
I. Introduction

A. Background

In the People's Republic of China (PRC), many projects involving “involuntary resettlement” generally cause negative socioeconomic and environmental impacts on the resettled population.

Involuntary resettlement has created three main clusters of negative impacts felt by both those who are displaced and resettled, and on society more generally. They are as follows: (i) negative socioeconomic impacts on those who lose their lands and other fixed assets during acquisition of land; (ii) negative impacts caused by the change of use of acquired land; and (iii) income loss due to restrictions imposed upon the access to acquired land or to other fixed assets associated with the land.

These negative socioeconomic effects upon society can be observed among resettled populations and others who have lost part of their land and other assets as a result of land acquisition. These impacts have been usefully grouped together by Professor Michael Cernea in terms of losses that have the potential to cause impoverishment and the bases for livelihood restoration. For the purposes of this study, four of these risks—landlessness, joblessness, homelessness, and marginalization from mainstream social and economic development—have been considered. Essentially, these people lose access to and control over various forms of capital (social, economic and financial, physical, human, and cultural capital) that are vital in securing individual, household, and community livelihoods. Therefore, involuntary resettlement exposes affected populations to impoverishment risks, unless appropriate measures to avoid them are implemented as part of the project and are included in relevant policies. The elimination—or at least the minimizing—of such risks is certainly a difficult and complex process which requires a strategy that encompasses political will; an appropriate legal land policy framework; and national commitment to

implement comprehensive compensation, resettlement, and rehabilitation programs over a long period of time.

B. Objectives

To support countries to improve their resettlement policy, and to address and minimize the risks of impoverishment caused by resettlement and asset loss as a result of construction and other projects, the Asian Development Bank (ADB) initiated the Regional Technical Assistance (RETA) (RETA 6091) to conduct research in Cambodia, the People's Republic of China (PRC), and India to complement country-specific initiatives and provide a wider range of approaches to improve resettlement.

C. Contents

The main contents of this Country Report include first, a review of the policy framework, laws, and regulations on land acquisition in relevant countries in order to provide important background for PRC-based research that seeks to identify and propose measures addressing the risks of impoverishment associated with land acquisition and resettlement. Second, the study examines the compensation standards for land and other assets that are acquired, including principles to determine the compensation standard, valuation methods, and manner of payment. Third, the report considers the measures that may be adopted for affected persons (APs) to restore their original living standards and longer-term livelihoods, including recommendations around the formulation and implementation of resettlement action plans and income restoration measures, and relevant financial and institutional guarantees. And finally, the report identifies the main management practices associated with land acquisition, involuntary resettlement, and associated impoverishment risks. More detailed field studies of resettlement impacts are required to identify specific problems.