dep. var. mean	0.0501	0.0607	0.0498	0.0603	0.0513	0.0615	0.0506	0.0617	0.0596
Dep. var. SD	0.2181	0.2388	0.2175	0.2381	0.2206	0.2403	0.2191	0.2406	0.2368
Num. clu.	1957	1302	1839	1204	1874	1204	1874	1233	1033
Num. obs.	20689	13347	19371	12567	18878	11880	19636	12656	9799
R-sq.	0.8361	0.8863	0.8424	0.8923	0.8460	0.8998	0.8398	0.8917	0.9049
Household FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
County FEs X time FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Control variables	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: The data source is the China Family Panel Studies. Unit of observation is the household-year. Control variables include share of household members aged below 16 and aged between 16 and 64. Robust standard errors in parentheses, clustered at the community (of current residence) level. ***: significant at 1%; **: significant at 5%; *: significant at 10%.

Table 4: Impacts of Housing Demolition on Housing Wealth

	Additional houses		Log per capita market value of	
	(dummy)	(number)	residential house	all houses
	(1)	(2)	(3)	(4)
Housing demolition	0.0854***	0.1689***	0.0832	0.1426**
	(0.0275)	(0.0473)	(0.0571)	(0.0658)
Dep. var. mean	0.1992	0.2367	2.1831	2.3176
Dep. var. SD	0.3994	0.5324	1.1029	1.1701
Num. clu.	3220	3221	2516	2516
Num. obs.	30967	30971	25177	25177
R-sq.	0.5873	0.5796	0.8554	0.8476
Household FEs	Yes	Yes	Yes	Yes
County FEs X time FEs	Yes	Yes	Yes	Yes

Notes: The data source is the China Family Panel Studies. Unit of observation is the household-year. Note that households who have had their housing seized or demolished in or before 2010 are excluded in the regressions. Robust standard errors in parentheses, clustered at the community (of current residence) level. ***: significant at 1%; **: significant at 5%; *: significant at 10%.

Table 5: Impacts of Housing Demolition on Household Consumption

	Log per capita consumption expenditure on								
	food	clothing	daily	housing	health	trans. com.	edu. enter.	other	total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Housing demolition	0.1555**	0.2654**	0.1047	0.6153***	0.0943	0.1094	0.0448	0.0860	0.1990***
	(0.0698)	(0.1069)	(0.1059)	(0.1774)	(0.1718)	(0.0710)	(0.1897)	(0.1494)	(0.0513)
Dep. var. mean	8.2547	5.7176	6.3366	6.4711	5.6185	6.5651	4.6978	3.3588	9.3408
Dep. var. SD	1.1967	1.9809	1.7715	2.1721	2.5163	1.4929	3.4406	2.7228	0.9249
Num. clu.	3149	3143	3122	3029	3144	3077	3083	3150	2977
Num. obs.	29677	29908	29634	29472	30115	29556	29834	30153	27687
R-sq.	0.6670	0.6797	0.5903	0.7630	0.5704	0.7383	0.6791	0.6837	0.7644
Household FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
County FEs X Time FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Control variables	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: The data source is the China Family Panel Studies. Unit of observation is the household-year. Note that households who have had their housing seized or demolished in or before 2010 are excluded in the regressions. Control variables include shares of household members aged below 16 and aged between 16 and 64. Robust standard errors in parentheses, clustered at the community (of current residence) level. ***: significant at 1%; **: significant at 5%; *: significant at 10%.

Table 6: Impacts of Housing Demolition on Labor Market Outcomes

	Labor market participation (dummy) (1)	Weekly working time (hours) (2)	Annual income (10,000 Yuan) (3)
Housing demolition	−0.0238	−2.8739*	−0.2178**
	(0.0189)	(1.6578)	(0.1084)
Dep. var. mean	0.7496	34.2672	1.9302
Dep. var. SD	0.4332	28.4712	2.8735
Num. clu.	3755	3552	3279
Num. obs.	54756	45561	41570
R-sq.	0.6935	0.6808	0.7577
Individual FEs	Yes	Yes	Yes
County FEs X time FEs	Yes	Yes	Yes
Control variables	Yes	Yes	Yes

Notes: The data source is the China Family Panel Studies. Unit of observation is the individual-year. Note that individuals who have had their housing seized or demolished in or before 2010 are excluded in the regressions. Control variables include age and years of schooling. Robust standard errors in parentheses, clustered at the community (of current residence) level. ***: significant at 1%; **: significant at 5%; *: significant at 10%.

Table 7: Impacts of Housing Demolition on Subjective Well-Being

	Life satisfaction	Depression
	(1)	(2)
Housing demolition	0.1302**	−0.0586*
	(0.0512)	(0.0337)
Dep. var. mean	−0.0005	−0.0628
Dep. var. SD	0.9778	0.8049
Num. clu.	3773	4090
Num. obs.	67714	70974
R-sq.	0.5758	0.6022
Individual FEs	Yes	Yes
County FEs X time FEs	Yes	Yes
Control variables	Yes	Yes

Notes: The data source is the China Family Panel Studies. Unit of observation is the individual-year. Note that individuals who have had their housing seized or demolished in or before 2010 are excluded in the regressions. All outcomes are standardized by the wave-age cells. Control variables include age and years of schooling. Robust standard errors in parentheses, clustered at the community (of current residence) level. ***: significant at 1%; **: significant at 5%; *: significant at 10%.

Table 8: Heterogeneous Impacts of Housing Demolition on Subjective Well-Being

	Life satisfaction	Depression
	(1)	(2)
Panel A. Government corruption in 2018		
Housing demolition	0.0981	0.0135
	(0.1130)	(0.0575)
Demolition X low corruption	0.1287	−0.1409*
	(0.1368)	(0.0852)
Num. clu.	2155	2269
Num. obs.	45517	47625
R-sq.	0.5803	0.6062
Panel B. Government transparency in 2018		
Housing demolition	0.0245	0.0555
	(0.1148)	(0.0711)
Demolition X high transparency	0.2034	−0.1644*
	(0.1428)	(0.0883)
Num. clu.	2155	2269
Num. obs.	45517	47625
R-sq.	0.5804	0.6062
Individual FEs	Yes	Yes
County FEs X time FEs	Yes	Yes
Control variables	Yes	Yes

Notes: The data source is the China Family Panel Studies. Unit of observation is the individual-year. Note that individuals who have had their housing seized or demolished in or before 2010 are excluded in the regressions. All outcomes are standardized by the wave-age cells. Control variables include age and years of schooling. Robust standard errors in parentheses, clustered at the community (of current residence) level. ***: significant at 1%; **: significant at 5%; *: significant at 10%.

Table 9: Impacts of Housing Demolition on Political Outcomes

	Conflict with local officials	Unreasonable delay at local agencies	Unfair treatment by local officials	Trust in local officials	Evaluation of local government performance	Perception of nationwide corruption
	(1)	(2)	(3)	(4)	(5)	(6)
Housing demolition	−0.0034	0.0039	−0.0151	0.0318	0.0941	0.0687
	(0.0151)	(0.0284)	(0.0204)	(0.0558)	(0.0708)	(0.0580)
Dep. var. mean	0.0448	0.1652	0.1061	−0.0878	0.0018	0.0806
Dep. var. SD	0.2069	0.3714	0.3080	0.9771	0.9766	0.9638
Num. clu.	2844	2842	2843	3717	3670	3678
Num. obs.	49531	49564	49547	55458	62071	51312
R-sq.	0.5587	0.6073	0.5863	0.6384	0.5681	0.6013
Individual FEs	Yes	Yes	Yes	Yes	Yes	Yes
County FEs X Time FEs	Yes	Yes	Yes	Yes	Yes	Yes
Control variables	Yes	Yes	Yes	Yes	Yes	Yes

Notes: The data source is the China Family Panel Studies. Unit of observation is the individual-year. Note that individuals who have had their housing seized or demolished in or before 2010 (2012) are excluded in the regressions for columns 1-3 and 5 (columns 4 and 6). In columns 4-6, the outcomes are standardized by the wave-age cells. Control variables include age and years of schooling. Robust standard errors in parentheses, clustered at the community (of current residence) level. ***: significant at 1%; **: significant at 5%; *: significant at 10%.

Table 10: Heterogeneous Impacts of Housing Demolition on Political Outcomes

	Conflict with local officials	Unreasonable delay at local agencies	Unfair treatment by local officials	Trust in local officials	Evaluation of local government performance	Perception of nationwide corruption
	(1)	(2)	(3)	(4)	(5)	(6)
Panel A. Government corruption in 2018						
Housing demolition	−0.0125	−0.0065	−0.0248	−0.0815	−0.1949*	0.1209
	(0.0259)	(0.0386)	(0.0317)	(0.0751)	(0.1052)	(0.0851)
Demolition X low corruption	0.0111	0.0356	0.0050	0.2695**	0.2608*	−0.1123
	(0.0323)	(0.0587)	(0.0433)	(0.1135)	(0.1473)	(0.1290)
Num. clu.	1429	1428	1428	1796	1779	1777
Num. obs.	43326	43366	43363	46383	53159	42803
R-sq.	0.5496	0.5947	0.5760	0.6277	0.5627	0.5867
Panel B. Government transparency in 2018						
Housing demolition	−0.0170	0.0256	−0.0141	0.0067	−0.1320	0.0776
	(0.0230)	(0.0481)	(0.0354)	(0.1130)	(0.0951)	(0.1001)
Demolition X high transparency	0.0142	−0.0228	−0.0123	0.0521	0.0927	−0.0129
	(0.0319)	(0.0607)	(0.0448)	(0.1345)	(0.1441)	(0.1301)
Num. clu.	1429	1428	1428	1796	1779	1777
Num. obs.	43326	43366	43363	46383	53159	42803
R-sq.	0.5496	0.5946	0.5760	0.6275	0.5626	0.5867
Individual FEs	Yes	Yes	Yes	Yes	Yes	Yes
County FEs X Time FEs	Yes	Yes	Yes	Yes	Yes	Yes
Control variables	Yes	Yes	Yes	Yes	Yes	Yes

Notes: The data source is the China Family Panel Studies. Unit of observation is the individual-year. Note that individuals who have had their housing seized or demolished in or before 2010 (2012) are excluded in the regressions for columns 1-3 and 5 (columns 4 and 6). In columns 4-6, the outcomes are standardized by the wave-age cells. Control variables include age and years of schooling. Robust standard errors in parentheses, clustered at the community (of current residence) level. ***: significant at 1%; **: significant at 5%; *: significant at 10%.

Appendix Figures and Tables

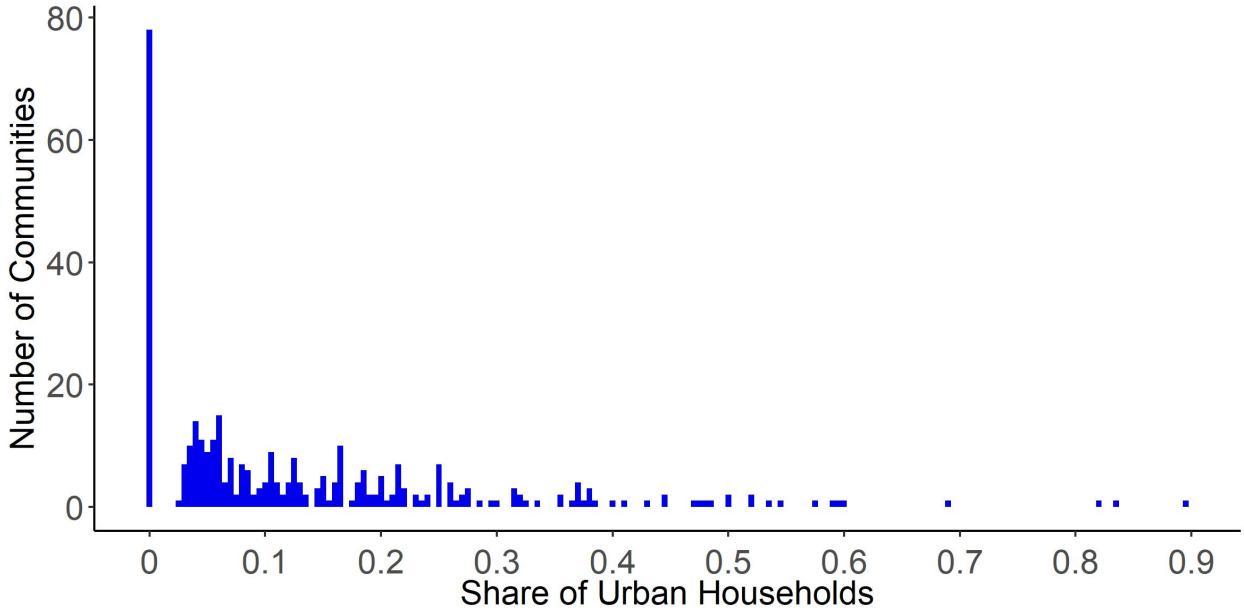

Figure A1: Distribution of Share of Demolished Households within Communities

Notes: The data source is the China Family Panel Studies.

Table A1: Heterogeneous Impacts of Housing Demolition on Housing Wealth

	Additional houses		Log per capita market value of	
	(dummy)	(number)	residential house	all houses
	(1)	(2)	(3)	(4)
Panel A. Government corruption in 2018				
Housing demolition	0.0474	0.0934*	0.0142	0.0164
	(0.0403)	(0.0523)	(0.0877)	(0.1039)
Demolition X low corruption	0.0707	0.1666	0.0923	0.1967
	(0.0580)	(0.1042)	(0.1155)	(0.1361)
Num. clu.	1639	1640	1421	1421
Num. obs.	26384	26388	21796	21796
R-sq.	0.5621	0.5579	0.8463	0.8387
Panel B. Government transparency in 2018				
Housing demolition	0.0710*	0.1699**	0.1076	0.1861*
	(0.0428)	(0.0705)	(0.1038)	(0.1108)
Demolition X high transparency	0.0127	−0.0002	−0.0814	−0.1285
	(0.0567)	(0.0964)	(0.1263)	(0.1430)
Num. clu.	1639	1640	1421	1421
Num. obs.	26384	26388	21796	21796
R-sq.	0.5620	0.5576	0.8463	0.8387
Household FEs	Yes	Yes	Yes	Yes
County FEs X time FEs	Yes	Yes	Yes	Yes

Notes: The data source is the China Family Panel Studies. Unit of observation is the household-year. Note that households who have had their housing seized or demolished in or before 2010 are excluded in the regressions. Robust standard errors in parentheses, clustered at the community (of current residence) level. ***: significant at 1%; **: significant at 5%; *: significant at 10%.

Table A2: Heterogeneous Impacts of Housing Demolition on Household Consumption

	Log per capita consumption expenditure on								
	food	clothing	daily	housing	health	trans. com.	edu. enter.	other	total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Panel A. Government corruption in 2018									
Housing demolition	0.1824	0.2065	−0.0103	0.4162*	0.2966	0.0225	0.1147	0.0717	0.2259***
	(0.1128)	(0.1424)	(0.1382)	(0.2511)	(0.2591)	(0.1042)	(0.2529)	(0.1975)	(0.0764)
Demolition X low corruption	−0.0440	0.0133	0.1357	0.4428	−0.4694	0.1471	−0.4134	0.0309	−0.0941
	(0.1411)	(0.2279)	(0.2129)	(0.3585)	(0.3520)	(0.1438)	(0.3911)	(0.3231)	(0.1070)
Num. clu.	1609	1608	1602	1579	1607	1598	1598	1610	1548
Num. obs.	25248	25485	25240	25227	25675	25273	25519	25705	23580
R-sq.	0.6532	0.6663	0.5654	0.7499	0.5469	0.7297	0.6685	0.6674	0.7480
Panel B. Government transparency in 2018									
Housing demolition	0.1470	0.3347	0.2204	0.5766***	0.0160	0.0538	−0.6730*	−0.1253	0.1209*
	(0.1146)	(0.2048)	(0.1894)	(0.1935)	(0.3708)	(0.0815)	(0.4072)	(0.2923)	(0.0660)
Demolition X high transparency	0.0223	−0.1787	−0.2458	0.0638	0.0938	0.0543	0.8763*	0.3092	0.0906
	(0.1467)	(0.2446)	(0.2289)	(0.3225)	(0.4226)	(0.1311)	(0.4553)	(0.3462)	(0.0977)
Num. clu.	1609	1608	1602	1579	1607	1598	1598	1610	1548
Num. obs.	25248	25485	25240	25227	25675	25273	25519	25705	23580
R-sq.	0.6532	0.6663	0.5654	0.7498	0.5468	0.7297	0.6686	0.6674	0.7480
Household FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
County FEs X Time FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Control variables	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: The data source is the China Family Panel Studies. Unit of observation is the household-year. Note that households who have had their housing seized or demolished in or before 2010 are excluded in the regressions. Control variables include shares of household members aged below 16 and aged between 16 and 64. Robust standard errors in parentheses, clustered at the community (of current residence) level. ***: significant at 1%; **: significant at 5%; *: significant at 10%.

Table A3: Heterogeneous Impacts of Housing Demolition on Labor Market Outcomes

	Labor market participation (dummy) (1)	Weekly working time (hours) (2)	Annual income (10,000 Yuan) (3)
Panel A. Government corruption in 2018			
Housing demolition	−0.0210	−4.5706**	−0.1731
	(0.0257)	(2.3283)	(0.1440)
Demolition X low corruption	−0.0072	3.3033	−0.1129
	(0.0408)	(3.4516)	(0.2213)
Num. clu.	1755	1684	1577
Num. obs.	46143	38648	35686
R-sq.	0.6914	0.6703	0.7322
Panel B. Government transparency in 2018			
Housing demolition	−0.0204	−1.5324	−0.2278*
	(0.0354)	(2.9249)	(0.1311)
Demolition X high transparency	−0.0061	−2.3075	0.0010
	(0.0430)	(3.6370)	(0.2041)
Num. clu.	1755	1684	1577
Num. obs.	46143	38648	35686
R-sq.	0.6914	0.6702	0.7322
Individual FEs	Yes	Yes	Yes
County FEs X time FEs	Yes	Yes	Yes
Control variables	Yes	Yes	Yes

Notes: The data source is the China Family Panel Studies. Unit of observation is the individual-year. Note that individuals who have had their housing seized or demolished in or before 2010 are excluded in the regressions. Control variables include age and years of schooling. Robust standard errors in parentheses, clustered at the community (of current residence) level. ***: significant at 1%; **: significant at 5%; *: significant at 10%.

Table A4: Heterogeneous Impacts of Housing Demolition on Labor Market Outcomes

	Labor market participation (dummy) (1)	Weekly working time (hours) (2)	Annual income (10,000 Yuan) (3)
Panel A. By age			
Housing demolition	−0.0334	−4.2897**	−0.5125***
	(0.0229)	(2.0562)	(0.1298)
Demolition X age 16-34	0.0151	3.2258	0.8761**
	(0.0417)	(3.3029)	(0.4334)
Demolition X age 35-44	0.0309	3.6387	0.6000**
	(0.0388)	(3.5545)	(0.2555)
Panel B. By education			
Housing demolition	−0.0289	−3.6754*	−0.5224***
	(0.0245)	(2.0718)	(0.1191)
Demolition X high school	0.0157	2.2988	0.8350***
	(0.0358)	(2.5356)	(0.2930)
Panel C. By gender			
Housing demolition	−0.0289	−3.2541	−0.3953**
	(0.0259)	(2.1015)	(0.1621)
Demolition X male	0.0112	0.7869	0.3744
	(0.0315)	(2.6950)	(0.2622)
Individual FEs	Yes	Yes	Yes
County FEs X time FEs	Yes	Yes	Yes
Control variables	Yes	Yes	Yes

Notes: The data source is the China Family Panel Studies. Unit of observation is the individual-year. Note that individuals who have had their housing seized or demolished in or before 2010 are excluded in the regressions. Control variables include age and years of schooling. Robust standard errors in parentheses, clustered at the community (of current residence) level. ***: significant at 1%; **: significant at 5%; *: significant at 10%.

Table A5: Heterogeneous Impacts of Housing Demolition on Subjective Well-Being

	Life satisfaction	Depression
	(1)	(2)
Panel A. By age		
Housing demolition	0.0838	−0.0738*
	(0.0554)	(0.0408)
Demolition X age 10-34	0.1374	0.0416
	(0.0907)	(0.0759)
Demolition X age 35-44	0.0954	0.0378
	(0.1018)	(0.0676)
Panel B. By education		
Housing demolition	0.1206*	−0.0604
	(0.0633)	(0.0415)
Demolition X high school	0.0283	0.0029
	(0.0700)	(0.0640)
Panel C. By gender		
Housing demolition	0.1256**	−0.0156
	(0.0589)	(0.0415)
Demolition X male	0.0094	−0.0932*
	(0.0685)	(0.0486)
Individual FEs	Yes	Yes
County FEs X time FEs	Yes	Yes
Control variables	Yes	Yes

Notes: The data source is the China Family Panel Studies. Unit of observation is the individual-year. Note that individuals who have had their housing seized or demolished in or before 2010 are excluded in the regressions. All outcomes are standardized by the wave-age cells. Control variables include age and years of schooling. Robust standard errors in parentheses, clustered at the community (of current residence) level. ***: significant at 1%; **: significant at 5%; *: significant at 10%.