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Development-caused Forced Displacement and Resettlement in Urban India:

Preliminary Observations on Mumbai and Delhi

(Dolores Koenig, Professor of Anthropology, American University, Washington, DC, USA, presently undertaking a global synthesis of work on urban development-caused forced relocation and resettlement, was recently in India as a part of this project. Resettlement News is pleased to publish with her permission the Executive Summary of the Report on her work in India. E-mail: dkoenig@american.edu)

As part of a global project to improve policies and projects for those relocated by development-caused forced displacement and resettlement (DFDR) in urban areas, I carried out research in India from 23 September through 2 November 2008 with social scientists, project personnel, activists, and representatives of NGOs and international donors. Because of the restricted time, my work concentrated on the two biggest cities: Mumbai and Delhi, with more time in Mumbai.

Urban Growth and Its Challenges

India has experienced rapid urban growth; although rates of growth are decreasing, cities will continue to grow and it will be a challenge to provide adequate living conditions, including jobs, housing, and services, for all. Despite the problems they face, many immigrants see cities as an opportunity to escape the economic and social constraints they face in home villages and small towns. Until now, India's mega-cities have received the greatest investment; although they still experience many problems, the challenges to smaller cities are perhaps more significant. The liberalization of the Indian economy since 1991 has been a major factor in urban growth, for cities have generated new wealth, including jobs. The structure of the Indian economy has changed, from large-scale industrialization toward services. Production has moved from central city locations to new industrial parks on urban peripheries, new cities, and SEZs.

This economic growth has been

accompanied by significant inequality. While affluent residents benefit from better infrastructure and new services, poor residents still find it difficult to get secure housing and employment. Liberalization in India has led to the privatization of some public services, including the provision of housing. In the past, many state governments provided public housing, but now their role is to facilitate private sector construction. As cities attempt to improve transport networks, water and sanitation infrastructure, and housing stock, they often relocate people living in the path of these new initiatives, especially the poor.

In fact, different activities push out the poor; while some have access to formal resettlement and rehabilitation, others do not. Development projects such as road or rail construction, displace many; these individuals often benefit from rehabilitation projects. So-called beautification initiatives have removed spontaneous residents from the streets, pavements, and waterfront of Mumbai and out of central Delhi. When these residents are considered encroachers, they may be summarily evicted, although settled communities often receive some benefits. Gentrification, the development of parcels, once occupied by the poor, for more affluent residents, is undertaken by the private sector, but facilitated by various laws. Here, residents get what they negotiate in purchase price from the real-estate developer; developers often are able to put considerable pressure on residents to sell. Existing slum neighborhoods have the option to re-develop themselves in place through various legal provisions; this is difficult to do in areas also coveted by private real-estate developers. All these activities push the poor out towards the peripheries, where poor neighborhoods may be re-located again through new development in these areas. Finally, SEZs can displace people as new enterprises are created.

Improving Livelihoods and Providing Housing and Services Some displaced and relocated benefit from formal resettlement and rehabilitation projects that promise improved housing and services. In many projects, the resettled are lodged in multi-story tenements built by private developers who provide housing in return for TDRs to build more remunerative projects elsewhere. The resettled often receive very small apartments, poorly constructed, in areas some call "vertical slums." Nevertheless, people are often happy to live in pucca buildings with water and toilet facilities. The people in multi-unit buildings need to create housing societies to manage them; for these societies to work, people also need workable social communities, not always easy because residents come from different neighborhoods. Thus, the process of reconstituting real community is slow; resettling neighbors together is important, but insufficient as the only strategy.

New neighborhoods also promise new services to resettlers, but these often arrive late. People were concerned about access to water, to public transport, to schools, and complained of rising crime in resettlement areas.

The most significant issue for many people is the potential loss of income. Some lost their jobs, and business people suffer from loss of clients. At the same time expenses increase; people must pay more for transport because they live farther from jobs; they have increased charges for housing. Recently, resettlers have benefited from the rapid growth of the Indian urban economy, but some groups, such as women and business owners, still faced serious constraints in reconstituting earning capacity. The completely indigent also had few options. Although projects like the Mumbai Urban Transport Project improved upon earlier resettlement initiatives, Indian projects have generally paid little explicit attention to the reconstitution or improvement of livelihoods.

Major Issues in Urban Displacement and Resettlement Changing environmental conditions, especially those linked to global climate change, are likely to provoke more displacement and relocation in the years to come, particularly in coastal cities. The DFDR policy community has yet to address this, even though pollution, conservation, and other environmental issues are addressed by Indian government and the private sector. In some cases, the poor are blamed for environmental problems. Although these problems are real, the answers are more complex than pushing them out of polluting occupations or sensitive ecological zones.

Another challenge to urban resettlement is finding ways to recognize and integrate the diverse populations in resettlement areas. People from recognized slums got potentially more benefits than those from the pavements or streets, considered encroachers. Even within slums, people had widely varying levels of economic resources; resettlement projects tended to target the average resident, and both richer and poorer were less well served. People also have different kinds of occupations; projects often target the wage-earning resident who needs a new house. Those who have businesses and those who need space to produce goods are less well

served. People also differentiate and organize themselves by caste, ethnicity, religion, and tribal community; these communal distinctions often posed obstacles to building community in resettlement areas, but were poorly addressed by projects.

Resettlement is carried out in a contentious political context where multiple formal institutions must negotiate with informal actors and activist groups, all seeking to achieve multiple goals. National policies and laws frame the actions of municipal governments, who carry out resettlement through services agencies and regional development authorities. They are complemented by informal institutions, such as patronage networks with political bosses. Also important are extra-legal groups, some of which engage in criminal activities. Activist organizations work to create networks of urban poor to bring pressure to change urban policies. How this context affects options for the urban resettled poor is only partially understood. It is rarely, if ever, addressed in formal projects.

Conclusion Indian social scientists, activists, and the press have brought many issues to national attention and created a significant literature on urban DFDR.

Nevertheless, the following issues merit future research:

- More information on growth in smaller cities and how DFDR occurs in them. Until now the literature has concentrated on mega-cities.
- Studies on SEZs that look at how enterprises are created, how they attract workers, what kinds of housing and facilities they offer, and the extent to which SEZs in peri-urban or rural areas offer opportunities for new migration and settlement.
- The role of the private sector in urban development, moving beyond the focus on TDRs and looking at smaller-scale gentrification and its effects on the displaced and resettled.
- Peripheral communities and their lives, including the threats of further displacement. How indeed do people create community here; what kinds of links do they have with city centers?
- Further research on the potential impacts of global climate change on Indian coastal cities and their residents.

Better understanding of urban governance and planning tools, including all major actors, both formal and informal, as a way to understand how better to implement democratic urban planning.

Release of a Book and Workshop on Resettlement during World Bank-IMF Meetings

Washington DC, October 2008

(The launch of a book *Can Compensation Prevent Impoverishment? Reforming Resettlement through Investments and Benefit Sharing* edited by Michael M Cernea and Hari Mohan Mathur followed by a civil society training workshop on involuntary resettlement were among the important events during the World Bank-IMF Meetings in Washington on 8 October 2008. Jennifer Kalafut, Co-Director, International Accountability Project, USA, contributed this report to **Resettlement News**. E-mail: jen@accountabilityproject.org)

During the World Bank-IMF Annual Meetings in Washington DC, the International Accountability Project and Bank Information Center co-organized on 8 October 2008 a book launch of a new, groundbreaking volume on forced displacement and resettlement. *Can Compensation Prevent Impoverishment? Reforming Resettlement through*

Investments and Benefit Sharing, edited by Michael M Cernea and Hari Mohan Mathur. This volume explores the challenges of and solutions to compensation schemes typically used by international financial institutions in involuntary resettlement plans.

The book event, followed by a civil society training workshop on involuntary resettlement procedures, attracted many individuals and organizations attending the World Bank-IMF meetings. Individuals at the event came from Russia, Germany, the U.S., Japan, England and Italy and represented environmental, social and human rights organizations. World Bank and other development bank staff also attended the event.

The contributors to this new book universally agree: development-induced displacement (DID) causes more poverty. Despite the decades of experience and

research on the issues, those displaced by development projects are most often left worse off than they were if the project hadn't existed. Professor Cernea acknowledged during the event that compensation is not the only issue that needs to be re-examined when considering development-induced displacement, but it is a fundamental one.

Discussion around the book ranged from methodologies used in displacement plans, to evolving trends around eminent domain, to distortions in compensation norms on a sector specific level. As part of the technical training on involuntary resettlement, Professor Cernea presented the impoverishment risks and reconstruction (IRR) model, a tool often used by development professions and project planners to focus from the outset on the poverty issues that are the heart of involuntary resettlement.

ADB Workshops on Draft Safeguard Policy Statement

ADB Headquarters, Manila, 18-21 November 2008

The Asian Development Bank (ADB) hosted a series of consultation workshops during November 2008 to get feedback from external stakeholders on the Second Draft of the Safeguard Policy Statement which is part of an ongoing safeguard policy update. Over 70 participants, including representatives from civil society organizations, government agencies, business, academic institutions, and multilateral and bilateral organizations, attended the multi-stakeholder consultation session at ADB headquarters from 19 to 20 November 2008. A separate consultation session was held on 18 November for Indigenous Peoples. In response to requests from the NGO Forum on ADB, a coalition of civil society groups that monitor ADB operations, ADB also

hosted a half-day post-consultation dialogue on the draft on 21 November at ADB headquarters.

ADB is pulling together currently separate policies on involuntary resettlement, indigenous peoples, and the environment under one policy statement to improve clarity, coherence, and consistency, enhance their relevance to the changing needs, and strengthen their effectiveness. ADB's safeguards seek to ensure that development projects are designed to respond to the views and needs of affected communities, including indigenous groups, and that the environment is protected. "ADB's safeguards are central to achieving inclusive growth, environmental sustainability, and poverty reduction. The

policy update will make our safeguards more effective and relevant. We are continuing to ensure that borrowers, civil society and others have opportunities to engage actively in the process," said Nessim Ahmad, Director of ADB's Environment and Social Safeguards Division.

The workshop was the culmination of an extensive consultation process that has included 14 consultation dialogues with stakeholders from Asia and the Pacific, North America and Europe, as well as written submissions. The second draft of the safeguard policy statement (October 2008) takes into account the broad range of views expressed in the earlier consultations. A final draft policy paper is expected to be submitted for ADB Board consideration in early 2009.

Fight for Development-Forced Displaced Communities' More than Just Compensation

(Julie Koppel Maldonado, who is currently a PhD Anthropology student at the American University in Washington DC, contributed the following brief paper to *Resettlement News* (jk6582a@student.american.edu))

The impoverishment commonly associated with development-induced displacement often occurs because of government and development agencies' reliance on compensation as a remedy for resettlement. This study focuses on the inadequacy of compensation use in development-induced forced displacement and resettlement by analyzing fifty recent development projects that involved forced displacement. The aim is for increased understanding leading to action to lessen the impoverishing effects of development-induced displacement.

Introduction This study focuses on the inadequacy of compensation use in development-caused forced displacement and resettlement (DFDR). Social scientists have argued for years that compensation alone does not work in resettling populations, and that alternative strategies are needed in addition to compensation. However, the main (and often times only) instrument used by government agencies and project developers to resettle development-induced displaced populations is still to provide cash, land, house and/or in-kind compensation to displaced individuals and families. Because of its significant role in resettling

displaced populations, it is important to understand compensation's effects, consequences and inadequacies by documenting the exact problems found with compensation use in DFDR and how it contributes to displaced' impoverishment.

Methodology For this study, fifty development projects causing forced displacement between 1997 and 2007 in Africa, Asia and Latin America were analyzed. The analyzed projects focus on worldwide displacement in development's main sectors – hydropower dams, irrigation projects, extractive industries and infrastructure. Project documents from the major multilateral development agencies, such as the World Bank, private companies and non-governmental and non-profit organizations were reviewed. In addition, an in-depth questionnaire was administered, surveying nineteen resettlement specialists, researchers and scholars from around the world

Findings The four major compensation categories used to assist affected communities included: moving compensation, compensation for lost assets, compensation for lost income and compensation for common property resources. Ninety-two percent of the analyzed projects provided compensation for lost assets, just over three-quarters of analyzed projects provided compensation for lost income and only 54% provided compensation for moving costs. Despite lost

asset compensation being inadequate, development agencies focus the most on this aspect in the compensation process. This resulted in compensating for lost income, moving costs and common property resources often being overlooked. The most problematic compensation category was common property resources, for which compensation was provided in only half of the projects.

Even though many projects included compensation in the form of cash, land-for-land and/or house replacement, the compensation was typically insufficient to restore and/or improve resettlers' livelihoods. Forty-two percent of the analyzed projects also had problems with the development agency's data collection, research and survey process to determine who received compensation, as well as some severe discrepancies in the number of people actually affected. Without an accurate assessment of the number of people to be compensated, it is impossible to determine an appropriate budget for compensation and resettlement, thus leading to individuals' further impoverishment. For example, in China's Three Gorges Hydropower Dam Project, 1.4 million people have been resettled thus far and another four million are expected to be relocated over the next 10-15 years (Media with Conscience 2007:1). Yet, this project's 1991 Resettlement Action Plan, based off a conducted census, indicated that there would only be 725,000 displaced

individuals.

The vast majority of grievances of those affected by the development projects were due to compensation issues, such as delayed payments or insufficient amounts received. Over one-quarter of projects analyzed had either no grievance system or had a system that lacked transparency. This was the case in the Three Gorges Dam Project, in which an International Rivers Network (2003:30) report found that in spite of problems with the project, such as delayed compensation and problems lost asset valuation, "the government has not established any meaningful, independent grievance procedures. In most cases of conflict, communities have not been able to use the courts to settle their disputes."

Conclusion Based on the findings above, it is obvious that there is a great deal to be done to resolve the issues found with compensation to mitigate the impoverishing effects of displacement. The question now remains: where do we go from here?

There are four components often recognized as the elements needed for a

people-centered approach that effectively resettles displaced people and improves their livelihoods. These components are: effective community participation, benefit-sharing, political commitment and will for successful resettlement, and finally, all of these leading to resettlement with development, which is when resettlement is conducted as an opportunity for development for those forcibly displaced, so as to improve their livelihoods after relocation. In addition, there also needs to be adequate social services to provide consultation and assistance to those affected.

These are all viable strategies for improving resettlement, but they are still being ignored while more and more people face displacement and ensuing impoverishment. In line with lack of political commitment to resettlement, there is also a severe lack of national policies that ensure the rights and livelihoods of development forced-displacees are secure. And even when there are such policies, they are often ignored by project developers and governments in the

interest of corporate wealth over local human rights.

Without learning from past mistakes, displaced communities will be forced to endure continued catastrophic results. Therefore, when looking at a specific development projects, the questions we must ask are: is the project necessary and what is its purpose? Are marginalized groups sacrificed and suffering for corporate profits and the benefit of the few elite tucked away in urban centers? Or, if the project is truly necessary, how can it be done in such a way that *all* people benefit, that those forced to sacrifice their homes and way of life are the greatest benefactors, rather than being thrown by the wayside? The political decisions that determine who gains and loses from development need to not only be criticized, but often overturned. Action is needed now to make the changes necessary to mitigate the negative effects experienced by development-caused forced displacement and assure that, if development is necessary, that there is development for all.

New Publications

Displaced by Development: Confronting Marginalization and Gender Injustice

Edited by Lyla Mehta New Delhi: SAGE 2009/309 pages

This compilation is a rare attempt to apply gender analysis to development-induced displacement and resettlement in the Indian context. It brings together leading scholar-activists, researchers, and contributors from people's movements to critique and draw attention to the injustices perpetrated during such processes. Facing up to the need to focus specifically on how displacement and resettlement affect social groups differently with regard to axes such as gender, class, caste and tribe, the articles show that disfranchised groups are deemed dispensable and tend to be affected the most, and that women and children

among them suffer disproportionately.

Displaced by Development: Confronting Marginalization and Gender Injustice

argues that without differentiated analyses and programmes, displacement and resettlement will continue to intensify and perpetuate gender and social injustice. This work will hold the interest of a wide readership and will be crucial source of information for those working in the areas of Gender and Social Policy, Economics and Development Studies, Sociology of Gender, Environment and Development, Migration Studies, Anthropology and South Asian

Studies. It will also interest policy makers in development agencies, activists, and non-governmental organizations concerned with forced displacement and migration.

Relocation Failures in Sri Lanka: A Short History Internal Displacement and Resettlement by Robert Muggah London/New York: Zed Books 2008

Each year, millions of people are internally displaced and resettled in the wake of wars and floods or to make way for large-scale development projects, and this number is increasing. Humanitarian and development specialists continue to struggle with designing and executing effective protection strategies and durable solutions.

Relocation Failures in Sri Lanka explains how internal displacement and efforts to engineer resettlement are

conceived and implemented and why they often fail. The author argues that policies for internally displaced peoples are weak, diluted by narrow interpretations of state sovereignty, collective action dilemmas and, in the case of Sri Lanka unintentionally intensifies ethnic segregation and war. In highlighting the ways that development assistance can exacerbate smouldering conflicts, *Relocation Failures in Sri Lanka* provides an important caution to the aid community.

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.

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

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