

Module V

The Impoverishment Risk and Reconstruction (IRR) Model

Part II. The Multiple Faces of Impoverishment Risks: The De-Capitalization of Resettlers

Introductory Note

This module presents in detail the fundamental risks of impoverishment intrinsic in forced displacement and resettlement.

Main Risks

Generally, poverty reduction efforts in development programs usually deal with the reduction of the so-called “old poverty”, that is the pre-existing chronic poverty. However, forced displacement undermines, and is antithetic to, poverty reduction, as long as it tends to generate “new poverty”. That means that people who may not have been poor before may fall below the poverty line after resettlement, or those who were poor already may end up worse off, poorer. This is unacceptable under development projects. This is one main reason for which the impoverishment risks of forced displacement have to be systematically counteracted, mitigated, and controlled before they become actual impoverishment occurrences.

De-Capitalization of Resettlers

Impoverishment materializes in the de-capitalization of resettlers who lose capital in various forms. A premise of development is capital accumulation and investment, even on small scale: but forced displacement does the opposite. It de-capitalizes the population affected.

The concept of de-capitalization, as explained in the module, captures the multisided loss of their: (a) natural capital; (b) physical, man-made capital; (c) human capital; and (d) social capital.

Further, the module examines risk by risk, all the eight fundamental impoverishment risks reflected in the IRR model: Landlessness; Joblessness; Homelessness; Marginalization; Food Insecurity; Increased morbidity and mortality; Loss of Access to Common Property Resources; and Social Disarticulation.

This discussion lends itself very well to class illustrations, to be offered both by the trainer and, engagingly, by the course-takers. New issues that are coming up in one or another country, such as interpretation of eminent domain law and its practices, or others, can be linked to the discussion of the relevant basic risk (see, for instance, how this is done in the case of “landlessness” in the Module).

The trainer would emphasize that, in addition to the general risks (captured in IRR as *general* model) there usually are also other, specific, local risks, that always exist, subject to different circumstances. Resettlement risk management must identify and respond to these risks as well.

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