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# Abbreviations

|       |   |   |
|-------|---|---|
| ADB   | - | Asian Development Bank                      |
| AP    | - | affected person                             |
| CLSPI | - | China Land Surveying and Planning Institute |
| CNSF  | - | China Natural Science Fund                  |
| CSSF  | - | China Social Science Fund                   |
| ha    | - | hectare                                     |
| LA    | - | Land Acquisition                            |
| LAL   | - | Land Administration Law                     |
| LAR   | - | Land Acquisition Regulations                |
| MLR   | - | Ministry of Land and Resources              |
| PRC   | - | Peoples' Republic of China                  |

# Glossary

Land-loss farmers—According to the People's Republic of China's laws and regulations, land acquisition refers to turning the collective ownership of land into State ownership, excluding demolishing and reconstruction in cities. Therefore, in Chinese laws and regulations, "involuntary resettlement" is referred to by the phrase "land-loss farmers," and so for convenience of expression, the latter phrase is used throughout this report. In some instances, the term "land-taken farmers" is also used.

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# Notes

Note: 1 hectare = 15 Chinese mu

In addition to this Country Report, the study also includes the following supplementary thematic papers:

1. Scope of Land Expropriation Rights
2. Asset Valuation in Land Acquisition Compensation\*
3. Improving Resettlement Policies and Practice to Manage Impoverishment Risks
4. Reforming the Legal and Policy Framework for Land Acquisition to Manage Impoverishment Risks

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## Currency Equivalent

US\$1.00 = CNY8.10 (yuan)



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# Executive Summary

**E**xtensive land acquisition for public and private purposes has enabled rapid urbanization and industrialization in the People's Republic of China (PRC) but has, in turn, required the involuntary resettlement of hundreds of thousands of people over the past decade. Involuntary resettlement, for many of those displaced, has exposed them to the risk of impoverishment due to the loss of land and other assets that adversely affects their ability to achieve secure livelihoods and alternative employment. The present land acquisition system was created during the planned economy era and, thus, cannot meet the demands of the current market economy. Three major problems have emerged: first, the right to acquire land has been exercised on a wide scale and in ways that often disregard genuine public interests; second, inappropriate valuation methodologies and other problems have resulted in low levels of compensation to those who lose assets as a result of land acquisition; and finally, resettlement policies have failed to guarantee farmers and other affected persons the necessary long-term livelihood assistance. As a consequence, flawed land acquisition policy and resettlement practice have not only proved inefficient but have also exposed farmers whose land has been expropriated to the risk of impoverishment. Therefore, it is imperative that the Government adopts rational and effective measures to resettle, compensate, and assist displaced farmers in a way that ensures they are protected from impoverishment risks and have the necessary assets and resources to build sustainable livelihoods.

This report was prepared on the basis of existing research, pilot project experience, and an examination of other countries' progressive concepts and practices in the management of impoverishment resulting from displacement and involuntary resettlement. The authors of the report conducted detailed studies on (i) the extent and scope of land expropriation in the PRC; (ii) national and international resettlement policies and procedures; and (iii) the risk management of poverty. Several recommendations are presented on the risk

management of land acquisition and resettlement, which can serve as the foundation for legislation, including the revision of the Land Administration Law and the drafting of Land Acquisition Regulations. The main content of the report is as follows:

- (i) Studies on the implementation of land acquisition: giving the theoretical definition of "public interests", in comparison with other countries' definition of the concept, offering three reform plans for the implementation of land acquisition and relevant policies, and providing references for the compilation of land acquisition literature.
- (ii) Studies on the valuation methods for land acquisition compensation, putting forward some fundamental principles on land acquisition compensation in light of the PRC's land ownership system, land-property relationship, socioeconomic development; and taking into consideration factors, such as land market, land supply and demand, and land location, when calculating compensation based on investigations and analyses on the compensation scheme in cities; and testing and comparing the four kinds of valuation methods.
- (iii) Studies on the resettlement policies and risk management of poverty: through analysis of existing policy measures, the Government's role has been clarified in the resettlement of displaced farmers, especially in the improvement of their housing conditions, job training, preferential employment policies, and relevant social security coverage; the various risks facing displaced farmers have been systematically analyzed; recommendations on the risk management of displaced farmers have been made for the reference of national legislation in light of the relevant experience of the Asian Development Bank and the World Bank, as well as specific studies.

