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A Historic Landmark in Development : Reflecting on the First Resettlement Policy

An Interview with Professor Michael M. Cernea*

by Professor Hari Mohan Mathur

Some 30 years ago, a historic landmark was set in the thinking and practice of development. On February 1980, the world's first ever social policy on development-caused forced displacement and resettlement (henceforth, DFDR) was officially adopted by the world's leading development agency. The policy's name was "Social Issues in World Bank Financed Projects with Involuntary Resettlement", code-named the "Operational Manual Statement (OMS) 2.33."

To mark the 30th anniversary, we invited Professor Michael M. Cernea, who in the late '70s initiated and wrote this policy at the World Bank, for an "interview at distance" to share his recollections and reflections on the policy's genesis, its itinerary over 30 years, and its relevance today. As the interview became a dialogue over time and resulted in a transcript longer than what this Newsletter can publish, we are printing only brief excerpts; the entire transcript will likely be published in a full-size journal. We will inform the Newsletter's regular readers on where the full dialogue will be published and become available.

Hari Mohan Mathur *Our Newsletter celebrates 30 years since the adoption of the world's first official policy framework on population displacement and resettlement caused by development projects. What gave that policy historic significance at that time and subsequently, to this very date?*

Michael M. Cernea Forced population displacement is one of the most complex problems faced in development, amounting often to a major setback or tragedy for those affected. On the broader social scale it is a costly pathology that must be avoided as

much as possible. It occurs on a global scale. The risks and losses it brings cause deep social discontent and may entail political instability.

The adoption of the world's first Resettlement Policy in 1980 was a crucial novelty, both in the theory and in the praxis of development. No other international agency, and no country Government, had ever before crafted and instituted a multisided social policy to reduce and reverse the damaging chain of effects triggered by coerced displacement and state-imposed asset deprivation. Governments and agencies only willingly imposed forced displacement on unprotected people. That "first adoption" was a beginning for further advances in the social policies for international development.

Surely, the new policy had its imperfections in its first iteration. But it represented a paradigm change because it was not just a turning point from an old policy to a new one; it was a big leap from NO policy at all to norm-guided institutional behavior. It called for 180 degree reversals of mind sets and entrenched routines. It instituted both a new theoretical model and a new operational model for implementing DFDR processes.

In subsequent years, the historic importance of the new policy evolved and appeared gradually clearer, as it became the template, the model for similar policies adopted by other multilateral and bilateral development agencies, followed later by private sector Banks and corporations as part of the Equator Principles. This process is far from finished; it continues now and will continue in the following years. India's draft policy on Land Acquisition, Rehabilitation and Resettlement submitted to the Lok Sabha on July 27, 2011, is part of this vast world-wide process.

Mathur *What triggered the preparation and adoption of that policy, 30 years ago, in 1980? If it was so important, why didn't the World Bank adopt*

it earlier?

Cernea A huge social disaster triggered it. Sad as this may sound, the context in which the Resettlement Policy was crafted and adopted re-validates a grim observation: it often takes a disaster to awake Governments and institutions, and make radical change accepted. The social disaster that acted as catalyst in this case was Brazil's Sobradinho Dam, built by the country's Government through a WB financed project.

Mathur *What happened? Could you explain?*

Cernea Brazil's Sobradinho dam was built in 1974-1977, becoming ready for impoundment. But the over 70,000 people inhabiting its reservoir area had not yet been resettled. Even worse, no resettlement plan even existed, as nobody prepared it. Nonetheless, the engineers went ahead with the scheduled impounding. Waters began to rise behind the dam. In the Bank's Project's Appraisal Report relocation had been described as a task of local municipalities. However, like in most countries, these were very weak, under-resourced, incapable of relocating that vast humanity: 70,000 oustees!

The drama of flooding-out unprepared and unprotected people exploded and, unusually, surfaced immediately in international news headlines. Brazil's influential Catholic Church launched a huge protest campaign, asking for worldwide help. Newspapers beamed the crisis the world over. Alarmed and embarrassed, the World Bank and Brazil's Government tried to take some last minute measures.

...It was all too little too late. The only thing left to do was to send in Brazil Army's big military trucks to load the at-risk villagers, their cattle and paltry belongings, to rescue them from the rising waters. But the military trucks only dumped the people somewhere on bare land, not yet prepared

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for habitat.

Mathur *Very bad indeed. We know that not only Brazil, but China and India did the same then. Similar cases are endemic in Africa right now. Have you been involved yourself in the Sobradinho project's implementation?*

Cerneia No, I hadn't been even recruited in the World Bank when Sobradinho started. And unfortunately, no other sociologist or social specialist had been brought in either by Brazil or by the WB to plan that big hydroelectric project. In 1978, when the disaster erupted, I was the first sociologist to work in the WB, brought in 3 years before, and had engaged in efforts to convince my colleagues, staff and managers, to use sociological knowledge and research for conceiving better projects. No sociological study on resettlement had been carried out previously by the Bank

Mathur *How did you actually prepare and write that policy if the World Bank didn't have any study or methods for such processes?*

Cerneia Aiming to bring social knowledge into Bank operations, I realized that the Bank was caught both uninformed and unequipped to preempt such displacement disasters, despite their predictability. This made me think of drawing and preparing some guidelines on how population displacement would have to be dealt with in future WB projects.

Well, no great merit here: it was a logical idea. But it wasn't an easy task, as it turned out. Not asked by anybody, I thought myself to do something, and started to research how displacements had been dealt with in prior WB projects. Disappointingly, I found no different approach in earlier cases either, and no study on past issues. File data suggested that comparable outcomes occurred in many prior projects.

Besides trying to draw on the Bank's own prior projects, with little success, I was well aware from my own pre-Bank knowledge of two dramatic dislocation cases and the havoc that forced uprooting inflicts. These cases were, first, the removal of villages from the Bicaz Dam reservoir in Romania, and second -- the little-publicized submergence of Danube's populated Ada-Kaleh Island by the Iron Gates Dam reservoir. Yet most helpful was the valuable knowledge generated by those social scientists who had researched displacement at the Volta and Kariba dams in Africa and wrote books, like David Butcher, Robert Chambers, Elisabeth

Colson, Thayer Scudder, or like the sociologists Herbert Gans and Robert Dentler, who studied urban relocation in the U.S. case of Boston's West End. I immersed myself in this anthropological and sociological literature and read all I could find about displacement. From this "on the shelf knowledge", I began to extract ideas on what to avoid and on what to do proactively and preemptively. In sum, I proposed some basic norms and recommendations on how to prepare future WB projects causing displacement. This was a straightforward attempt to translate analysis and research articulated in academic social science books into practicable knowledge, usable in operational development projects, i.e. knowledge for application purposes, as development practitioners need and can employ. The "product" was a set of new guidelines for action, a social methodology.

Mathur *How were your proposed guidelines, that new methodology, received when you presented them?*

Cerneia My draft was put up for discussion by the technical staff of the Bank, for which it was intended. Seminars were held around it throughout the Bank, old project cases were unburied and re-examined.

After intense internal debates, with both support and controversy, even sharp disagreements openly aired, and after follow-up rewriting, my managers at the time, Leif Christoffersen and Monty Yudelman, fully embraced the text and sent the guidelines all the way up within the institution's hierarchy. I expected further hurdles. Yet top World Bank Management reacted quickly and very favorably. It saw in the proposed guidelines a way out from repeating the Sobradinho fiasco, exactly as I justified them. The Bank's then President, Robert McNamara, decided to adopt the guidelines and have them immediately issued as a formal World Bank Operational Policy Statement on Involuntary Resettlement.

This is how, on February 8, 1980, the OMS 2.33 was born and launched.

Nobody "predicted" it at that time, but this was when that social policy started its long itinerary across the world at large. Yet the way in which it gained big international traction wasn't an "edict" of the Bank, however influential the WB was, but the objective necessity of such new methodology and policy..

Mathur *Let me return to your term: the "sharp disagreements" erupting in the in-*

house debate around your draft. What would you say was the single most consequential "reversal" you proposed?

Cerneia There is no doubt in my mind on this: the single most consequential and productive change instituted by the novel policy was to abolish the *prior de-linking of "resettlement" from "displacement*. The practice of projects using their power for doing systematic displacement but externalizing resettlement to happenstance was the poisoned root of all ills. Fully to the contrary, *incorporating resettlement as responsibility and task of the displacing project and its owners was the single most consequential reversal instituted by the new policy*.

This shift was the essential game-changer, a revolutionary shift in treating displacements imposed deliberately by decision-makers on people who were never consulted about it. This change triggered a chain of long-reaching positive consequences.

Mathur *Has this integration of resettlement into the core development project been achieved by now in all projects that cause displacement?*

Cerneia Far from it. De-linking has not disappeared. Dysfunctional as it is, de-linking is now re-surfacing in private sector infrastructure projects. In practice, private sector projects tend to free themselves from resettlement responsibility by acquiring land through the state's apparatus and paying cash compensation to the state. Corporate projects tend to not include the resettlement component. By paying cash to the state they distance themselves from all that must follow after dislocation, namely: the re-location of people. Most private sector projects thus shift the responsibility and burden of resettlement and livelihood reconstruction to the local state administration or/and the displaced farmers.

This is the same old flawed strategy that the World Bank's policy has rejected 30 years ago. Social scientists have by now mountains of empirical evidence that prove how flawed this de-linking remains and how it leaves countless displaced people worse off, impoverished, destitute, without a productive basis to reconstruct their livelihood.

The state should protect the interests of the people displaced by private sector projects by demanding legally that projects which displace should also resettle responsibly and sustainably. I know from my direct field work on a BP project in

Indonesia and a Chevron project in Angola that some private sector projects that didn't run away from their responsibility and have assumed a key role in reconstruction post displacement, consistent with their professed corporate social responsibility, have achieved dramatically better performance in resettlement than the local administrations..

Mathur *This indeed is a very serious issue, and an unresolved cause of many problems in DFDR. Let me ask now, in connection with it, how did the WB policy "became a worldwide template" as you said earlier, replicated by a number of other but not of all development institutions and agents? How did that process unfold?*

Cernea History proves my statement. Nobody -- neither the World Bank's management, nor its social specialists -- could predict in 1980 how vastly influential this new policy would become worldwide. We wrote the policy primarily for World Bank operations, aiming to get borrowing governments to follow it. The policy responded to an immediate need in 1980, but the necessity for it was worldwide and stringent. That necessity didn't subside at all: if anything, it has grown exponentially. Today, in 2011, the necessity for resettlement legislation is stronger than ever.

One image that I think can best capture and synthesize the itinerary of this policy is a "ripple effect", that is, of policy replications spreading globally. Or if you wish, we can picture it as a six-pronged advance, along at least six distinct yet mutually related "tracks", from 1980 to 2011. Progress on each track had its distinct dynamic of replication and adoption, its own strengths and weaknesses, its own good and bad experiences. Nor have these tracks evolved evenly or with the same speed. Nonetheless, the overall advance is nothing less than formidable. The six tracks along which the resettlement policy has evolved over these 30 years can be defined as follows:

First, policy advance on the "internal track", that is inside the World Bank Group. We revised, updated, and improved the policy at least 4 times: in 1986, 1988, 1990, and 2001. Details on this constant process of updating and strengthening can be found plenty, in other papers.

Second, advance on the "international track", that is, policy adoption by a series of other major public international organizations: This includes the adoption

of similar policies based on the WB template by other major public IFIs (International Financial Institutions) such as the IADB in 1988 for the Latin American region, the ADB in 1995, the AfDB (the African Development Bank) in 2003, and the EBRD following its creation. Additionally, the same resettlement policy was adopted in 1991 by OECD and the Bilateral Aid agencies of all 25 developed countries members in the OECD. Thus, from one institution's policy an entire policy constellation emerged internationally.

Third, the elaboration in 1998 of the *Guiding Principles (GP) on Internal Displacement*, prepared under the auspices of the Representative of the UN Secretary General on Internally Displaced Persons (IDPs). That important document was elaborated and promoted in the UN Human Rights system, on a different track than the IFIs, with the Brookings Institution being its pivotal force throughout. While the GP place special emphasis on protecting the human rights of people displaced by conflicts and violence, one historic merit of this document is that, for the first time, it addresses within one framework all 3 broad categories of IDPs, resulting from conflicts, natural disasters, as well as from development projects. This makes this document outstanding. It requires a different analysis, which is not our subject today.

Fourth, advance on the "national track". This is progress in domestic national contexts, consisting in the introduction of comparable principles, guidelines, or sectoral and national resettlement policies in some developing countries; Despite certain steps forward, it must be recognized that this track is still lagging behind. To this day, the vast majority of developing countries still have not yet adopted national legislation and policies to regulate DFDR processes -- again, for reasons that would require a distinct discussion.

Fifth, a breakthrough advance on a "transfer track" from the public sector's agencies to policy adoption in 2004 inside the private sector by initially 10 (and now some 70) giant transnational development-financing banks. This is embodied in what are known as the "Equator Principles".

Sixth, adoption of the policy by *Export Credit Agencies* (ECAs) that provide official state guarantees for loans made by private sector banks to developing countries. The vast majority of the world's ECAs (but not yet the ECAs of such countries as Brazil,

China, India) have adopted the WB resettlement policy as one of their own safeguard policies..

Mathur *Indeed, I must say that this 6 track itinerary you depicted is an extraordinary itinerary for a social policy, a huge ripple effect. It validates both its global relevance and the global need for guidelines. But as you just indicated, you and your WB colleagues updated the original 1980 policy in at least four subsequent rounds. What about the 2001 version of policy, by now no less than a decade old? Would you say that an update is again due now, 10 years later?*

Cernea Definitely: due and overdue. Many major reasons demand that the World Bank updates enriches. and diversifies its resettlement policy.

First, over the last 10-12 years the body of social science knowledge and data about DFDR processes has been vastly enriched. Obviously, these advances are not yet reflected in the existing 2001 policy. This reduces the policy's current impact. Second, the practical R&R project experiences of the World Bank itself and of many member countries have grown immensely and must be taken into account in refining the operational procedures, in ways germane to different economic sectors and subtypes of displacement and resettlement. Research on real life outcomes has revealed internal discrepancies in the policy itself, between its declared goal and its provisions of means. Recent theoretical analyses, and empirically assessed resettlement outcomes, have demonstrated that the currently prescribed means and resources are insufficient to reach the objectives. We know what is needed: resources must be increased. While the risks of impoverishment are general and embedded in all types of forced economic and physical displacements, these risks do vary in intensity, forms and manifestations from one subcategory of projects to another, from one sector to another, and call for differently tailored counter-risk measures, resources, remedies, and solutions.

Mathur *If this is the case, why doesn't the World Bank update its policy in line with up to date research and the lessons of practice?*

Cernea This is a relevant question, but it's better to address it to the World Bank's managers now in charge with this work, who procrastinate it. As you know, I retired from the Bank and do not speak now on its

behalf. But if I am to share my perception, the Bank's tardiness in enhancing this policy has more than one reason.

Like always, some people tend to revise policy down, that is, to reduce its standards, while others argue that a viable and efficient policy should be steadily updated, to keep pace with the state-of-the-art in science and in advanced good practices. The asymmetry between these opposing orientations has not been overcome yet in the World Bank. The first viewpoint argues that the Bank needs to, so-to-say, "reduce its costs of doing business" in applying this policy, which is the code-wording for simplifying and diluting the policy and its protective and planning procedures. The contrary viewpoint is that the Bank must overcome the discrepancy between its policy's main goal in resettlement the improvement or at least restoration of displaced people's livelihoods and the insufficient financial and institutional means it prescribes and mobilizes for achieving this goal. Research shows that means-starvation cause goal-failure. Experience teaches that to decisively prevent goal-failure it is necessary to put an end to means starvation, i.e., to the under-funding of resettlement, and to recognize two things: that impoverishment must be avoided at all costs, and that not all displacements are routine and equal and can be treated with the same broad brush.

Today it is obvious that the WB policy could also be enriched by learning from some good practices and policies that emerged in a handful of its member countries, in which better standards than the Bank's own policy have been adopted, leading to better livelihood protection. Also, the recent (2010-2011) updating and improvement of resettlement standards by IFC, the private sector arm of the WB group, after a broad and responsive public

consultation, has produced an updated set of policy standards and operational procedures that, financed adequately and implemented firmly, can produce projects more responsible socially, with less relocation failures and higher livelihood reconstruction for those displaced. IFC strengthened standards now integrate organically the policy principles on involuntary resettlement within the broader IFC provisions for social and environmental assessment, while maintaining distinct and complex resettlement requirements, special procedural demands, and increased financing.

Mathur *In 2010, we became rather concerned learning that not only outside critics, but even a WB internal evaluation also reached mixed conclusions about performance and effectiveness in Bank's resettlement work compared with its policy. What were the key issues?*

Cernea Indeed, WB's Independent Evaluation Group (IEG) recently carried out a broad review of safeguard policies' effectiveness (IEG, 2010), accessible now publicly. IEG found serious weaknesses in policy implementation by the Bank, and signaled a whole series of content and operational problems which the WB has not yet resolved. IEG also discovered and disclosed that the World Bank doesn't even have the statistics on the magnitude of displacement triggered by its projects year after year, a lapse that speaks volumes about not only the causes but also the dire consequences of such ignorance. During last full 17 years, since 1974, the World Bank hasn't undertaken and published a full review of its projects portfolio causing displacement and resettlement, to ascertain performance levels, successes, failures and lessons. The habitually incisive IEG couldn't report in its study even elementary data on the fundamental indicators in DFDR, such as: what number

or proportion of WB projects each year achieve or fail to achieve the policy's central objective regarding resettlers' income and livelihoods? How many projects leave resettlers worse off, impoverished? What is being pro-actively done to systematically remedy legacy failures?

Thus, under independent evaluation, it appears that the effort for improving both the policy's provisions and its practical implementation confronts enduring constraints and lack of adequate staff capacity. More than one year passed since the IEG's report was issued and Board discussed, yet no WB account of remedial actions on revealed weaknesses was made public.

Hari Mohan Mathur *My last question is about Climate Change (CC): do you think that the policy on development resettlement will be relevant to what the world expects in terms of possible Climate Change-related mass-resettlement needs?*

Michael M. Cernea A truly key question. Currently, population resettlement is becoming a global concern and debate, wider than ever before. This is how it should be given, first and foremost, the huge displacements caused by infrastructure investments rapidly growing now. Second, *the type of planned resettlement* due to CC and sea level increases will have many features similar to DFDR. Thus, the pioneering policies on DFDR may offer the starting template for evolving policy frameworks and operational strategies for future CC-related resettlement as well. This is another paramount reason to deepen the study of DFDR, improve its policy norms, and build sound institutional capacities and the financial resources for carrying it out much, much better.

Hari Mohan Mathur *Thank you very much, Professor Michael Cernea, for sharing so much information, recollections, and relevant reflections with our readers*

Fifteen Years of ADB Policy on Involuntary Resettlement

Susanna Price*

Fifteen years ago, in 1995, the Asian Development Bank (ADB), adopted a Policy on Involuntary Resettlement. To celebrate

the 15th anniversary of this policy, we invited Susanna Price who played a key role in developing strategies to enhance the policy, legal and institutional frameworks for involuntary resettlement in countries of Asia and the Pacific region, to share her reflections on developments that

led to these major policy initiatives. She graciously consented, and her reminiscences as given to us are reproduced below in her own words.

Professor Hari Mohan Mathur

* Susanna Price, the first Social Development Specialist recruited in 1996 by ADB to work on Resettlement, is now a Fellow of the College of Asia and the Pacific, Australian National University, Canberra.

This edition of Resettlement News falls on an important anniversary. The Board of the Asian Development Bank (ADB)¹ approved a *Policy on Involuntary Resettlement* in 1995, 15 years ago. Drawing upon the World Bank's pioneering policy, ADB's policy sought to avoid involuntary resettlement wherever possible; to minimize it by exploring project and design alternatives; to restore or enhance livelihoods of displaced persons relative to pre-project levels; and to improve the standards of living of the affected poor and other vulnerable groups.

From 1996 ADB recruited resettlement specialists to activate the policy; they initiated a multi-year program of capacity building and reporting for resettlement policy implementation in ADB's operations, producing a *Handbook on Resettlement: A Guide to Good Practice* in 1998 in English and regional languages. In 2002 ADB institutionalized safeguard compliance procedures that were designed to check compliance with the 1995 Policy amongst others, before approval.

A key feature of ADB's Policy implementation has been the willingness to commit staff resources and funds to build capacity and to help strengthen the resettlement macro frameworks in borrower countries, as foreshadowed in the 1995 Policy. ADB staff designed and managed a series of such efforts, beginning with an exploratory seven-country Regional Technical Assistance (RETA) (1998-2000)² that aimed to develop strategies to enhance the policy, legal and institutional frameworks for involuntary resettlement in seven borrower countries. This study won the 9th Annual Canadian CIDA Award for International Co-operation in 2000. A follow-on RETA continued the work in 6 countries³. Detailed country-specific studies were approved⁴, resulting not just in knowledge products but in enhanced national policy frameworks, for example, in Sri Lanka and Lao PDR⁵. Recognizing the dangers of resettlement risks, ADB staff

initiated a third RETA entitled 6091-REG Technical Assistance on *Capacity Building for Resettlement Risk Management*, which resulted in recommendations and knowledge products for enhanced policy and practice in China, India and Cambodia.

In July 2009, ADB's Board of Directors approved a new Safeguard Policy Statement (SPS) that supersedes ADB's *Policy on Involuntary Resettlement* (1995), *Policy on Indigenous Peoples* (1998), and *Environment Policy* (2002). The SPS became effective in January 2010. The safeguard merger followed a lengthy and spirited process of public consultation, as civil society groups endeavoured to maintain and improve the standard to protect people displaced by ADB-financed projects. Civil society representatives expressed concern, firstly, that precision in the essential resettlement principles might be lost in the conversion of the three separate safeguard policies into one umbrella policy. Secondly, many felt that the SPS was not capitalizing on new research findings on resettlement impacts, such as the need to go beyond mere restoration of incomes to achieve "resettlement with development".

Recognising the continued priority to assist DMCs to strengthen their own safeguard systems and enhance their implementation capacity in addressing environmental and social risks associated with development projects, ADB approved a new program, *TA-7566 REG: Strengthening and Use of Country Safeguard Systems* in 2010 for USD 5 million⁶. Intended outcomes include: (i) improved country legal and regulatory frameworks for environmental assessment and management, involuntary resettlement and/or Indigenous Peoples; (ii) strengthened institutions and capacity for effective implementation of laws and regulations pertaining to environmental assessment and management, involuntary resettlement and/or Indigenous Peoples safeguards; (iii) enhanced state-owned and/or private sector

companies' environmental and social management systems; (iv) promoted programs for public awareness and involvement in environmental and social assessment and planning process; (v) improved mechanisms for information sharing, knowledge capture and dissemination; (vi) action plans for CSS strengthening at national, sectoral, and/or agency levels developed for and adopted by governments or private sector companies for implementation; and (vii) enhanced partnership among development partners for long-term programs with funding sources available for CSS strengthening and effective application. Under this program work is already being initiated for enhanced resettlement frameworks, for example, in Mongolia.

Notes and References

¹ADB is the regional development bank for Asia and the Pacific based in Manila.

²TA 5781-REG: Review of National Resettlement Policies and Experience with Involuntary Resettlement Projects, approved 10 March 1998 for USD 831,000.

³The follow-up was TA 5935-REG: National Resettlement Policy Enhancement and Capacity Building, approved on 20 September 2000 for USD 500,000.

⁴Country-specific studies included these studies: TA No. 3246-SRI Technical Assistance to the Democratic Socialist Republic of Sri Lanka for Development of a National Involuntary Resettlement Policy; TA No. 3792-SRI Small Scale Technical Assistance for Sri Lanka: Capacity Building for the National Involuntary Resettlement Policy; TA No. 4245-SRI Small Scale Technical Assistance for Sri Lanka: Implementing the National Involuntary Resettlement Policy; TA No. 3727- VIE Technical Assistance to the Socialist Republic of Vietnam for Enhancing the Resettlement Legal Framework and Institutional Capacity; TAR: BAN 37334 Technical Assistance to the Government of Bangladesh for the Development of a National Involuntary Resettlement Policy; TA No. 4422-NEP Small Scale Technical Assistance to the Government of Nepal for the Preparation of the National Resettlement Policy Framework; TA No. 3535ADB, Technical Assistance to the Lao People's Democratic Republic for the Energy and Transport Socio-Environmental Management for \$150,000, approved on 10 November 2000.

⁵ADB approved an Environmental and Social Program Loan for Lao PDR in 2001 (Loan no. 1867 for USD 20,000) to support these enhancements

⁶For USD 500,000 approved in December 2002.

See ADB's website: <http://pid.adb.org/pid/TaView.htm?projNo=44140&seqNo=01&typeCd=2>

Breaking New Ground

New Law on Land Acquisition and Resettlement for India

Compulsory land acquisition for the public good is a contentious issue as crowded India seeks to industrialize, often at the expense of small landholders. The mainly poor farmers who make up the bulk of India's 1.2 billion population worry they are being ripped off by rapacious

businessmen and politicians in land deals, while companies are wary of making large investments for fear courts will strip them of their holdings. The government wants to meet the needs of the farmers but must also keep India's economy growing at a fast rate by attracting investment for new roads,

housing and factories. Major infrastructure projects are currently held up by clashes over land.

It is against this background that the government of India on 7 September 2011 introduced a land acquisition and resettlement bill in parliament that seeks

to placate a rural voter base worried it is being short-changed in the country's rush into modernization. The Bill seeks to balance the need for industrial growth with the concerns of farmers. The preamble reads as follows: "A draft bill to balance the need for facilitating land acquisition for industrialization, development of essential infrastructure facilities and urbanization, while at the same time to meaningfully address the concerns of farmers and those whose livelihoods are dependent on the land being acquired". The government has been criticized for failing to push through more quickly this and other reforms seen as vital for driving growth.

The land acquisition and resettlement provisions will apply when the government acquires land for its own use or for the transfer to private companies for stated public purposes or for declared use by

private companies. Under the bill, the government can forcibly acquire land if 80 percent of families affected by a project agree to sell. It provides for enhanced compensation and resettlement packages to displaced persons. Private companies buying more than 100 acres of land in rural areas or more than 50 acres in urban areas will also have to compensate families by providing jobs to at least one member of the family or an annuity for 20 years. In addition, private companies buying land in urban areas need to inform district collector of the intent to buy land, purpose of purchase and particulars of land to be bought.

The proposed land acquisition and resettlement bill has several positive features. The bill replaces the much criticized colonial land acquisition act of 1894. It combines land acquisition and

resettlement under one law, giving resettlement policy a sound legal backing. It also provides that land can be transferred to a project only after compensation has been paid and resettlement fully completed.

Despite some positive aspects, the Bill seems not to have been successful in achieving the goal of balancing the need for industrial growth with the concerns of farmers. It is tilted in favour of farmers, who do deserve a better deal, but land acquisition for industry still remains a challenge. Getting consent of 80 percent project affected families for acquisition of their lands is not going to be an easy task, and may prove a stumbling block on the path of industrialization. Critics say that the new policy will push up costs and encourage companies to exploit loopholes.

Beyond Compensation

Sharing Profits with the Affected People from Mining Projects in India

In India, the booming mining industry is increasingly facing protests from local people as its activities threaten their livelihood. To soften the impact, the Parliament will soon adopt a law that gives the affected people a share in profits from the mining projects. Specifically, the draft Mines and Minerals (Development and Regulation) Bill, 2011 proposes that coal mining companies set aside 26 percent of their post-tax profits into a fund. In addition, an amount equal to the royalty for iron ore bauxite and limestone will also flow into the fund with the affected population. The corpus is proposed to be spent across 60 tribal dominated districts in Jharkand, Chattisgarh, Orissa, Madhya

Pradesh and Karnataka.

The industry has not welcomed the idea of sharing profits with the affected people. It is argued that this will make mining operations unviable and deter the flow of investment into the sector. The Chairman of Confederation of Indian Industry's (CII) National Committee has even asked for reconsideration of the proposed law: "There is a need to review and examine concerns raised by industry on royalty, profit sharing and the methodology of providing assistance to project affected persons before the bill is finally rolled out". Likewise, the General Secretary of FICCI issued a statement: "Indian mining is already one of the highly

taxed sectors in the world and this new Act will further increase tax incidence on coal to 61 percent and iron ore to 55 percent." In contrast, the effective rate of taxation in several countries such as Australia (39 percent), Congo (30 percent), Russia (35 percent), China 32 percent) and Chile 28 percent) is much lower.

The mining stocks fell, with Coal India Limited (CIL), a public sector undertaking, taking the biggest hit on 30 September 2011, the day the Cabinet cleared the Bill for its introduction in the coming winter session of the Parliament

Source: The Times of India, 1 October 2011 and other media reports

Another Driver of Land Acquisitions?

Rising Demand for Renewable Energy

Rising demand for the dominant form of renewable energy worldwide – wood – could drive yet more acquisitions of land in developing countries where food insecurity is rising and land rights are weak, say researchers at the International Institute for Environment and Development (IIED). In a recently published briefing paper they warn that this new trend needs greater public scrutiny and debate.

New tree plantations in developing countries that will be harvested to export wood could spell good news in terms of jobs, investment, climate change and conservation – if they are managed well. But there is also a risk that plantations will displace poor and marginalized communities from land they have tended to for generations but have no claim over.

The paper, aimed at policymakers in both developed and developing countries,

warns that rising demand for wood could harm food security and the livelihoods of the world's poorest and most vulnerable people if governments lease large areas of land for fuel wood plantations.

Source: An IIED Briefing Paper by Lorenzo Cotula, Lynn Finnegan, Duncan Macqueen, published, London, August 2011

Coming Soon in Chinese

The Cernea and Mathur volume on Compensation Issues in Resettlement

The Chinese version of the book *Can Compensation Prevent Impoverishment? Reforming Resettlement through Investments and Benefit Sharing* edited by Michael M Cernea and Hari Mohan Mathur published by the Oxford University Press in 2008, is expected to be out later this year. This volume consisting of papers

contributed by a group of the world's best known resettlement scholars is a critique of the cash only compensation principle, and argues for reforming resettlement in ways that recognize the displaced people as the first beneficiaries of a project, not its first victims.

The translation and publication of this

volume in Chinese owes much to the initiative of Professor Shi Guoqing (Director, NRCR, Hohai University, Nanjing). For further information, contact him at his following e-mail addresses: gqshi@jlonline.com, shiguqing@hotmail.com

Myitsone Dam Suspension

A Breakthrough for Burma's Civil Society

In a stunning move, Burma's President today announced that the Myitsone Dam on the Irrawaddy River would be hailed "to respect the will of the people". International Rivers welcomes this decision as a fantastic breakthrough for civil society groups in Burma and their partners in China and around the world.

The US\$3.6 billion Myitsone hydropower project would have submerged

the confluence of Irrawaddy River in Kachin State and created a reservoir the size of Singapore. The project is central part of a seven-dam cascade proposed to be built with \$20 billion in Chinese investment located in one of the world's top biodiversity hotspots, would displace 12,000 people and would irreversibly affect Burma's central river system and rice-growing area.

The Myitsone Dam is strongly opposed

by the Kachin People's Organization, Nobel Prize Winner San Suu Kyi, civil society organizations in Burma and their partner groups in China, Thailand and around the world. International Rivers is supporting the Burmese NGOs through technical corporate research and international awareness-raising.

Source: International Rivers, Press Release 30 September 2011

International Conference on Economics, Social Justice, and Ethics in Development Caused Involuntary Migration

The Hague, Netherlands 5-7 October 2010

Under the aegis of the 15th Metropolis Conference with the general theme: 'Justice and Migration: Paradoxes of Belonging', an International Special conference on the theme "Economics, Social Justice, and Ethics in Development Caused Involuntary Migration" was held during 5-7, October 2010 at the Hague, The Netherlands. The conference was convened by Michael Cernea (George Washington University, USA) and Dr. Susanna Price (Australian National University, Canberra).

The conference was attended by a diverse group of social scientists, development practitioners, and representatives from civil society organizations, financial institutions and multilateral institutions like the World Bank and the Asian Development Bank (ADB). It was an impressive global representation with a gathering of around 35 researchers and resettlement practitioners from Europe, Asia, Africa, North and South America and Australia. The conference had 8 sessions with 4 workshops covering topics ranging from theoretical and policy perspectives in

development-caused involuntary migration to justice in displacement, challenges faced in implementing involuntary resettlement and issues relating to justice for the displaced.

The key note address by Maninder Gill, World Bank, highlighted compensation, resettlement with development, and policies of World Bank. In the subsequent sessions, a range of topics such as emergence of policy response and legal frameworks to deal with displacement, rights violation and accountability to local populations, climate change linked displacement, migration etc, were addressed.

On the whole, the papers presented captured a scenario where a huge process of redistribution of wealth from the poor and powerless to others i.e to large corporations and business interests is taking place which are in a way 'opportunity transfers' from one section of people to the elite of the society. Take for example, the Mines bought at an apparent value from the people are but opportunities which carry enormous wealth which the

private players are gaining at the expense of the livelihoods of people.

In the words of Michael Cernea "the experiences from different quarters of the globe presented in the sessions covered the vast canvas of human destinies under the development caused displacement, reflecting a clash between the State and a fraction of its citizens and that whatever progress that was earned was earned with tears and blood of these people. Resources are being appropriated by the Market in a most undemocratic manner - by using the state itself, in a democratic context. This is not a pleasant scenario and it is not necessary to displace people in the conditions in which they are displaced."

Speaking from the perspective of justice and ethics in displacement, he further added "as long as displacement carrying the flag of development is resulting in poverty and tears, it is a challenge. It must be acknowledged that it has political consequences, given the contexts and the pace at which the displacement is happening around the world."

Though the conference did not address

much about the democratic context in which the displacement is going on, there were questions about how the unpleasant scenario can be modified and in what ways such efforts can be carried out. It is in this context that the historic contribution of

social science community in translating knowledge into policy prescriptions was acknowledged. It was felt that social science research should continue to create knowledge to help understand the processes better and to inform the

development of effective policy responses to these processes.

(Professor B. Devi Prasad, CSS, Surat who attended this Conference has contributed this report to Resettlement News)

NEW PUBLICATIONS

Doing a Dam Better

Edited by Ian C Poster and Jayasankar Shivkumar Washington DC: The World Bank 2010 (216 pages)

In the wake of an acrimonious debate on big dams, the World Bank brokered a global agreement on financing as well as sharing on the rewards and risks of the controversial Nam Theun 2 hydroelectric project in Lao PDR. Through this process,

it prepared the project for the country and prepared the country for the project. Doing a Dam Better describes how careful management, effective communications, and technical expertise helped to reach consensus and nurtured private-public

partnerships, engaged stakeholders, strengthened the country's development framework and poverty reduction efforts and addressed the project's environmental and social impacts.

Displacement beyond Conflict: Challenges for the 21st Century

Christopher McDowell and Gareth Morrell Oxford: Berghahn Books 2010

Climate change, accelerating environmental degradation, rapid industrialization and intensifying competition over the world's resources is creating population displacement on an unprecedented scale, resulting in serious societal conflict. One estimate claims that there will be 1 billion forcibly displaced

people by 2050. It is recognized that the causes of human displacement are interlinked with common roots in bad government, lack of democracy, human rights violations, poverty and extreme pressure on and poor management of the environment. Examining the causes and consequences and options available for

addressing the dramatic rise in the numbers of displaced people, this volume considers the effects on human rights, protection and material needs of displaced people and how well or not national governments, international agencies and civil society address these needs.

Settling for Less: The Planned Resettlement of Israel' Negev Bedouin

Steven C Dinero Oxford: Berghahn Books 2010

The resettlement of the Negev Bedouin (Israel) has been wrought with controversy since its inception in the 1960s. Presenting evidence from a two-decade period the author addresses how the changes that took place over the past sixty to seventy years have served the needs and interests of the State rather than those of Bedouin community at large. While town living fostered improvements in social and

economic development, numerous unintended consequences jeopardized the success of this planning initiative. As a result, the Bedouin community endured excessive hardship and rapid change, abandoning its nomadic lifestyle and traditions in response to the economic, political, and social pressures from the State and received very little in return.

RESETTLEMENT News published twice a year in January and July reports on current operational, research and capacity building work in resettlement from around the world. The aim is to disseminate practical experience, information and ideas among those working for resettlement agencies, development research centres, and management training institutes. It is published by the Resettlement News Network- an informal network of individuals with a concern for the fate of people who are forced to relocate due to development projects.

On the Frontline of Climate Change and Displacement: Learning from and with Pacific Island Countries

Elizabeth Ferris, Michael M Cernea, Daniel Petz.
Washington DC: The Brookings Institution, September, 2011

In the Pacific Islands, the awareness of the potential impact of climate change comes not only from books and studies, but from first-hand knowledge and ongoing experiences with the effects of the world's changing climate. This paper, a product of The Brookings Institution/London School of Economics Project on Internal

Displacement, aims to conceptualize and distill some dimensions of these experiences, in light of the discussions and presentations made at the 'Regional Workshop on Internal Displacement caused by Natural Disasters and Climate Change in the Pacific held in Suva, Fiji from 4-6 May 2011.

The submission of material relating to any aspect of development-induced resettlement is welcomed, and should be addressed to:

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