

July 2009

Transparency and Accountability in Resettlement Programmes

Workshop organized by the World Bank's New Delhi Office, 16 June 2009

Resettlement researchers have comprehensively documented the risks of those forced to relocate, but what is not known so well is that the sufferings of affected people get further aggravated due to the lack of transparency and accountability in agencies responsible for resettlement. The factors that contribute to the feelings of helplessness include:

- Lack of transparency
- Partial and delayed information
- Weak efforts to ensure participation of affected communities
- Non-responsiveness to grievances

The New Delhi Office of the World Bank has recently completed a study of transparency and accountability issues in resettlement programmes. A one-day workshop was held in New Delhi on 16 June 2009 to present the findings of this study and to get feedback from resettlement researchers and practitioners.

About fifty participants attended the Workshop.

The main objectives of this study were to (a) Develop guidelines on governance and anti-corruption for use in the planning and implementation of land acquisition and resettlement activities in investment projects, (b) Identify current best practices on promotion of transparency and accountability as well as areas of concern, and (c) Help clients and Bank task teams introduce best practices to minimize the scope for corruption and misuse of funds meant resettlement purposes.

In order to conduct this study, the Bank first carried out a desk-based review of Bank's portfolio in three sectors, namely road, urban development and water resources (but the water resources sector was later dropped). Next, the Bank identified projects with major resettlement issues in these sectors. Finally, the key

dimensions of transparency and accountability were identified, and using these criteria the projects were studied in detail. In addition, some case studies were undertaken. These include:

- Mumbai Urban Transport Project
- Kerala State Transport Project
- Allahabad Bypass Project

The study found that transparency and accountability mandates were clearly spelt out in resettlement action plans, and there was a clear shift in the attitudes of implementing agencies. Disbursement of resettlement entitlements methods and processes were becoming increasingly transparent. There were several other positive signs of change, but scope for further improvements remained. It is hoped that the World Bank publishes this important study for wider dissemination of its findings.

ADB Issues a New Safeguard Policy Statement

After considerable debate with NGOs and the International Network on Displacement and Resettlement (INDR), the Asian Development Bank (ADB) approved its new Safeguard Policy Statement on 23 July 2009. Earlier, Ted Downing and Thayer Scudder had asked the ADB Board to revise their policy in light of the research and previous Bank findings on involuntary resettlement.

The policy is a vast improvement from its earlier drafts; the first of which was such a regression from established social and environmental standards that it sparked protests across Asia and beyond, to demand that ADB go back to the drawing board.

The final policy is not perfect, but it includes some major improvements

including stronger provisions for environmental impact assessments and disclosure and a requirement to improve, not simply restore, the livelihoods of poor and vulnerable people displaced by ADB-financed projects.

To see the revised policy, log on to: www.adb.org

Development and Resettlement Workshop at the XVI ICAES

Kunming, China, July 27 to July 31 2009

Shi Guoqing and Chen Shaojun organized a successful Workshop on Sustainable Development and Involuntary Resettlement at the XVI International Congress of Anthropological and Ethnological Sciences (ICAES) in Kunming,

China, 27 to 31 July 2009. Papers that explored the limits of compensation and options for benefit sharing and the need for reforming legal and regulatory resettlement frameworks in Asia generated much discussion. In addition, a Workshop

on Social Assessments focused on China was also arranged on the occasion.

For further information, contact the Session organiser: gqshi@jlonline.com and shiguqing@hotmail.com

Forced Migration Review

Urban Displacement will be the theme of the February 2010 issue of the Forced Migration Review (FMR). Submission date

for articles and reviews is September 2009.

Editors, FMR, Refugees Studies Centre, Oxford, UK

For further information, contact The

The Government of Jharkhand Issues its Policy on Resettlement

In eastern India, the state of Jharkhand has now its own policy on Resettlement and Rehabilitation. The policy was formally issued by the government of Jharkhand in July 2008.

One notable feature of this policy is that it has made it mandatory for investors

to provide job to one member of each family displaced from its land, and additionally give a certain amount to the family for 30 years. Under the policy the displaced family also has the option of investing 50 percent of the compensation amount in shares or debentures of the company.

For a family losing its house the policy provides for a house site free of cost. Families that lose small businesses get a one-time compensation grant of Rupees fifty thousand. They are also entitled to basic amenities and infrastructural facilities at new resettlement locations.

The Real Issues Behind Land Acquisition

The proposed pieces of legislation on land acquisition represent an improvement over existing ones, but are still unsatisfactory
by Pranab Bardhan, Professor of Economics at the University of California, Berkely

The opportunistic and partisan stalling of the Land Acquisition and Rehabilitation and Resettlement Bills in the Cabinet recently by Mamta Banerjee has provided an opportunity to rethink some of the important provisions of the Bills (which she is not concerned about, but should have been).

Under the prospective legislation, a company must first buy directly from landowners 70 per cent of the land required. The state steps in to buy the rest in case some recalcitrant landowners are holding out; even here, the sellers are guaranteed a 60 per cent premium on the average land price over the previous three years. While this is an improvement on the existing colonial land acquisition law, this is quite unsatisfactory from the point of view of stake-holders in agricultural land. Let us spell out the reasons:

First, while leaving the major part of the transaction to the market may stop the matter from becoming a political game of football in populist competitive politics (as has happened in West Bengal), it is an inadequate solution to a complicated problem. Even assuming that this purpose for which the land is to be transferred is a legitimate one from an economic and environmental point of view. Indian history is replete with instances of uninformed, cash-strapped peasants being induced to sell their land at nominal prices by the lure of ready cash from developers, speculators, and touts of large corporate interests. This is how many Adivasis have lost their land

even in recent years. Even in the case of informed, market-savvy sellers, thousands of small, uncoordinated farmers are no match for a large corporate buyer in the bargaining process.

Of course, in many cases the State government did very little to get the landowners a good price; but there is potential here for community organizers (and panchayats) to get involved in ensuring a fair price. In particular, the provision of a 60 per cent premium on the past average price is not good enough. The average past price is for the land as agricultural land, where use for industrial or infrastructure purpose will probably multiply the value many times, the gain from which the farmer is deprived. So, over and above the value of the agricultural land being considered as a minimum floor of basic compensation, the farmers should be compensated with a share in the enterprise or company, so that they can benefit from future profits.

Of course, the poor farmer may not have the capacity to bear the risks of fluctuating share prices. Here the role of the state is to put the farmers' share of the new company in an independently managed trust fund which will bear the risks at the cost of some management fees. Out of this trust fund, the farmer should be paid a steady "pension" (or annuity) every six months or so. Given the large gap between productivity in agriculture and the new activity for which the land is acquired, the farmer can be assured of a reasonable stream of pension. This will go a long way in assuaging the

anxieties of an uncertain future that the farmer may contemplate in selling the land.

Also a regular pension may be more advisable than a one-off cash payment, which often tends to get frittered away. In case the land is acquired for public infrastructure building (where there may not be any direct company profits to be shared),

The land should be given out by the farmer on long-term lease with the rent periodically readjusted in accordance with the current value of surrounding pieces of land and the rental increases deposited in a trust fund.

Secondly, a land sale displaces not just landowners, but other stakeholders as well (sharecroppers and agricultural labourers working on the land, for example). In West Bengal, the government had announced compensation to be paid to registered sharecroppers (which Ms Banerjee never paid much attention to). But the state also needs to be involved in some form of welfare payments (and job training and so on) to unregistered sharecroppers and landless workers.

Thirdly, the state often needs to get involved in building roads, providing electricity, water supply and so on for the new company, and this may require coordination in the land transaction itself between the transactors and the state right from the beginning.

Of course, politicians often lack

credibility in any process of obtaining fair compensation to land sellers. Cases of politicians, middlemen, and contractors defrauding poor sellers of their compensation and resettlement rights are far too many. So it may be desirable in some cases to hand over the responsibility of determining fair prices and managing the

process of transfer and resettlement to an independent commission, provided political interference with the working of such a commission can be minimized and enough opportunity is given to community leaders and organizations to serve in such commissions or present their cases at hearings before the commission, and to

generally act as watchdogs in the whole process.

Thus, what is at stake with the new Bills is much larger and deeper than Ms Banerjee's political gripe.

Source: *The Hindu*, 1 August, 2009 (p.9)

Tweak in Compensation Policy

by Jayantaroy Chowdhury

The steel ministry wants to frame a new set of guidelines to compensate those whose lands are taken up for iron ore mining and building steel plants.

"We need a humane compensation policy...not the current system of working out the average of last five years valuation of the land that has no relevance to the value of the land post its development," Union steel minister Virbhadra Singh told *The Telegraph* in an interview.

"What we would like to see is a system of annuity payments akin to royalty payment which could be a small proportion of revenues from the factory or mine which comes up on the land of the tribal or farmer."

The petroleum ministry has recently drafted a new policy calling on firms to pay up to 5 per cent of royalties to compensate communities and individuals who lose land to oil and gas acreages. This could see local communities and individual outsees earning up to Rs 300 crore.

However, this policy does not call upon firms to directly pay oustees annuity payouts. It merely provides for payments to local bodies, which are supposed to spend 50 per cent of that money on land outsees.

However, officials pointed out that direct annuity payouts could also be worked out for oustees as a matter of policy, if the government so thought fit.

"Land values are naturally low in tribal forested areas. They go up only after tribals lose their rights over those lands...which means low payments before the factory or mine set up later seems unfair," points out Singh

"Besides lump sum payments to simple people get spent quickly pushing normal landed people into the ranks of impoverished...an annuity payout seems more just."

"We have to realize that retention of a link between the people and their land could be one way to solve the problem," said Singh. "Besides paying a proportion of income, employment for oustees and investment in housing and other infrastructure has to be a must."

Land acquisition policy has become an emotive political issue throughout the country, with threatened and actual land acquisition in Singur and Nandigram, helping catapult Mamta Banerjee's Trinmool Congress to a clean sweep in West Bengal.

Orissa tribals have also agitated against

land acquisition in Kalinganagar, while tribals in other mineral rich states have banded together against low compensation offered for coal and iron ore bearing lands.

Slow pace of land acquisition has in fact locked up many of the multimillion dollar steel and mining projects in eastern India.

Since state governments no longer try to acquire land on behalf of industry, there has been apprehension of coercive methods being used by private corporations to acquire tribal lands.

However, more progressive policies have also been adopted, with firms giving a mixture of lump sum payments, equity and jobs in return for land.

A land acquisition guideline which had come up before the cabinet has yet to be cleared. The guideline, a generalized one, could come up again soon with fresh input from ministries.

Besides, individual ministries can always evolve their own sector specific guidelines for annuities and royalties, as the petroleum ministry has done for gas and oil acreages.

Source: *The Telegraph*, Calcutta, Monday 2 November 2009 (p.7)

New Publications

The Asia Pacific Journal of Anthropology (Volume 10 Number 4 December 2009)

Focus : Displacement and Resettlement

Displacement and Resettlement is the special focus of *The Asia Pacific Journal of Anthropology* (Volume 10 Number 4 December 2009). This issue has been edited by Susanna Price to which Michael Cernea has contributed the Introduction. In Cernea's words, "In preparing this special

focus section, its Guest Editor, Susanna Price, herself a well known resettlement scholar, brought together a set of new and valuable contributions to the critical analysis of these processes. Each of these papers addresses major topics and present their authors' findings and reflections".

CONTENTS Introduction: Resettlement-An Enduring Issue in Development *Michael M Cernea* / Prologue: Victims or Partners? The Social Perspective in Development-Induced Displacement and Resettlement *Susanna Price* / Development-Induced Displacement and

Resettlement: Negotiating Fieldwork Complexities at the Three Gorges Dam, China *Brooke McDonald-Wilmsen* / Development-Induced Displacement and Women: The Case of the Tehri Dam, India *Tulsi Charan Bisht* / Investor-Friendly

Development Policies: Unsettling Consequences for the Tribal People of Orissa *Hari Mohan Mathur*. General Articles / Book Reviews / Media Reviews.

The Asia Pacific Journal of

Anthropology (TAPJA) is published jointly by the Department of Anthropology in the Research School of Pacific and Asian Studies, and the School of Archeology and Anthropology in the Faculty of Arts, The Australian National University.

Land and Cultural Survival: The Communal Land Rights of Indigenous Peoples in Asia

Edited by Jayantha Perera, Manila: Asian Development Bank, 2009

Development in Asia faces a crucial issue: the right of indigenous peoples to build a better life while protecting their ancestral lands and cultural identity. An intimate relationship with land expressed in communal ownership has shaped and sustained these cultures over time. But now, public and private

enterprises encroach upon indigenous peoples' traditional domains, extracting minerals and timber, and building dams and roads. Displaced in the name of progress, indigenous peoples find their identities diminished, their livelihoods gone.

Using case studies from Cambodia, India, Malaysia, and the Philippines, nine experts examine vulnerabilities and opportunities of indigenous peoples. Debunking the notion of tradition as an obstacle to modernization, they find that those who keep control of their communal lands are the ones most able to adapt.

Land Grab or Development Opportunity? Agricultural Investment and International Deals in Africa

by Lorenzo Cotula, Sonja Vermeulen, Rebeca Leonard and James Keeley

London: International Institute for Environment and Development, Rome: FAO, and Rome: IFAD, 2009

Large-scale acquisition of farmland in Africa, Latin America, Central Asia and Southeast Asia are making headlines in a flurry of media reports across the world. Lands that only a short time ago seemed of little outside interest are now being sought by international investors by the tune of hundreds of thousands of hectares. And while a failed attempt to lease 1.3 million hectares in Madagascar has attracted much media attention, deals reported in the international press constitute the tip of the iceberg.

Despite the spate of media reports and rare published research, international land deals and their impacts remain little understood. This report is a step towards filling this gap. The outcome of a collaboration between IIED, FAO and IFAD, the report discusses key trends and drivers in land acquisitions, the contractual arrangements underpinning them and the way these are negotiated, and the early impacts on land access for rural people in recipient countries. While international land deals are emerging as a global phenomenon, the report focuses on sub-

Saharan Africa.

The report draws on a literature review, on qualitative interviews with key informants internationally, on national inventories of ongoing and proposed land acquisitions since 2004 in five African countries (Ethiopia, Ghana, Madagascar, Mali and Sudan) and qualitative studies in Mozambique and Tanzania, and on legal analysis of national law and of a small sample of investor-state contacts.

Beyond Relocation: The Imperative of Sustainable Development

Edited by Renu Modi New Delhi: SAGE Publications

This collection addresses critical issues of development-induced displacement and resettlement by offering empirical evidence from various countries, mainly in Asia and Africa. By presenting a comparative approach, it helps the reader understand about the nature and characteristics of forced displacement in several countries across the globe. It also studies the interaction among an array of actors, in particular, policy-makers, development agencies, project-affected persons, researchers and NGOs. Most significantly, the study offers measures to reverse and reconstruct impoverishment caused by displacement in a holistic way through benefit-sharing mechanisms which can lead to sustainable resettlement and rehabilitation.

reforming laws and policies dealing with displacement and resettlement in the Indian as well as the global context. It analyses the issues of risks, impoverishment, entitlements and survival strategies of those displaced.

This volume will be of immense value to project planners, funders and implementing agencies in view of the fact that development planners are faced with a daunting task in the process of constructing/improving the existing network of roads, railways and airport facilities which run through existent human settlements and require the acquisition of large tracts of land, leading to involuntary displacement. The essays will also be helpful for researchers engaged in the field of development and displacement studies.

The book emphasizes the need for

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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