A 46.1
CER

REP DOCUMENTATION
CENTRE

Eight Main Risks: Impoverishment and Social Justice in Resettlement

by

Michael M. Cernea

The World Bank
Environment Department
January 1996

3028377995

Table of Contents

Eight Main Risks: Impoverishment and Social Justice in Resettlement

by
Michael M. Cernea*

Impoverishment is the central issue in development-caused population displacements and resettlement. Historical experience shows that, more often than not, the risks of impoverishment and social disruption turn into grim reality. In India, for instance, resettlement researchers found that development programs have caused the displacements and involuntary resettlement of close to 20 million people over roughly four decades, but that as much as 75% of these people have NOT been "rehabilitated."[1] That means, in other words, that the vast majority of resettlers in India have been impoverished and made worse off.

Similar findings about impoverishment and the *de facto* lack of equity in resettlement come from many other countries. Another serious consequence is the political tension surrounding forced relocation. The socio-cultural and psychological stress induced in people who are forcibly uprooted lingers long and shapes their subsequent individual and group behavior. Therefore, targeted economic, technical, financial, legal, and cultural measures must be taken to prevent or mitigate the impoverishment risks in each and every development program that entails displacement.

---

* Michael M. Cernea is the Senior Adviser of the World Bank for Social Policy and Sociology. The views, findings, and interpretation contained in this paper are those of the author and should not necessarily be attributed to the institutions with which he is associated.

1 Fernandes, Walter, "Power and Powerlessness: Development Projects and Displacement of Tribals, *Social Action*, vol. 3, 1991; see also W. Fernandes, J.C. Das and S. Rao, "Displacement and Rehabilitation: An Estimate of Extent and Prospects." In W. Fernandes and E. Ganguly Thukral (eds.) *Development, Displacement and Rehabilitation*. New Delhi: Indian Social Institute, 1989.

Social Justice and Planning With an Equity Compass

Understanding the mechanisms that cause impoverishment under government *planned* developments is a key prerequisite for mitigating the risks intrinsic in displacement. Studies that I carried out in 1985-1986[2] and in 1989-1990[3] identified the main "impoverishment risks" inherent in processes of involuntary resettlement. Subsequently, during 1993-94, I led a Task Force established to review all 1986-1993 World Bank-financed projects involving involuntary population displacement, a review that also covered many projects not financed by the Bank. [4] We determined that in the 1990s about 10,000,000 people are displaced *annually* by infrastructural development programs in some key sectors (dam construction, urban development, highways and roads). This amounts to some 90-100 million people for the decade, a number much larger than the total numbers of refugees caused by wars and natural disasters. We also focused a large part of our study on how impoverishment happens during resettlement and how it can be avoided, in line with the World Bank's policy to protect and restore the livelihoods of people involuntarily resettled. [5]

I will elaborate here on some findings from this set of successive studies.

Development programs that provide irrigation water for thirsty fields, energy for expanding industries, hospital buildings and schools in residential areas, or wider roads in clogged downtowns are indisputably needed. They improve the livelihoods of vast numbers of people and develop the national and local economies. But such

---

[2] Cernea, Michael M. *Involuntary Resettlement in Bank-Assisted Projects. A Review of the Application of Bank Policies and Procedures in FY79-85 Projects.* Agriculture and Rural Development Department. The World Bank, February 1986.

[3] Cernea, Michael M. *Poverty Risks from Population Displacement in Water Resources Development.* Harvard University, HIID, Development Discussion Paper No. 355, 1990.

[4] World Bank. *Resettlement and Development. The Bankwide Review of Projects Involving Involuntary Resettlement 1986-1993.* The Environment Department, April 1994.

[5] World Bank. *Involuntary Resettlement.* Operational Directive 4.30. Washington, D.C.

developments also make certain rearrangements in human settlements inevitable. Historically, involuntarily displaced people have suffered losses and traumas, and have shared more in the pains than in the gains of development. However, while some degree of population territorial rearrangements is unavoidable, such inequitable distribution of benefits and losses is neither mandatory nor inevitable. It should not be accepted as a God-given tragedy, worthy of little more than a compassionate shrug of the shoulders.

"Social justice" and "social injustice" are not concepts frequently employed in the development discourse, but they should become so. Recently, these concepts have been brought to the public forum in authoritative statements. *"We must act* — stated the President of the World Bank at the annual meeting of all Bank governors — *so that poverty will be alleviated, our environment protected, social justice extended, human rights strengthened... Social injustice can destroy economic and political advances."*[6]

Certainly, a domain to which the call for social justice and equitable distribution of benefits surely applies is involuntary resettlement. Redressing the inequities caused by displacement and enabling affected people to share in the benefits of growth is imperative.

Although development makes relocations unavoidable as a class of social processes, not every single case of proposed displacement is inevitable or justified. There are ways to fully avoid or minimize specific instances of involuntary displacement, or their disproportionate adverse impacts on resettlers. In poorly planned and handled displacements, severe social dis-integration affects many. Conversely, socially responsible resettlement — that is resettlement guided by an equity compass — can prevent impoverishment and can generate benefits for the regional economy and host populations. Ensuring that involuntary resettlement is avoided or reduced — and

---

[6] Wolfensohn, James D. *Address at the Annual Meeting of the World Bank and* IMF, October 1995, Washington, D.C.

when unavoidable, is carried out without impoverishing the people displaced – is necessary on both economic and ethical grounds.

Our research found that the worst consequences of displacement – impoverishment and violations of basic human rights – happen most frequently when national resettlement *policy* guidelines are absent, when, consequently, equitable action strategies for socio-economic reestablishment are not pursued, and there is no independent professional monitoring and evaluation of outcomes. In plain terms, this means that tens of thousands of people are undergoing unnecessarily amplified losses and hardships, that otherwise could possibly have been avoided or mitigated. This is the irrefutable argument for adopting *national policies and legal frameworks* for resettlement in all developing countries, yet an argument resisted by many governments. *"Bank experience shows,* as Ismail Serageldin noted, *that if a government adopts its own national policy to reintegrate displaced people into the national economy, resettlement is successful for more than just Bank-financed projects... The key to sound resettlement is to adopt a people-centered development policy, not a property-compensation policy."*[7]

Without equitable resettlement policies, the technicians and economists who plan specific programs entailing displacements are deprived of a needed compass for allocating financial resources equitably, in a manner able to prevent or mitigate impoverishment risks.[8] Indeed, the planning approach that had produced programs resulting in many people resettled but only in few "rehabilitated" has not proven itself wise enough and effective enough to prevent impoverishment. Such repeated failures of resettlement *without* rehabilitation point to profound fallacies and failures in the

---

[7] Serageldin, Ismail. *Nurturing Development. Aid and Cooperation in Today's Changing World.* The World Bank: Washington, D.C. 1995, p. 102-103.

[8] Cernea, Michael M. "Public Policy Responses to Development-Induced Population Displacement," in Dreze, J.P., M. Sampson and S. Singh (eds.) *Displacement and Resettlement in the Narmada Valley* (forthcoming 1996).

planning system itself, which need to be corrected. As Victor D'Souza wrote in his sharp and insightful sociological analysis of development planning in India,

> "Gigantic social problems... cast serious doubt on the suitability of the current mode of planning.... They call for a drastic change in the method of setting the goals of planning; it is not the rate of growth of the economy per se, but the degree of fulfillment of human needs and the elimination of glaring inequalities in society which should be the yardstick of success in planning."[9]

The Risk Model and Resettlers' Reestablishment

How does impoverishment through displacement occur and how can it be prevented?

To identify the basic socio-economic mechanisms set in motion when people are forcibly displaced, I compared the empirical findings of many field monographs and examined a massive body of data. The comparison revealed several common characteristics that these cases share, beyond the enormous diversity of individual project-specific or country-specific situations. Thus, I found a *pattern of eight general sub-processes* or trends, whose cumulative effect is the onset of impoverishment.[10] As long as the resettlement operation has not yet started, these recurrent processes must be regarded as impending social risks. These discrete risks, taken in their interconnection, form an overall risk model that must be carefully considered before any such operation is undertaken. The risks and losses are not only to the people directly affected: they are risks and losses incurred by the local economy as well.

---

[9] D'Souza, Victor S. *Development Planning and Structural Inequalities.* Sage Publications: New Delhi/Newbury Park/London, 1990, p. 202.

[10] Cernea, Michael M. "Understanding and Preventing Impoverishment from Displacement: Reflections on the State of Knowledge." Keynote Opening Address presented at the International Conference on Development Induced Displacement. University of Oxford, Oxford, England, January 3-7, 1995. Published in *Journal of Refugee Studies*, vol. 6, 3, 1995.

As a conceptual construct, this impoverishment risks model captures not only the economic but also the social and cultural dimensions of impoverishment. It shows that during displacement people lose: (a) natural capital; (b) man-made (physical) capital; (c) human capital; and (d) social capital. It also shows that during re-establishment they must regain this capital.

Before describing this model, however, I will emphasize two elements that reflect not only the model's *cognitive value*, but also its very important *operational* usefulness.

First, by synthesizing lessons from many past processes, this model is able to accurately predict future outcomes, *if* the warning offered by the model is ignored. Therefore, the risk model provides a matrix directly usable for planning, more specifically ***for preventive planning***. Indeed, these eight potential risks — in fact, high-probability risks — will undoubtedly become painful real deprivation processes, if unheeded. But they can be purposively counteracted. Knowledge about these risks can influence social planning and practice. As Robert Merton brilliantly argued, a conceptual-predictive model can successfully act as a "self-destroying prophecy."[11] In other words, such a risk model is maximally useful when, as a result of it being acted upon, the risks are diminished or destroyed, and the consequences predicted by the model do not occur.

Therefore, I propose the risk model described below as a working tool for preparing resettlement plans and monitoring their impacts. Attempts to use it as such have been made recently in some cases in India.[12] Planners who use it as a guide may thus "destroy" its prophecy. Risk recognition and analysis are crucial for the *practice of*

---

[11] Merton, Robert K. *The Sociology of Science: Theoretical and Empirical Investigations.* Chicago and London: University of Chicago Press, 1979.

[12] See the paper by Sam Thangaraj. "Impoverishment Risk Analysis – A Participatory Tool for Resettlement Planning" in vol, *Understanding Displacement: The Consequences of Development-Induced Displacement.* Edited by Chris McDowell, Oxford: Berghan Publishers, forthcoming 1996.

sound planning and for the argument that *impoverishment through displacement can be counteracted.*

Second, and most important, this conceptual construct of impoverishment through displacement is not just a model of gloom, but contains in a nutshell the ***model for the socio-economic reestablishment of those displaced.*** Indeed, if we *reverse* this model, it suggests precisely what kind of positive action must be initiated to restore the livelihoods and incomes of those displaced and, whenever possible, to improve them. Stood on its head, the model offers a strategic framework and pragmatic guidance for governmental and individual action to be taken towards the rehabilitation that must follow displacement.

Overall, this *impoverishment-reestablishment* model provides, in my view, a more comprehensive image of the content and essence of the displacement-resettlement process than other models suggested in the social science literature — for instance, the *stress-centered model* proposed by Scudder and Colson.[13] As a comprehensive socio-economic model, it encompasses the stress dimension and goes farther and deeper, conceptualizing more fully the essence of displacement and recovery. It also offers a broader frame of reference both for resettlement research and resettlement practice.[14] The multifaceted behavior of displaced populations can be understood and explained more fully as a response to economic, cultural, and social impoverishment, than to "stress". And further, the socio-economic model zeroes in precisely on what must be the heart-of-the-matter in any resettlement operation: preventing impoverishment and reconstructing livelihoods.

---

[13] Scudder, Thayer, and Elisabeth Colson. "From Welfare to Development: A Conceptual Framework for the Analysis of Dislocated People." In Hansen, A, and A. Oliver-Smith (eds) *Involuntary Migration and Resettlement.* Boulder, Colorado: Westview Press, 1982; see also a discussion, from an environmental angle, of the Scudder and Colson stress-based model, by Chris de Wet: "Stress and Environmental Change in the Analysis of Community Relocation," *Human Organization,* 47(2), 1988.

[14] See also Cernea, Michael M. "Understanding and Presenting Impoverishment from Displacement: Reflections on the State of Knowledge," *Journal of Refugee Studies,* vol. 6(3), 1995.

Eight Impoverishment Processes

The eight sub-processes that converge in impoverishment are not the only processes of economic and social deprivation, but rather the most important ones. In different locations, they occur with variable intensities. These are:

1. *Landlessness*

Expropriation of land removes the main foundation upon which people's productive systems, commercial activities and livelihoods are constructed. This is the principal form of de-capitalization and pauperization of displaced people, as they lose both physical and man-made capital.

Selected empirical evidence. Unless this foundation is reconstructed elsewhere, or replaced with steady income-generating employment, landlessness sets in and the affected families are impoverished. In the Kiambere Hydropower project in Kenya, a sociological study found that farmers' average land holdings after resettlement dropped from 13 to 6 hectares; their livestock was reduced by more than a third; yields per hectare decreased by 68 percent for maize and 75 percent for beans. Family income dropped from Ksh. 10,968 to Ksh. 1,976, a loss of 82 percent.[15] Lassailly-Jacob's several studies on Kossou Dam and other major reservoirs in Africa have empirically documented resettlers' loss of land and the insufficiency of the land-development remedies adopted.[16] In Indonesia, the Institute of Ecology of Padjadjaran University carried out a social

---

[15] Mburugu, Edward K., *A Resettlement Survey in the Kiambere Hydroelectric Power Project – Preliminary Report*, March 1988.

[16] Veronique Lassailly-Jacob has synthesized the findings of her several field studies in Africa and Canada in the paper "Key Issues in Preventing Impoverishment in Land-Based Resettlement Programmes," in Chris McDowell (ed.) *Understanding Impoverishment: The Consequences of Development Induced Displacement*. Oxford: Berghan Publishers, forthcoming, 1996.

survey several years after reservoir families were given cash compensation in the early 1980s; it was found that their land ownership decreased by 47 percent and their income was halved. Impact studies for the Cirata dam, also in Indonesia, found that while 59 percent of the poor households improved their incomes after relocation, about 21 percent were worse off primarily because of loss of land, with a 25 percent decrease from their previous income levels.[17] Similar evidence is available from Brazil.[18] Findings from sociological and anthropological field studies show that for farm families, loss of farm land has generally far more severe consequences than the loss of their house.

2. *Joblessness*

Loss of wage employment occurs both in urban displacement and in rural areas, and those losing jobs are landless laborers, enterprise or service workers, artisans and small businessmen. But creating new jobs is difficult and requires substantial investments. Resulting unemployment or underemployment among resettlers lingers long after physical relocation.

Selected empirical data. For several categories of people whose livelihoods depends on jobs — including landless laborers in reservoir areas; employees of local service enterprises, or other enterprises; and shopkeepers and small businessmen — job loss due to displacement causes painful economic and psychological effects that last as long as employment is not reestablished. The employed landless, rural or urban, may lose in three ways: they lose access to land owned by others and leased or share-cropped; lose job opportunities, primarily in urban areas; and lose the use of assets under common property regimes. In the Madagascar Tana Plain project, private small enterprises being

---

[17] Padjadjaran University: *Environmental Impact Analysis of the Cirata Dam,* Institute of Ecology, March 1989.

[18] Mougeot, Luc J.A., *Hydroelectric Development and Involuntary Resettlement in Brazilian Amazonia: Planning and Evaluation,* Edinburgh: Cobham Resource Consultants.

displaced in 1993 — workshops, food-stalls, artisan units — are entitled to no compensation, and lose their place of trade and their customers.[19] A 1988 study of people resettled in the first phase of the Argentina-Paraguay Yacyreta dam project found a 17 percent unemployment rate in the resettled communities, much higher than the jobless rate among the general population.[20] Vocational re-training, offered to some resettlers, can provide skills but not necessarily jobs. Similar findings come from developed countries: in the Churchill-Nelson Hydro project in Manitoba, Canada, the economic activities of resettled indigenous people — fisheries, waterfowl capture, fur processing — were curtailed; field studies found a significant increase in non-productive time in the community. Joblessness among resettlers often surfaces with some time delay, not immediately, because in the short run they receive employment in project-related jobs. However, the sustainability of these jobs is limited. Evidence compiled from several non-Bank financed and some Bank-financed dam projects[21] shows that the employment boom created by the new construction temporarily absorbs some resettlers but severely drops toward the end of the project, compounding the incidence of chronic or temporary joblessness, among the displaced population.

A particular form of joblessness risk occurs in China (e.g., in relocation under the Yangzhou Thermal Power Plant project, in 1994-1995, and in other similar projects) in the case of displaced farmers converted to wage employment in enterprises in townships and villages (some such enterprises are created with compensation funds for lost land). New enterprises have high failure rates, are often unable to pay salaries for months in a row, or soon go bankrupt; thus, such "jobs" do not provide resettlers with the expected income recovery and they are left without both jobs and land. The long term sustainability of jobs given to resettlers is, therefore, a critical characteristic.

---

[19] Personal observation, Mauritius, 1993.

[20] Hamilton, Susan, *Yacyreta Evaluation Study*, Syracuse University, processed 1992.

[21] E.g., the China-Gezhouba dam, Brazil-Tucurui dam, and Turkey-Ataturk dam, which were all not Bank-financed; or Togo-Benin Nangbeto Hydropower dams, and Korea-Chungju dam as Bank-financed projects.

3. *Homelessness*

Loss of housing and shelter may be only temporary for many displacees, but for some homelessness remains a chronic condition. In a broader cultural sense, homelessness is also placelessness, loss of a group's cultural space and identity, or cultural impoverishment, as argued by Downing[22] *and by students of "place attachment."*[23] *And in a socio-spatial sense, as argued by Chris de Wet,*[24] *placelessness is often perceived, albeit at a lower intensity, by populations subjected to compulsory villagization schemes.*

Selected empirical data. If resettlement policies do not explicitly provide improvement in housing conditions, or if compensation for demolished shelters is paid at assessed value rather than replacement value, the risk of homelessness is increased. A 1990 Bank report on the Cameroon-Douala Urban resettlement completed in 1989 found that over 2,000 displaced families were hindered in their efforts to set up new permanent houses; less than 5 percent received loans to help pay for assigned houseplots. From the Danjiangkou reservoir, not Bank-financed, China has reported that about 20 percent of the relocatees became homeless and destitute. (This sad experience and the results of China's Danjiangkou and Sanmenxia Dam displacements, led to the adoption of new and better resettlement policies in China, policies that attempt to transform resettlement into an opportunity for development). Violent destruction of houses of people labeled as squatters is a procedure still used in some places, to speed up evictions. The "emergency housing center" or temporary "relocation camps" used as fall-back solutions in poorly planned resettlement tend to make homelessness chronic rather than temporary. When resettlers cannot meet the time and labor costs involved in rebuilding a house, they are compelled to move

---

[22] Downing, Theodore E. *Social Geometrics: A Theory of Social Displacement in Resettlement.* Paper presented at the International Congress of the Americanists. Stockholm/Uppsala, Sweden. 1994.

[23] Low, Setha and I. Altman, ed. *Place Attachment*, New York: Plenum Press. 1992.

[24] de Wet, Chris. *Moving Together, Drifting Apart. Betterment Planning and Villagization in a South African Homeland.* Johannesburg: Witwatersrand University Press, 1995.

into "temporary" shelters, which then tend to become long-term shelters. At the Foum-Gleita irrigation project in Mauritania, only 200 out of the 881 displaced families reconstructed their housing, the rest living precariously for two years or longer in tents or under tarpaulins.[25] A Bank field review of a large scale resettlement found that prolonged lack of support made the temporary shelters into permanent residences, in which resettlers shared common sleeping spaces with their animals. Yet homelessness — like joblessness, marginalization, morbidity, or other social risks — are not unavoidable in involuntary resettlement.

4. *Marginalization*

Marginalization occurs when families lose economic power and slide on a "downward mobility" path: middle income farm-households do not become landless, but become small landholders; small shopkeepers and craftsmen are downsized and slip below poverty thresholds. Relative marginalization may often begin long before the actual displacement; for instance, when lands are condemned for future flooding and are implicitly devalued, new public and private infrastructural investments are prohibited, and the expansion of social services is undercut.

Selected empirical data. Resettled families very often cannot fully restore lost economic capacity. For farm families, partial but significant loss of farming land to reservoirs, roads or canals may make their farm economically nonviable. High productivity farmers on fertile valley-bottom land are marginalized when moved uphill to marginal, infertile soils, even though they may be given the same area of land. In the Nepal Kulekhani Hydroelectric project, an independent study found the majority of displaced people worse off socially and economically, due to lower productivity of new land, and less diversified production. Marginalization also occurs through the loss of off-farm income

[25] Ngaide, Tidiane, *Socio-Economic Implications of Irrigation Systems in Mauritania: The Boghe and Foum-Gleita Irrigation projects.* Thesis submitted for Master of Science (Land Resources), University of Wisconsin-Madison, 1986.

sources; in Sri Lanka's Kotmale project financed by a European donor, a field study assessed that marginalization occurred because opportunities for non-farm income generation were lost or limited through displacement, increasing the economic differentiation between evacuees and hosts.[26] For urban resettlers, marginalization is sometimes gradual and occurs after relocation, as in the case (described above) of resettlers given jobs (instead of land) that prove to be temporary and unsustainable in the long run as income sources. Marginalization of resettlers is also implicitly and tacitly accepted in all cases when governments or project agencies consider it a matter of course that those displaced cannot be provided reestablishment at their prior standard of living.

5. *Increased Morbidity and Mortality*

Serious decreases in health levels result from displacement-caused social stress, insecurity, and psychological traumas, and from the outbreak of relocation-related diseases, particularly parasitic and vector-born (malaria, schistosomiasis). Unsafe water supply and poor sewerage systems heighten vulnerability to epidemics and proliferate diarrhea, dysentery, etc. The weakest segments of the demographic spectrum – infants, children, and the elderly – are affected strongest.

Selected empirical data. People forced to relocate have a higher degree of exposure and vulnerability to illness, and to comparatively more severe illness, than those who are not. At Akosombo in Ghana, the prevalence of schistosomiasis around the reservoir rose from 1.8 percent prior to resettlement to 75 percent among adult lake-side dwellers and close to 100 percent among their children, within a few years after impoundment in the 1960s. In the Foum-Gleita irrigation project, Mauritania, the predicted increase of schistosomiasis was exceeded, reaching 70 percent among school children; farmers' health worsened from contaminated drinking water and agrochemical intoxication. An

[26] Soeftestad, Lars T., "On Evacuation of People in the Kotmale Hydro Power Project: Experience from a Socio-Economic Impact Study", *Bistaandsantropologen*, June 1990.

outbreak of gastro-enteritis occurred along the Victoria dam reservoir in Sri Lanka.[27] At Nam Pong dam in Thailand, monitoring confirmed that local rates of morbidity — from liver fluke and hookworm infection — were higher than provincial levels, the result of deteriorated living conditions and poor practices of waste-disposal. Overall, direct and secondary effects of involuntary dislocation without preventive health measures range from psychosomatic diseases and diseases of poor hygiene, such as diarrhea and dysentery, to outbreaks of parasitic and vector-borne diseases such as malaria and schistosomiasis caused by unsafe, insufficient water supplies and inadequate sanitary waste systems. Increased mortality rates are also reported, as a result of epidemic outbreaks of malaria around new bodies of water and to accidents associated with new reservoirs. Lack of proper information and precautionary measures resulted in 106 deaths by drowning at Saguling Lake (Indonesia) during the first 14 months of operation; at Cirata reservoir (Indonesia) ten people drowned in the first ten months after impounding.[28]

6. *Food Insecurity*

Forced uprooting increases the risk that people will fall into chronic undernourishment and food insecurity, defined as calorie-protein intake levels below the minimum necessary for normal growth and work.

Selected empirical data. Sudden drops in food crop availability and/or incomes are predictable during physical relocation, and hunger or undernourishment tend to be lingering long-term effects. Undernourishment is both a symptom and result of inadequate resettlement. Forced uprooting increases the risk that people will fall into chronic food insecurity, defined by the Bank as calorie-protein intake levels below the minimum necessary for normal growth. In addition, rebuilding

---

[27] Rew, Alan W. and P.A. Driver (1986) *Evaluation of the Victoria Dam project in Sri Lanka.* Volume III. Initial Evaluation of the Social and Environmental Impact of the Victoria Dam project. Annex J Social Analysis. Annex K Environmental Analysis. (Mimeo).

[28] Padjadjaran University, *Environmental Impact Analysis of the Cirata Dam.* Institute of Ecology, 1989.

food production capacity at the relocation site may take years. At the Foum-Gleita irrigation project, Mauritania, when multiple cropping and husbandry was replaced with paddy-rice monocropping, diets and cash-crop income deteriorated. In 1986 at the Victoria dam project, financed by a European donor, some 55 percent of resettled families were still receiving food stamps after a long period, compared to a much lower rate in the country as a whole. Because the area of cultivated land per capita in the Bailiambe reservoir in China (not Bank financed) decreased from 1.3 mu to only 0.4 mu after relocation, local food production became insufficient and 75,000 tons of food relief annually had to be provided for several years.

7. *Loss of Access to Common Property*

For poor people, particularly for the landless and assetless, loss of access to common (non-individual) property assets belonging to communities that are relocated (forested lands, water bodies, grazing lands, etc.) represents a major form of income and livelihood deterioration. Typically, such lost resources remain uncompensated by government relocation schemes, with only few positive exceptions – mainly in China.

Selected empirical data. Empirical evidence shows that fruit and other edible forest products, firewood and deadwood for use and sale, common grazing areas, and use of public quarries, account for a significant share of poor households' income. For example, in semi-arid regions of India, 91-100 percent of firewood, 66-89 percent of domestic fuel, and 69-80 percent of the grazing needs of the poor households are supplied by lands under common property regime.[29] Losing the use of such natural resources under common property, displaced people tend to encroach on reserved forests or increase the pressure on common property resources of the host area population, a source of social tension and increased environmental deterioration. Secondary adverse effects of resettlement on the environment occur also when oustees who do not receive cultivatable land move uphill in the reservoir watershed, intensify deforestation and cultivation of poor soils, and accelerate erosion and reservoir siltation.

---

[29] Sequeira, Debra, *"Gender and Resettlement: An Overview of Impact and Planning Issues in Bank-assisted Projects."* Draft paper prepared for the Bankwide Resettlement Review. Jan. 1994; see also Gopal, Gita, *"Gender and Resettlement in India"*, mss, August, 1992.

8. *Social Dis-integration*

Forced displacement tears apart the social fabric and the existing patterns of social organization. Production systems are dismantled, kinship groups and family systems are often scattered, local labor markets are disrupted, and people's cultural identity is put at risk.. Life-sustaining informal social networks of mutual help among people, local voluntary associations, self-organized service arrangements, etc., are dispersed and rendered inactive. This unraveling represents a massive loss of social capital incurred by

Box 1.1. Losses caused by the dismantling of informal social networks

A Bank-sponsored research project, unrelated to resettlement, documented how essential the informal networks among households are in the daily economic life of the poor. During resettlement such networks are dismantled and dispersed, a net loss to their members.

Household networks help cope with poverty through informal loans; exchanges of food, clothing and durable goods; mutual help with farming, building houses, and caring for children. "Household networks pass around large amounts of money, goods, and services, and may substitute for public subsidies.... But recognition of the importance of private transfers for economic policy is relatively recent."a/ Such transfers flow from better-off to poorer households and help equalize the distribution of income.

Bank economists, measuring and quantifying the contribution of such informal social networks, have documented what anthropologists and sociologists have long described in qualitative terms. Research has found that in developing countries 19 to 47 percent of people report recurrent transfers, representing as much as 20 percent of household incomes, compared to only 5 percent in the United States. In the Philippines, for instance, private transfers among household in the lowest quintile boost their income by more than 75 percent. The support can reach high levels: in Peru, the pre-transfer income of households that are net givers of transfers is 60 percent higher than recipient households. Such private transfers also function as informal credit arrangements and as mutual insurance mechanisms. Simulation analysis shows that in Colombia such transfers contribute up to 40 percent to stabilizing incomes in households experiencing unemployment.

The dismantling of such multifunctional, yet virtually "invisible", social networks through displacement acts as one of the "hidden" but real causes of impoverishment through displacement. This is a loss of social capital. It is difficult, and it takes time, to reconstitute similar social structures and networks among resettlers and their hosts, capable of exercising similar support functions at the new relocation sites.

---

a/ Donald Cox and Emmanuel Jimenez, "Achieving Social Objectives through Private Transfers: A Review," *World Bank Research Observer*, Vol. 5, 1990, p. 205.

the uprooted people, yet a loss that remains unquantified and uncompensated. Such "elusive" dis-integration processes undermine livelihoods in ways uncounted by planners.

Selected empirical data. Dismantled forms of social organization that mobilize people for actions of common interests and for meeting pressing needs are hard to rebuild (see *box 1.1*). Such loss is higher in projects that relocate people in a dispersed manner rather than in groups and social units. Field studies have documented that such disarticulation processes deprive the displaced people of "goods" such as mutually rendered help and services, labor exchanges, reciprocal informal credit, and are part of the complex causes of impoverishment and power loss.

In the Rengali dam project in India, not Bank-financed, a sociological study found various manifestations of social disarticulation at the kinship system level, such as the loosening of intimate bonds, growing alienation and anomie, the weakening of control on interpersonal behavior, and lower cohesion in family structures. Marriages were deferred because dowry, feasts, and gifts became unaffordable. Resettlers' obligations and relationships towards non-displaced kinsmen were eroded and interaction between individual families was reduced. As a result, participation in group action decreased; leaders became conspicuously absent from settlements; post-harvest communal feasts and pilgrimages were discontinued; daily informal social interaction was severely curtailed; and common burial grounds became shapeless and disordered.[30]

A monograph on the Hirakud dam in Orissa, India, found that displaced households whose "economic status had been completely shattered as a result of displacement" were not "properly integrated" in the host villages many years after relocation.[31] Overall, if poverty is more than the absence of material means or basic services, such as shelter, means of work, food, health or education, but it

---

[30] Nayak, P.K., *Resettlement at Rengali Dam*, Bhubaneshwar, Orissa, 1986, p. 50.

[31] Baboo, Balgovind, *Technology and Social Transformation. The Case of the Hirakud Multi-Purpose Dam in Orissa*, New Delhi: Concept Publishing Company, 1992.

is also lack of power and greater dependency and vulnerability, than the disorganization of communities and voluntary networks is also loss of power and greater vulnerability.

There are also other kinds of counter-developmental effects, that can vary from one project situation to another, being dependent on the specific circumstances of each project. Also, the main risks discussed above affect differentially various categories of people – rural and urban, children or elderly, tribal and non-tribal groups, women or men. More severe impacts of involuntary resettlement on women are documented by significant findings revealed in the recent literature.[32] Such differences are very important in practice, and call for targeted responses.

When Some Share the Gains and Others Share the Pains or The Fallacy of Macro Cost-Benefit Accounting

The above analysis focused on the essential and general processes, in other words – on the paradigm of impoverishment through forced relocation.

Findings about adverse effects are not entirely new, even though it is always unexpected and disturbing to see destruction arriving on the wings of progress, and to find poverty striking within programs designed to help alleviate poverty. Development is not a linear growth process: conflicts and contradictory outcomes are bound to appear at many junctures. What is surprising, however, is not that adverse consequences occur but that in many countries they continue to be widely overlooked in planning, underestimated, and not thought through in advance. Thus, even though they are predictable, they become "unanticipated" in particular situations or programs. *As a result, growth strategies and development programs are often ill equipped with safety net*

[32] Feeney, Patricia. *Displacement and the Rights of Women*, Oxfam, Policy Department. Oxford, May 1995. König, Dolores, "Women and Resettlement," in Rita Gallins and Anne Ferguson (eds), "*The Women and International Development*, vol. 4, Boulder, Colorado: Westview Press, 1995.

measures designed to prevent, mitigate, and compensate for risks and actual counter-developmental effects.

In certain projects, adverse social effects are anticipated conceptually, but in practice they are dealt with only in a perfunctory manner: plans and projects mention them, but do not really build barriers against them as meticulously as they build up the technical elements of the projects.[33] Technocentric biases in projects mean that the physical components (e.g., civil works) are addressed first while people are put last; detailed social planning and execution are not done, and necessary resources are not allocated; and misguided and non-monitored implementation compounds the negative socio-economic effects. That justifiably raises the fundamental question asked by a respected Indian scholar who has devoted much analysis to resettlement: "Development for Whom?"[34]

The justification usually offered by many decision-makers and planners to the criticism of such counter-developmental impact is that the sum of their many benefits outweighs the sum of their costs and negative effects. Arithmetically, this may be so in many (not all) cases. A quantified "justification" of this sort may, at first glance, appear rational. Upon closer analysis, however, this answer is neither legitimate nor convincing. It implies that the harm caused to the individuals subjected to displacement is compensated by the aggregate benefits of development, independent of the allocation of these benefits. This kind of desk macro-accounting of costs and benefits, rather crude, is morally and practically fallacious when one cannot predict with reasonable certainty the allocation of the future benefits of a program.

---

[33] Cernea, Michael M. *Involuntary Resettlement in Development Projects: Policy guidelines in World Bank-Financed Projects* . World Bank Technical Paper No. 80. 1988.

[34] Mahapatra, L. K. "Development for Whom? Depriving the Dispossessed Tribals," *Social Action*, vol. 41, no. 3, 1991.

The fallacy is even more obvious where – like in the case of upstream displacement vis-à-vis downstream development – the program randomly generates benefits for some, while it inflicts negative effects upon others. When certain development projects are poorly conceived and managed, they result in situations in which ***some share the gains, while others share the pains.***

The fact that planned programs often produce long term improvement gains and development for those labeled "project beneficiaries" does not make the hardship any lighter for those suffering the immediate misfortune of being uprooted. In real life the negative effects are not fully subtracted from the benefits, or shouldered by the project's beneficiaries, but are compensated only partly by the state and in large part are borne by the population that is being victimized in the name of the "greater good for the greater numbers." *This kind of spurious rationality plagues rather than serves development philosophy and planning practice,* because it distracts planners from seeking alternative approaches and solutions. It is responsible for tolerating or even magnifying some of the ill effects of such programs, which otherwise could be counteracted – either prevented, or mitigated.

Worldwide resettlement experiences converge in showing that the single most damaging factor to the quality and outcomes of resettlement is the absence in many countries of *policy and legal frameworks* that define the rights and entitlements of people affected by development-related, state-imposed displacements. Within such policy vacuums standards are disregarded, arbitrariness sets in, and the powerless are victimized once again, rather than being enabled to share in the benefits of the development for which they incur sacrifices. Relevant in this respect is the World Bank's general counsel observation: *"lessons derived from Bank-assisted projects involving resettlement [show] that in many countries the national legal framework of resettlement operations is incomplete.... Resettlement legal issue [are treated] as a subset of property and expropriation law. For various reasons, these national laws do not provide a fully adequate framework for development-oriented resettlement.... New legislation often must be introduced, or existing laws*

must be modified, in order to plan and carry out involuntary resettlement adequately."[35] This is why the World Bank has recommended policy reform in this area to all governments whose projects entail involuntary resettlement, together with the build up of their institutional capacity for resettlement. The enunciation of national policy guidelines and legal frameworks for resettlement , embodying principles of equity and social justice, should be seen as one of the strategic steps towards generally beneficial development.

The "How To" of Socio-Economic Reestablishment

As emphasized at the outset, the eight characteristics of impoverishment described above, taken together, could help such prevention efforts, because they provide a warning model that captures the lessons of many real processes and clearly points to what must be avoided. The predictive capacity of such a model informs about the main social risks intrinsic in population dislocation and helps adopt timely counteracting or compensating measures for risk management.

The basic policy message embodied in the above model is that these intrinsic socio-economic risks must be brought under control through an *encompassing strategy* and by allocating *adequate financial resources.* They can not be tamed through *piecemeal* random measures, based simply on cash compensation for lost assets, but only through concerted multi-sided action.

Standing the risk model on its head provides the action model for the constructive reestablishment of those displaced. In other words, landlessness risks should be met through planned land-based reestablishment; homelessness – through sound housing programs; joblessness – through alternative sustainable employment; increased morbidity – through adequate prevention, education, and improved health care assistance; community disarticulation – through purposive community

---

[35] Shihata, Ibrahim F.I. "Involuntary Resttlement in World Bank-Financed Projects," in *The World Bank in a Changing World*, The Netherlands: Martinus Nyhoff Publishers, 1991, p. 181.

reconstruction and host-resettler integrative strategies. One way to accomplish such reconstruction is to enable those displaced to directly *share in the specific benefits* generated by the program which pushed them out in the first place.

The "how to" answers to these risks consists both in a policy response — of the type embodied in the World Bank policy regarding resettlement[36] — and in operational measures, through a vast spectrum of practical options for reconstructing the livelihoods of displaced and resettled people. Describing this vast arsenal of available measures is not the subject of this brief article, but it is encouraging to note that the literature documenting positive experiences in reconstructing livelihoods in various countries is growing.[37]

The usage of the risk model proposed above is not limited, however, to the initial stages of the project cycle — preparation and project planning — in resettlement operations, but should be extended to the project implementation stage, particularly to the monitoring of early outcomes. It is a necessity to initiate early monitoring studies focusing whenever possible on the initial cohorts of resettled people in each large projects to assess whether or not their income is being restored, improved, or remains below pre-project levels. Such monitoring studies[38] can be structured along the eight elements of the model, and would produce actionable recommendations tailored to the project's circumstances.

---

[36] World Bank. *Involuntary Resettlement.* Operational Directive 4.30. Washington, D.C., 1990.

[37] An international conference devoted primarily to analyzing and synthesizing such field experience in "the restoration of livelihoods" of displaced people will take place in September 1996 at the University of Oxford, England.

[38] One of the first such ongoing monitoring studies on income restoration has been started in China's Ertan Hydroelectric Project. It is carried out by local researchers under the methodological guidance of Professor Fredrik Barth and Professor Thomas Williams, the social scientists members of the project's international monitoring panel . The interesting feature of this study is that it does not wait for all the people to be resettled, but rather focuses on the first cohorts of resettlers and their income; this way, the midstream findings will be used for improving the resettlement of the subsequent cohorts, before the end of the project (see F. Barth and T. Williams, *Third Monitoring Report on Resettlement in the Ertan Hydropower Project, Ertan.* Processed. Washington, D.C., 1995).

In conclusion, it is crucial to emphasize *that impoverishment through displacement is not inevitable* in resettlement. After having done much field research and operational work on resettlement, I am left with no illusion about the major difficulties associated with preventing and mitigating these risks. But the advantage of forecasting trends is that the forecast offers the possibility to take policy and project counteractions. There is no doubt that failure to acknowledge the inherent social risks will allow them to unfold unimpeded, in every case. Conversely, equitable policies and improved planning, financing, and implementing of resettlement are apt to transform the impoverishment risk model into a self-destroying prophecy and apt to facilitate the socio-economic re-establishment of resettlers.

ENVDR
C:\MSOFFICE\WINWORD\RESETTLE\IMPVRSH5.TXT\MMC:gmo\