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CHALLENGING THE PREVAILING PARADIGM OF DISPLACEMENT AND RESETTLEMENT

Its evolution, and constructive ways of improving it

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Abstract

This volume’s introductory chapter begins with an overview on how the world’s first ever policy on development-caused forced displacement and resettlement (DFDR), adopted in February 1980 by the World Bank, has been gradually embraced on a worldwide scale. The progress of the policy took place along two simultaneous “itineraries”: depth (of content) and breadth (of geographic coverage).

The first itinerary was the (still insufficiently known) step-wise twenty-year advance in strengthening and enriching this pioneering policy with new knowledge, distilled from both scholarly research and on-the ground practice (successes and failures) in Bank-financed projects. The second itinerary is the DFDR policy’s geographic propagation outside the World Bank along six international “tracks” through the policy’s adoption by numerous other aid agencies, 80 large private sector commercial banks, and by some developing countries’ governments, up to the recent World Bank replacement of the Safeguard Policies with standards proposed to the borrowing countries, a change that is analyzed critically in this volume. The analysis is supported by a review of quantified data about the magnitude and accelerating displacement trends in the portfolio of World Bank projects that include DFDR processes, and about major failures in reconstructing livelihoods. The last part of the introductory chapter offers a synopsis of this book’s 13 chapters by researchers from Asia, Latin America, Africa, Australia, Europe, and North America.

Introduction

The present volume examines a complex, multivariable, and internally contradictory social-economic process known widely as development-caused forced displacement and resettlement (DFDR). Over the last three decades, this process has become more
visible publicly, more investigated and empirically documented by social scientists, and more resisted by the affected and targeted populations. Nonetheless, forced displacement processes are expanding, compounding harmful economic pauperization and cultural impacts.

**Themes and premises of this volume**

This book’s co-authors come to this collective effort from six continents and from various cultures, bringing together new thoughts and new data. The book’s chapters are convergent in their analyses and advocacy. The authors report on courageous innovations and improved practices being tested in some countries that could be generalized. They also reveal, analyze, and criticize numerous dysfunctional approaches and unacceptable outcomes of ill-treated DFDR processes.

As this book’s title states, we are challenging the policy paradigm currently embodied in the design, content, and methodology of numerous projects causing involuntary resettlement. The prevailing paradigm suffers from a substantial knowledge deficit: it has fallen behind the progress in research-based knowledge about involuntary resettlement achieved during the last two decades. We are challenging not only the knowledge deficit revealed in these projects, but also situations in which even much of what is valuable and correct in the existing policy paradigm(s) is distorted by poor implementation. One example is the chronic under-allocation of resources to resettlement action plans (RAPs) designed without an economic feasibility analysis apt to confirm their soundness. Without such economic and financial feasibility analyses, such a “plan” is more a piece of wishful thinking than a realistic plan.

What also weakens the existing policy paradigm, and is explicitly challenged in this book, is the inadequacy or absence in most developing countries of legislation able to protect the rights and just entitlements of displaced people. To exemplify with the most frequent situation, we know from universally confirmed evidence that when legislation mandates displacement yet doesn’t mandate also the economic and social reconstruction needed after forced displacement, the inherent riskiness of the DFDR process results in additional poverty and human tragedy. Unfortunately, this delinking persists today in many developing countries and leads to failures and impoverishment. Throughout this volume, we argue that this structural delinking is determined and inbuilt by the one-sided laws for land acquisition prevailing in many developing countries. These laws are one-sided since they are predicated exclusively on acquisition by expropriation and uprooting, but do not include any provision requiring the state, as expropriating agent, to also ensure the resettlement and reconstruction that are indispensable after displacement (a recent example is Bangladesh’s 2017 new and incomplete law on land acquisition, see Zaman and Khatun 2018).

Consequently, such legislation must today be treated as obsolete and in need of radical overhaul: each land acquisition law that permits expropriation must also include mandatory support for the social-economic recovery of the population displaced by supplementing compensation with investments in re-development
(Cernea 2008). It is highly significant that in 2013 India undertook precisely such a radical overhaul: it finally abolished its 125-year-old colonial land acquisition law, but had no provision for reconstructing the livelihood of the dispossessed and uprooted families. The title of the new Act explicitly captures this new legal content, The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act (GOI 2013). With this step, India historically transcended its obsolete legal paradigm.

From among the constitutive elements of the paradigm for sustainable resettlement, this book has elected to emphasize those highlighted in the book’s subtitle: risks, impoverishment, legacies, and solutions. This choice is deliberate because the risks of impoverishment and of unsolved lingering legacies are causally traceable to forced expropriation and physical uprooting. Along this line, we examine the growing set of injustices, abuses, and human rights violations experienced by people forcibly displaced. We aspire to contribute to the formulation of a new paradigm that is inclusive of the social, economic, and cultural dimensions of sound resettlement and is grounded in the recognition and protection of human rights. We envisage this paradigm to be defined as “resettlement with development,” substantially different and opposed to “resettlement with compensation only” which most often is “resettlement with impoverishment.” Moving towards this paradigm is not easy, yet this is the paradigm consistent with poverty elimination and just development.

As researchers we are particularly pleased to report on approaches that represent innovations—some presented here in detail for the first time—in the social science literature on DFDR. When such innovations are recognized as valuable, they need to be introduced in the states’ legislation for resettlement. With the power of social science research, argument, and advocacy, the volume’s co-authors aim to inform state governments, development agencies, and the public at large about ways to prevent, reduce, control, and influence the unfolding of DFDR through better understanding, more knowledge, strong legal normative systems, reorientation of state and development agencies’ actions, and increased financial investments for reconstruction post-displacement. We hope that some of these facts and their documented accounts will become part of the conversation between researchers and practitioners.

The present book is being produced shortly after the large international debate about Safeguard Policies in development, a debate started by the World Bank in the course of the revision of its Safeguard Policies. This overall exercise resulted, in fact, in the World Bank’s elimination of its Safeguard Policies qua policies and their replacement with two new World Bank documents, released in August 2016: the Bank’s Environmental and Social Framework (ESF) and the Environment and Social Standards (ESS) (World Bank 2017a). During and due to this international debate, the worldwide visibility of DFDR issues has significantly increased (World Bank 2017a).1

In their chapters, this book’s co-authors challenge the overall adequacy of the Bank’s ESF and ESS as a replacement for the Safeguard Policies, because this “replacement” is vastly weakening the protection of people and the environment adversely affected by development. Yet the main subject of this book is not the
totality of the ESF and ESS package. The central focus of this book is the DFDR process. The ESS document addresses the DFDR in its Standard Number (Nr.) 5, titled “Land acquisition, restrictions on land use, and involuntary resettlement.” We analyze how the crucial DFDR issues are treated in the Standard Nr. 5 of the ESS, compared to their previous treatment by the former Safeguard Policy on resettlement.

Public feedback has been sharply, though not unanimously, critical of the de-ranking of the World Bank’s Safeguard Policies from their former status as policies to “standards” binding for borrowers but not binding on the Bank itself.

In this introductory chapter, we attempt to outline the magnitude and accelerating trends among the ongoing DFDR processes. Then, since the ongoing debate on DFDR is centered on the policy paradigm and normative systems needed for managing these processes, this introductory chapter provides a background retrospective on why and how the first policy paradigm on DFDR was formulated at the World Bank, then was iteratively improved in several updating stages, and subsequently produced a successful and very wide “ripple effect” at the international scale (Cernea 2005). Further, the chapter documents with authoritative statistics the typical performance problems confronted today in DFDR processes, relying on data made recently available by the World Bank regarding the loss of income and livelihood suffered by people displaced under a large number of World Bank-financed projects. The advances achieved due to the Bank’s landmark policy on DFDR are now endangered because a distinct resettlement policy is now absent from the new “World Bank’s Environmental and Social Framework for Investment Financing” (World Bank 2017a, 9–22), while the resettlement issues are present only in the ESS Standard Nr. 5, which as the Bank surprisingly decided now is not binding for the Bank’s staff. This chapter will also signal the impossibility of comingle the substance of all previous Safeguard Policies into one “umbrella” statement improperly called “social and environmental policy,” as the reading of this policy renders immediately obvious.

Magnitudes of displacements are growing, and the frequency of displacements is accelerating

The World Bank estimated in 1994 that 10 million people per year were displaced in developing countries by activity in only three economic sectors (hydropower, urban, and transport), producing 100 million people displaced per decade. For the following decade (2001–2010), the estimate along similar criteria but also including additional economic sectors indicated that the number displaced would be 15 million per year, resulting in 150 million displaced people for the first decade of the 21st century. For the current decade (2011–2020), and as the pace of infrastructure building accelerates, the estimated magnitude of forcible displacement is likely, on conservative estimates, to exceed 20 million people per year, which means 200 million people or even more for the decade. However, this conservative estimate depends considerably on when, and to what extent, the announced

Another way to assess the increase in the magnitude of displacements and their trends is to examine the accelerating growth in the number of projects causing displacement as a proportion of the total number of development projects. To do so, we use new data from the World Bank’s portfolio reviews of active and pipeline projects, which are often a proxy for world trends. The previous such full portfolio review of all World Bank projects between 1987–1993 identified a total of 192 projects involving displacements (see World Bank 1994 and 1996). Further, we have data from the 2010 sample-based study by the Bank’s Independent Evaluation Group (IEG), which studied projects from 1999 to 2010 and reported that already one out of every four Bank projects (25%) included forced displacement and “triggered” the Bank’s resettlement policy (IEG 2010).

The next World Bank portfolio report, dated May 2012, encompassed a period of 20 years (1990–2010). That report indicated that during that 20-year period the Bank’s total project portfolio comprised a total of 6,884 projects; out of this total 1,423 projects involved forced population displacements (World Bank 2012).

The same report divided these 1,423 projects into three subgroups of projects by their status: the first subgroup was the older projects, started during from the first 7–8 years of those two decades, which in 2012 were already closed; the second subgroup consisted of ongoing projects still active; and the third subgroup encompassed forthcoming projects which were still in the preparation pipeline and had not yet become active, but had already been identified as going to cause forced displacements. Table 1.1 reflects these three subgroups and their growing weight in the Bank’s total portfolio.

The indicator that best captures the accelerating trend of forced displacement is the growing proportion of projects triggering displacement in each of the three time-status categories: older; ongoing; and forthcoming projects. Table 1.1 shows us that among the 431 earliest projects the proportion of projects causing displacement was still small: only 12%. However, the proportion of projects causing displacement had suddenly more than doubled to 29% among the 747 newer projects still in active state in 2012. And last, we see that among the

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most recent 245 forthcoming projects in the pipeline/preparation stage, the proportion of those predicated to cause forced displacement soared to 41%.

In sum, the growing trend during these 20 years shows rapid acceleration from one group of projects to another; the leap from 12%, to 29%, to 41%, i.e., 3.5 times more, is rapid, huge, and highly worrisome (World Bank 2012, 12).

The birth of the first policy paradigm on forced resettlement

Within the family of development-oriented social sciences, the historic merit for initiating empirical research on forced population displacement belongs to the disciplines of anthropology and sociology. Monographic studies were published in the 1950s, 1960s, and 1970s before other disciplines joined in such studies, and long before such processes became a subject of public policy.4

The present book is born from that pioneering social research, and strives to continue that research and its contributions to practice. Therefore, we will concisely examine and reconstruct below how the supply of knowledge generated by these disciplines maintained their pioneering cognitive contribution also in formulating the content of the first policy paradigm and normative system that informs modern DFDR processes.

The first policy paradigm on involuntary resettlement was written and adopted about 40 years ago and instantaneously became a historic landmark in the thinking and practice of state managed development. In February 1980, the World Bank, the world’s leading development agency, officially instituted the world’s first social policy on DFDR, titled “Social Issues in World Bank Financed Projects with Involuntary Resettlement” (Operational Manual Statement – OMS 2.33).

The new policy on forced displacement was made necessary by a series of major social failures in a number of World Bank projects. One of these occurred in the late 1970s in Brazil’s World Bank-financed Sobradinho Dam project. The dam became ready for impoundment, but only some of the 65,000 people inhabiting its reservoir area had been resettled. A resettlement plan had not even been prepared for them. The Bank’s project appraisal report contained an underreported displacement component: only 24,000 people. The dam’s completion caught out the bulk of the 65,000 inhabitants still in the reservoir area. Waters began to rise behind the dam. The drama of flooding-out unprotected people surfaced immediately in international news headlines. Brazil’s influential Catholic Church launched a huge protest campaign asking for worldwide help. Newspapers beamed the crisis around the world. Alarmed and embarrassed, both the World Bank and Brazil’s government tried to take some emergency measures.

It was all too little and too late. The only option left was to send in Brazil’s big military trucks to load the at-risk villagers, their cattle and paltry belongings, then dump them aimlessly on bare land not yet prepared for human habitation.

The considerable disaster on the ground and the reputational disaster for the World Bank triggered huge concern inside the Bank. At the time, poverty reduction had already been defined as the central objective of the World Bank. But
because of lack of any preparation, the Sobradinho disaster suddenly made 65,000 people even poorer. The Bank’s first in-house sociologist recommended designing a system of resettlement norms that would require planning future displacement and resettlement processes with a totally new approach; his proposal was accepted. A retrospective review of the Bank’s past experiences with dam-caused displacements was undertaken to distill lessons from similar prior projects such as Africa’s large Volta and Kariba dams, as well as from dramatic experiences in Europe such as the Iron Gates Dam on the Danube which had fully submerged the populated Ada-Kaleh island. The synthesized information became the subject of a series of in-house debates and seminars.

The conclusions of the in-house debates resulted in the creation of a historic document that articulated the first normative system binding on the Bank as an institution, on its staff, as well as for the Bank’s borrowing countries, to be applied in all subsequent Bank-financed projects that would cause forced displacements (World Bank 1980). The Bank’s then president, Robert McNamara, approved that document, elevating it to the status of official Bank policy as World Bank OMS 2.33. Adding a distinct operational policy to prevent impoverishing people through Bank projects was regarded as a logical and necessary part of the Bank’s policy and value reorientation to poverty reduction.

Part of the in-house debate was also on whether the goal of resettlement should be to “restore” the pre-project level of livelihood or to “improve” it. The proposal to adopt the higher goal—“livelihood improvement”—was considered justified and desirable, but still unattainable at the time, the end of the 1970s. It was included as the optimal option, while the main option remained minimal: to restore people’s livelihood. Therefore, the goal of the final policy text was formulated as “restoring and, if possible, improving” the livelihood of the people displaced compared to their prior condition. It was only several years later during the subsequent update of the policy that the Bank’s social specialists succeeded in obtaining a redefinition of the policy goals, which have now been reformulated first as “improving”, and, only as a least desirable default option, “at least restoring” the livelihood of those displaced (World Bank 1990). This goal definition persisted much too long and has proven to be counterproductive supporting, in fact, the less demanding lower default option. Unfortunately for the affected people, it is still today the current formulation in the Bank’s ESF/ESS as the World Bank’s “accepted” goal to be reached through involuntary resettlement. In fact, the World Bank’s own statistics (quoted further in this chapter) about the outcomes of displacement in projects it is financing do recognize and confirm that, in practice, even the lowest objective of “livelihood restoration” is not being achieved in about 50% of the projects the Bank has been financing in the last 20 years (1990–2010). This is an official recognition of large-scale impoverishment taking place occurring under the umbrella of Bank-financed projects.

Empirically analyzed project results have confirmed again and again that declaring “restoring at pre-displacement level” as an acceptable standard conceals the reality, recognized by economic science, that restoration to pre-displacement poverty
level is a form of further relative impoverishment, as compared to the livelihood level that the project area population would have achieved on its own during the many years of land “pre-project condemnation” in addition to the duration of the projects’ execution (often six to eight years). Restoring to pre-project level, even if achieved, mathematically results in both a reduced level of income and a reduced living standard because it does not account for the progress the displaced people would have made without the existence of the project that displaced them (see also AAA 2017); the restoration pushes the affected people backward rather than substantially improving their livelihood. In fact, these outcomes have been disclosed and publicly deplored recently by the World Bank’s President as being among the “several major problems” that he found in the World Bank’s resettlement portfolio (Kim 2015). This is why the present volume argues that the new prevailing paradigm necessary in conducting DFDR should assert, promote, and pursue achieving “resettlement with development.”

Remarkably, only one country, China, has formally elevated the goal in involuntary resettlement and introduced it in its current policy paradigm, as well as in its legal framework, aiming to achieve “resettlement with development” for the populations displaced, higher than achieving only “restoration” to the pre-displacement level (Shi 2004, 2015; Cernea 2016a, 2016b). In this book the three chapters about China, authored by Shi Guoqing, Duan Yuefang, and Chen Shaojun, address different aspects of this elevated paradigm and offer detailed information about China’s evolution from “resettlement with compensation only” to “resettlement with development.”

The adoption of the world’s first resettlement policy was a historic novelty not only for the World Bank, but also at the international scale in terms of both development theory and praxis. This adoption was not just a routine move from an old policy to a new one: it was a big leap from no policy at all to a structured approach that relied on research-produced knowledge about similar cases. No other international agency or developing country’s government had ever before instituted a social policy for this type of process.

The in-house stages strengthening the Bank’s resettlement policy

The crafting of that first Bank social policy was an important breakthrough also from the viewpoint of practicing social science within an international development organization. It taught us how the Bank can employ social science knowledge not only fragmentarily – i.e., on a project-by-project basis – but also by creating policies, defining planning models, constructing risk-models, and forging other development tools with wide applicability. The term “paradigm shift” was not employed then, but the new policy did accomplish – not overnight, but gradually over the subsequent years – a 180-degree reversal of entrenched routines; it changed mindsets and introduced new norms in designing projects by recognizing displacement’s serious negative impacts and searching for remedies.
The resettlement policy was not a stagnating instrument. During the years that followed its adoption, the on-the-ground implementation of the policy was very closely monitored. The number of the Bank’s in-house resettlement specialists was growing. Absorbing the feedback on policy implementation received from Bank staff and borrowers during the first decade of implementing the Bank’s resettlement policy (1980–1990) the Bank’s social development staff successively improved the initial policy through three stages of revisions. Each time, the policy was reissued in more complete versions: first in 1986 (Cernea 1986; World Bank 1986), then again in 1988 (Cernea 1988), and once more in 1990 (World Bank 1990). The first major Bank-wide full review of how the Bank’s policy had been implemented in the first 13 years was carried out in 1993–1994 (see the stages of policy revisions and improvements in Box 1.1).

**BOX 1.1 THE STRENGTHENING STAGES OF THE WORLD BANK’S PIONEERING RESETTLEMENT POLICY**

The content formulation of the Bank’s resettlement policy has evolved through iterative rounds of improvements based on new research and field feedback.


1988: Both policy documents are merged into one integrated/improved Bank policy-cum-technical paper intended as first public disclosure of World Bank resettlement policy (Cernea 1988; World Bank Technical Paper No. 80).

1990: Policy is reissued as World Bank Operational Directive 4.30: *Involuntary Resettlement*, adding strong requirements for every project that displaces people to expand country capacity for the economic reconstruction of resettlers’ livelihoods.


1998–2001: The World Bank OD 4.30 is reissued in a new format as OP/BP 4.12 on involuntary resettlement. No portfolio review was carried out for this conversion, as had been done for the prior rounds of resettlement policy strengthening.
Historic advance: an international ripple effect in adopting Bank resettlement policy

During the following years the new policy paradigm became gradually known and was watched from outside the World Bank, at first with skepticism and reservations, but also with growing interest. Initial World Bank attempts to trigger “harmonization” by other multilateral development banks (MDBs) were received coldly (for instance, by the Asian Development Bank). The policy was also critiqued, not surprisingly, from both sides. On the one hand, it was attacked as “insufficient,” “not protective and strong enough,” “tolerating the restoration of the pre-project poverty of some displaced people,” “leaving gaps and issues uncovered,” and for including some loopholes. On the other hand, it was seen as “demanding too much,” as being “ahead of its time,” and too “difficult to implement.”

Yet time, experience, and other events convinced non-Bank actors too about the validity and usefulness of the Bank’s resettlement policy. In 1988 Oxfam, one of the most prominent international non-governmental organizations (NGOs), became – through its Chairman at that time, Frank Judd – the first major NGO to salute and express strong support for the policy, in unprompted formal letters to the then World Bank President Barber Conable to the Director of the OECD’s Development Assistant Committee, and to Michael M. Cernea (Judd’s comments refer to the updated 1988 version of the World Bank resettlement policy: Judd/Oxfam 1988; Cernea 1988). Shortly thereafter, in 1991, the World Bank resettlement policy was emulated and internalized by the 24 independent bilateral aid agencies of all Organization for Economic Cooperation and Development (OECD) countries (see OECD 1992).

More than any other Bank social policy, the resettlement policy also had an extraordinary and positive international “ripple effect” and an unusual history. After a period of several years, during which the international community watched its implementation by the Bank and the gradual improvements that resulted for projects causing displacements and resettlement on the ground, a series of successive replications by other international agencies started.

Within this process we can identify at least six distinct “tracks” along which this pioneering policy advanced in a two-fold sense: (a) content improvement; and (b) international coverage expansion. These six “tracks” are as follows:

1. 1986–2001: The in-house World Bank track, involving improvements to the policy’s substantive content (see Box 1);
2. 1991: The OECD aid agencies track: simultaneous adoption by 24 OECD countries’ bilateral aid agencies;
4. The national track: adoption of resettlement laws or policies by developing countries. The first developing country that adopted resettlement laws with
substantive elements from the World Bank policy was China in 1986 (Shi 2015); overall, however, this track was and remains the slowest;

5. 2004: The private sector Equator Banks track: adoption of Safeguard Policies by the Equator Commercial Investment Banks in 2004 (initially 10 banks, but now including over 80 large private banks);


The “six-track” advance outlined above had its own dialectic that requires further analysis elsewhere. One historic fact, however, deserves mentioning here. What accelerated the cascade pattern of replication after 1991–1992, in addition to the policy’s valuable content itself, was an event that played a big role on the international scene: this was the resounding failure of the Narmada Dam project in India and the huge popular resistance triggered by its displacement of over 200,000 people. It became crystal clear that, had the Bank’s policy been applied consistently by the borrowing country and by the World Bank staff, resettlement failure could have been avoided. Development agencies realized that adopting a mandatory sound policy is the indispensable first step not only for safeguarding the affected people, but also for safeguarding their own objectives and moral reputation as major development actors.

Observations on translating social science knowledge into social policy

As development social scientists we are professionally interested in the methodology for translating knowledge conceptualized in the social sciences into practicable paradigms for action, policy tools, and models. We also have a collective stake in codifying the operational steps and methods for using our bodies of knowledge and findings as contributions to improving ongoing practices and formulating necessary legislation, or gaining acceptance for designing guidelines or other demands on our skills. One of the questions about the successful case of resettlement policy is: what are the intellectual and institutional processes to be followed for crafting guidelines, testing them in practice, navigating possible emerging resistance, evaluating performance, and iteratively improving them? By positing these questions and offering some reference points for a broader response we are inviting those interested to further explore these questions in detail and offer their own experiences.

In producing a first normative system for the case of resettlement processes, the starting premise, or the triggering element of the policy’s articulation was an acute need perceived by a “client institution.” The circumstances were propitious, since the awareness of such need was drilled into the World Bank by a big real-life disaster – the Sobradinho project – and others before it. That case made the World Bank aware of the need to change its approach without hesitancy. The knowledge
existed before this point, but only on bookshelves. Thus, the sheer existence of knowledge was not enough. The triggering element for using it turned out to be the realization that something was not working or that something else was needed. Sobradinho played the role of the catalytic crisis that burst the bubble of prior inaction observable when previous comparable crises had occurred. That recognition was imposed primarily by facts on the ground (neither by academic push nor by refined salesmanship) and, more specifically, by a direct and primary negative experience. Suddenly, the crisis caused the unused knowledge to become of interest.

When it was “packaged” adequately for the institution in the form of a binding institutional policy, mandatory for Bank staff and borrowers, it was absorbed and employed. The debate preceding the adoption of that policy also went a long way in convincing many staff members and managers of the Bank that social specialists (to the surprise of some of them) could be useful in real time and are needed both in-house and in the member countries.

One of this book’s editors had the privilege and chance to be then the first sociologist working in the World Bank. First, he had to learn the steps for converting science knowledge into building blocks for development policy-making. Compared with the tricky, uphill institutional process, the intellectual process to prepare and design the policy was in fact rather logical and straightforward. It required four distinct and logical steps, as illustrated by the case of the resettlement policy described in an earlier publication (Cernea 1991b, 189–190):

• The first step is for social analysis to delve beneath the ethnographic surface to identify and conceptualize theoretically the processes happening on the ground and their actual impacts on people, positive or negative, in order to address these impacts in an organized way as development planners and implementers. This asks for pre-existing field investigations and social analysis.

• The second step is to formulate and recommend, based on accumulated observations and knowledge, the basic principles aligned with the fundamental goal of the institution (in this case, it was the reduction of poverty) that should embody the conceptual knowledge into a system of norms germane to the values and goals of the institution.

• The third step consists of translating science-based knowledge into the technical vocabulary of procedures (for planning, supervising, and other internal processing activities) that can be used by large bureaucratic organizations, such as the World Bank, or similar. Doing this successfully requires understanding the organization’s system of rules, values, internal knowledge flows and incentives, structural relationships – in other words, its work culture – every bit as much as grasping the lived realities of the displaced people.

• Even when a proposed new policy is accepted, the “translation” process is not complete: the fourth step is to monitor and evaluate the performance of the policy in real time, the degree of effectiveness and of consistency of actual results on the ground with the basic goal, norms, and the orienting values of the given institution.
The same sequence of steps was followed in subsequent attempts to translate knowledge into proposed policy, norms, and operational procedures in other attempts to promote the adoption of other social policies. One example was the next Bank social policy adopted in 1982: the policy on treating Indigenous populations inhabiting areas where Bank projects were imposed upon them.

As the number of social specialists working in projects both inside the Bank and on projects in developing countries has grown, the knowledge accumulated has also expanded, deepened, and often been corrected and matured in the crucible of the work required by the policy’s implementation. Numerous World Bank staff members, working on both the social and the technical sides of such processes, were essential in asserting, introducing, and improving the policy and its dissemination. Once the new policy became effective, the skill demands created by the new treatment of resettlement required hiring and bringing into the Bank other eminent professional anthropologists and social specialists. This way, a growing group of resettlement specialists was gradually built in-house: among these were David Butcher, Scott Guggenheim, William Partridge, Maritta Koch-Weser, Gloria Davis, Sandy Davis, Ashraf Ghani, Cynthya Cook, Ayse Kudat, Warren van Wicklin III, Dan Aronson, Sam Thangaraj, Steve Heineman, Dan Gross, and many others. Their in-house and field work implemented and iteratively enriched the Bank’s resettlement policy.

Gaining “critical mass” in-house paid off also in terms of increasing the Bank’s capacity to guide borrowers’ resettlement work in developing countries. The great number of studies, reports, books, and other publications on displacement and resettlement issues in the years after the resettlement policy’s adoption testify to this process of generating new knowledge, and not only for the World Bank. Outside the Bank, in developing countries, many social scientists who had not previously been involved in development activities saw their status and roles transforming (as one of them formulated it) “from onlookers to active participants” (Mathur 2016). This came about because their own governments started to involve them in helping to prepare, and then to implement, the social components of projects according to the World Bank’s new requirements.

**Operational procedures and performance**

At the operational level, the most consequential operational change introduced by the new World Bank’s DFDR policy was to put an end to the routine exclusion of the resettlement and reconstruction processes from the structure of the project that caused the displacement. Previously, the regular practice was to de-link resettlement from the rest of the project and to out-source it to local authorities, regardless of their capacity and resources: this amounted to externalizing resettlement to happenstance. For the first time, the Bank recognized the need to assume co-responsibility and provide its direct support and oversight for livelihood reconstruction as an integral part of the development project.
This indeed was the single most decisive and productive reversal instituted by the new policy. The principle was that by financing a project causing displacement the Bank itself contributed to sanctioning and causing that population's displacement. This way, the Bank becomes an enabler of this process and must be involved and help in resolving its consequences, including by co-financing it. From this role resulted, in turn, the developmental and ethical responsibility to treat the population's involuntary resettlement with the same kind of project resources as those provided for the other main components of the project.

Performance failures: displaced people lose income; borrowers’ capacity and political will remain weak

During the international consultations for the ESF and ESS, in March 2015 the World Bank publicly released a factual review in two parts on its full portfolio of projects involving displacement and resettlement (Phase I, originally conducted in May 2012) and on their performance (Phase II, originally June 2014) (World Bank 2012, 2014). Their release was introduced by an unusual public statement made by the Bank’s President Jim Yong Kim, who said:

We took a hard look at ourselves on resettlement and what we found caused me deep concern. We found several major problems: One is that we haven’t done a good enough job in overseeing projects involving resettlement; Two, we haven’t implemented those plans well enough; and Three, we haven’t put in place strong tracking systems to make sure that our policies were being followed. We must and will do better. Our policy is that if we resettle someone from their home, we will assist efforts to improve, or at least to restore, their incomes and living standards. Strong policies like ours require strong execution and it requires properly funding reviews and empowering those who work on safeguards. That will change with our action plan.

(Kim 2015)

To document President Kim’s statement quoted above, the Bank posted on its website two review reports, dated 2012 and 2014, on its entire portfolio over 20 years (1990–2010) of projects with DFDR components. With this well-documented analysis by the Bank staff tasked to carry out this review,7 the Bank has also given an impetus to resettlement researchers, and to its borrowing governments to analyze performance and contribute to finding new and better solutions. We believe that it would greatly advance the extent and the depth of international knowledge on DFDR if all other multi-lateral development banks would follow the World Bank’s example in undertaking and publishing full reviews of their portfolios of projects with involuntary resettlement, as their own transparency policies commit them to do.
From our perspective as resettlement researchers, we think that the portfolio reviews disclosed by the World Bank are highly important and need to trigger deep and immediate corrective actions for at least four reasons.

First, the Bank’s reports of 2012 and 2014 contain a large body of research data of high relevance about resettlement performance under Bank-financed projects over a 20-year period (1990–2010). The data quantify key variables and reflect major weaknesses regarding fundamental indicators on income and livelihood restorations, which have not been achieved, and about the weak institutional capacity for resettlement of borrowers’ agencies.

Second, the data are informative broadly beyond the World Bank, opening a window also into the governments’ work for executing displacement and resettlement for which borrowing governments are responsible. If governments do not disclose their statistics on DFDR performance, then they prevent their national researchers from working at full capacity, thus delaying improvements in resettlers’ livelihoods.

Third, the value of the data is high because they are of a different caliber than those an individual researcher can gather. They speak not only of single-project cases, which may be accidental or atypical; they are portfolio-wide assessments and offer convincing evidence about systemic weaknesses in countries’ domestic resettlement paradigm and legislation. By analyzing further these cohorts of data, researchers would gain knowledge otherwise inaccessible.

Fourth, and finally, they are of high significance because they candidly reveal what is still unknown to the Bank, despite all its data collection efforts. Identifying blind spots is a *sui generis* cognitive progress: the surprisingly many “don’t know” columns point precisely to the spots where in-depth independent ethnographic research may zero-in and help clarify what the aggregate “we don’t know” – DKs – are not answering. Behind each “don’t know” columns of data are human destinies and livelihoods. Such blind spots on sensitive issues are persisting often not because Bank staff are not asking or not caring, but because many local officials maintain deliberate opacity and do not perform their duty.

Due to the relevance of the data to paradigmatic issues addressed in this chapter and analyzed in this book, we selected for inclusion below a few of the several highly relevant statistical tables and pie charts that deserve the utmost attention of readers, researchers, and practitioners. These new statistics document the gravity and extent of the resettlement flaws and failures that are identified in this recently published report of the World Bank. Of course, the entire body of the Bank’s statistical data and analyses contained in the 2012 and 2014 reports of the World Bank’s staff may serve as a springboard for new research on key variables of development-caused displacements. Further, in addition to statistics on the magnitude of mass-scaled impacts, we strongly believe that especially in-depth, ethnographic research on the displaced families’ living standards and incomes post-relocation are indispensable to filling-in the blind-spots still reported in the Bank’s statistical tables.

Table 1.2 is highly important because it responds to the fundamental question: whether or not the resettlement plans have achieved the minimal goal of
income and livelihood restoration. The 2012 review reported that even the minimum level of restoring pre-displacement level was achieved in less than one-third of the Bank’s many hundreds of projects. The other two-thirds of all projects were listed as either having failed to achieve the minimal policy goal of income restoration or as projects about which the Bank didn’t know what happened to the livelihoods of the populations displaced. This low percentage is a sad recognition that two out of every three projects have failed to deliver to the displaced people what the World Bank and their countries’ governments had committed to deliver. This is a remarkable admission of failure and of ignorance about displacements’ outcome.

Further, no less shocking is the finding that in more than one out of every two projects, both the World Bank and the countries’ governments are recognizing that they ignore – “don’t know” – and can say nothing about whether or not incomes and livelihoods were restored. This speaks directly about the low management capacity and absent political will with which forced displacements are carried out. The data, or their absence, speak again: monitoring capacity and normal accounting appear to be totally absent.

**Table 1.2** World Bank projects 1990–2010: ratings on income restoration for projects with resettlement plans prepared before or after project appraisal

<table>
<thead>
<tr>
<th>Timing of Preparation of the Resettlement Plan</th>
<th>Ratings on the Effectiveness of Income/Livelihood Restoration Measures (Question B3) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>S</td>
</tr>
<tr>
<td>Before appraisal (Group 1)</td>
<td>33.3</td>
</tr>
<tr>
<td>After appraisal (Group 2)</td>
<td>30.8</td>
</tr>
</tbody>
</table>


Table 1.3 refers to a fundamental indicator of income and livelihood restoration and the results are consistent with the dismal findings in Table 1.2. The Bank’s evaluation team concluded again that the effectiveness of the measures employed to assess restoration of incomes and livelihoods was below mediocre. Even the effectiveness of assessing “minor” negative impacts was deemed to be “satisfactory” in only about half of the projects. However, when the level of negative impact was more serious, namely “significant,” the effectiveness of measurement was rated even lower: only 35.7%. No explanation is given on what method the review team used to measure and distinguish between such undefined nuances as “moderately unsatisfactory (MU)” and “moderately satisfactory (MS).”

Further, the “don’t know” column stands out once again in Table 1.3. It reveals a stunning finding by the Bank’s research team: in about 50% of projects featuring involuntary resettlement, the research team did not find in the projects’ completion report the data needed for concluding whether or not the income and livelihoods of the forcibly displaced people were restored. This pertains to the Bank’s fundamental objective in involuntary resettlement. The finding that the Bank “doesn’t know” whether about half of its projects that displaced people (42.9% of projects
with a minor impact, and 50% of those with a major impact) achieved its policy goal ranks among the report’s most astounding findings about performance in implementing the Bank’s resettlement policy.

**TABLE 1.3** World Bank projects 1990–2010: ratings on income and livelihood restoration for projects with minor and significant impacts

<table>
<thead>
<tr>
<th>Level of Impact (Income and Livelihoods)</th>
<th>Ratings on the Effectiveness of Income/Livelihood Restoration Measures (Question B3) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>S</td>
</tr>
<tr>
<td>Minor</td>
<td>57.1</td>
</tr>
<tr>
<td>Significant</td>
<td>35.7</td>
</tr>
</tbody>
</table>


Once again, one needs to keep in mind that the data refer to 1,178 projects completed or ongoing in 1990–2010, affecting hundreds of thousands of people. The fact that the review found that only approximately one-third of this large number of displaced people had their income restored, while for more than half of those people the World Bank “doesn’t know” whether or not their incomes and livelihoods were restored reflects a failure on a very large dimension of both the involved governments and the World Bank to implement a fundamental goal and challenge in population displacement and resettlement, namely income improvement, or at least restoration. Never before was the Bank in a situation to report a failure of such magnitude in its prior portfolio reviews carried out in 1985 and in 1993–1994.

The Bank’s 2014 review reported these findings did not have the mandate and the resources to undertake the causal analyses of these major failures and identify what precisely went wrong. Such an in-depth causal analysis still needs to be carried out and reported for the Bank’s own understanding of what caused such failures and devise solutions against the repetition of such causes. Of course, these unacceptable dismal outcomes reflect not only the weaknesses of the World Bank, but foremost they reflect the poor implementation of displacement and resettlement plans, which was, is, and remains primarily the responsibility of the borrowing governments. The evidence that the magnitude of aggregate failure in restoring income is so high in World Bank-financed projects is now being reported for the very first time. The in-depth analyses and understanding of those causes is an indispensable premise for reforming the paradigm, the financing, and the overall operational manner in which those displacements have been carried out. It is unfortunate that such analyses were not available for the process of drafting and publicly discussing the new Environmental and Social Framework and Standards of the World Bank and for reassessing “binding responsibility” for carrying out the new “standards” for such future DFDR processes on the borrowers.

Other MDBs have not carried out in recent years similar overall portfolio reviews and analyses of the DFDR processes as the World Bank did in 2012–2014; therefore, there are no comparable data for those major development agencies as well.
Figure 1.1 reflects starker realities. The pie chart is about the indicator: “actual loss of income and/or livelihood by displaced people.” The evaluating team found that negative impact occurred in an aggregate 23% of all projects (with a “minor” negative impact in 8% of projects and a “significant” one in 15%).

The bulk of the other assessments are shocking. The darkest shade of the pie chart applies to the greatest (and most concerning) proportion of cases. Specifically, in 41% of all projects, the World Bank “doesn’t know” whether actual loss of income and livelihood has happened. In 36% of all projects these data are simply “not applicable.” What separates the “don’t know” category from the “not applicable”? We cannot say: in all sadness, it is a textbook example of a “distinction without a difference.”

**FIGURE 1.1** World Bank projects 1990–2010: actual loss of income and/or livelihood by displaced people

*Source:* World Bank Involuntary Resettlement Portfolio Review Phase II: Resettlement Implementation (Draft), p. 6 (Figure 8).

Further, Table 1.4 attempts to rate how specific outcomes of certain activities that need to be carried out well for the DFDR process to unfold effectively, such as compensation for loss of land; relocation; restoration of income and/or livelihoods; overall resettlement outcomes; effectiveness of measures for informal occupants; and effectiveness of measures for Indigenous Peoples. Of particular interest in this table is its attempt to assess the quality of outcomes by population category: Informal Occupants, Indigenous Peoples, and other Vulnerable Persons. Once again the review team reported that for a very large number of projects they did not find the required information and placed the majority of all projects in the “don’t know” or “not applicable” columns. Specifically, the “don’t know” response on the restoration of income and livelihood comprised 40.7% of all the projects reviewed; for the quality of relocations, the “don’t know” reached
45.8% of all projects. These are the two most essential dimensions of livelihood. Also noticeable is that the Indigenous Peoples, Informal Occupants, and other “Vulnerable Persons” ranked literally at the bottom in terms of the effectiveness of achieved outcomes. These groups are known to be the poorest population segments before the projects had displaced them; the data indicate that they are ending up even worse off than they were before the project. The Bank reports that it “doesn’t know” anything about one-third of the families in these specific categories.

**TABLE 1.4 World Bank projects 1990–2010: ratings of specific resettlement outcomes**

<table>
<thead>
<tr>
<th>Type of Outcome</th>
<th>Ratings of the Resettlement Outcomes of the 59 Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>S or MS</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
<tr>
<td>Compensation for Loss of Land and/or Other Assets</td>
<td>41</td>
</tr>
<tr>
<td>Relocation</td>
<td>15</td>
</tr>
<tr>
<td>Restoration of Income and/or Livelihoods</td>
<td>17</td>
</tr>
<tr>
<td>Overall Resettlement Outcomes</td>
<td>34</td>
</tr>
<tr>
<td>Effectiveness of Measures for Informal Occupants</td>
<td>11</td>
</tr>
<tr>
<td>Effectiveness of Measures for Indigenous Peoples &amp; Other Vulnerable Persons</td>
<td>14</td>
</tr>
</tbody>
</table>


Going further, Figure 1.2 reports relevant information when the research unit is the affected family. On families as social units, the Bank does have information and is able to rate (S, MS, MU) about 39% of its projects causing resettlement. Yet the statistical blind spot on families is broader: for 61% of the projects analyzed, the Bank’s reviewers did not find in the projects’ files the information that borrowing agencies in charge of the respective projects were required to supply. Therefore, these projects are placed in the Bank’s large “don’t know” category.

Table 1.5 informs us about the institutional capacity of the borrower agencies to implement and manage the resettlement process. The performance of the borrowers’ staff in carrying out crucial due diligence activities on relocation and recovery options appears to be alarmingly low. The overall performance evaluation conveyed by the data is dismal. On such crucial activities like “client reporting,” “monitoring and evaluation,” and “grievance redress” less than 50% of Bank
projects could be rated “satisfactory” or “moderately satisfactory.” In turn, the extent of the Bank’s ignorance (“don’t know”) about whether or how the borrowing agencies are carrying out these crucial operations extends over 40% of the Bank’s total project portfolio. In the context of the severe hardships experienced by displaced people, the correct managing of the grievance redress mechanisms is of essential importance.

The supervision work carried out by Bank staff received a more positive rating than most of the outcome measures we have seen above: 86%. Yet how can we reconcile this high percentage of “satisfactory” Bank supervision performance with the large proportion of resettlement operations (over 47%) about which Bank staff were not able to obtain any information? The biggest gap in the knowledge of the Bank (“we don’t know”) result from borrowers’ failure to report crucial data to the Bank (45.8%); Bank supervision missions either tolerate borrowers’ silence and incomplete reporting to the Bank, or perhaps have tried hard but without success. Very often borrowers themselves don’t know how well they have performed; this will be the case as long as they are not kept responsible for collecting and reporting accurate data to the World Bank, both internally and internationally.

Finally, Figure 1.3 speaks about crucial issues in policy implementation processes. It provides insight into what is defined as the capacity of the borrowers to actually translate policy and standards into realities on the ground. Under current circumstances, borrowers’ capacity is the center-stage issue in terms of the implementation of the Bank’s new normative system, which is prescribed to borrowers and detailed in ESF Standard Nr. 5. Moreover, Table 1.5 speaks not only about past performance,
but also about what is likely to become the most critical dimension in the immediate future: the capacity of the borrowers to achieve the ESS 5 Standard. Therefore, the key premise of the entire implementation process will be what Figure 1.3 terms “client capacity.” This recent confirmation by the Bank staff itself of the absence, weakness, or inadequacy of “country systems” sounds an extraordinarily serious warning about forthcoming risks and operational difficulties for the World Bank itself, because the “country-systems approach may not be feasible” for displacement and resettlement processes.


### TABLE 1.5 World Bank projects 1990–2010: ratings of resettlement implementation and management

| Implementation and Management Category | S or MS | | U or MU | | Don't Know | | Not Applicable |
|----------------------------------------|--------|--------|--------|--------|--------|--------|
|                                        | N      | %      | N      | %      | N      | %      | N      | %      |
| Consultation and Participation         | 43     | 72.9   | 8      | 13.6   | 8      | 13.6   | 0      | 0.0    |
| Client Capacity                        | 34     | 57.6   | 11     | 18.6   | 13     | 22.0   | 1      | 1.7    |
| Client Reporting                       | 22     | 37.3   | 8      | 13.6   | 27     | 45.8   | 2      | 3.4    |
| Monitoring and Evaluation              | 27     | 45.8   | 7      | 11.9   | 24     | 40.7   | 1      | 1.7    |
| Grievance Redress Mechanisms           | 25     | 42.4   | 5      | 8.5    | 28     | 47.5   | 1      | 1.7    |
| Bank Supervision                       | 51     | 86.4   | 7      | 11.9   | 1      | 1.7    | 0      | 0.0    |

Overall, in its report, the review team insisted that there is an “urgent need ... to improve the reporting on affected people ... on resettlement impacts” and that “ICRs (Implementation Completion Reports) should include the results of resettlement implementation,” so that implementation agencies are able to “make implementation more effective.” Yet, at the time of the 2012 report, the Bank’s review team explicitly concluded that:

In most countries, there is a huge gap between Bank policy requirements and national legislation. For this reason, the country-systems approach may not be feasible for resettlement. Instead, the review recommends establishing a dialogue with countries that have a historical level of engagement with the Bank in projects involving resettlement. The preparation of DPLs (Development-Policy Loans) and TALs can be used to achieve these objectives.

(World Bank 2012, ix)

Therefore, after the adoption of the ESF and ESS in August 2016, and at the request of the Bank’s Board of Executive Directors, the Bank has engaged in a new exercise to assess country by country the strengths and weaknesses of the given country-system and the gaps between existing country-systems and the Bank’s requirements. A precise/rigorous definition of the very concept of “country-system” has not been given. The empirical evidence so far shows that binding formal legislation, and not simply policy statements, should be central to any such definition of country-systems.

As this book is going to print, the process of rolling out the ESS is still ongoing and none of its results have been published so far. Chapter 13 of the present book (authored by Nicholas Tagliarino), based on a legal review carried out by the author on 50 countries, aimed to ascertain the presence or absence of binding legal frameworks on resettlement. His findings empirically document the absence at the present time of such binding legislation among the overwhelming majority of the 50 countries he studied.

In sum, the above tables contain extremely important information relevant to the major implementation problems identified by the Bank and commented upon by the World Bank’s President Jim Yong Kim, as quoted earlier in this chapter. It is to be hoped that this information will feed into future research done not only by the Bank but also by outside independent scholars and researchers.

The two reports of 2012 and 2014 aimed to take stock and merely describe the status of the Bank’s work on resettlement. Yet those reviews did not engage in the causal analysis of the structural and systemic shortcomings in performance that were quantified in the reports and defined as “U” (unsatisfactory) or as unknown (“don’t know”). Such in-depth causal analysis still remains to be undertaken. The Bank also published an “action plan” for correcting the identified shortcomings; the results of that “action plan” are still to be made public.

The reviews of 2012 and 2014 confirm that the World Bank needs to continue such analyses and to find out what at this point it still “doesn’t know” but must
discover. The direct responsibility for this big deficit of information, however, is also very much in the court of borrowing countries’ governments. We regard these reports also as a valid and valuable call to researchers outside the World Bank to focus their research much more on the capacity, performance, institutions, and legal systems of developing countries carrying out development (see also Price 2008). 

Umbrella generalities or focused policies?

The World Bank’s new ESF and ESS have introduced unanticipated changes to the Bank’s existing policy architecture in its operational procedures, as well as in the division of responsibilities between the Bank and its borrowing countries.

Before the new 2017 ESF and ESS, the World Bank’s prior safeguard architecture consisted of ten pairs of distinct and parallel social and environmental documents. Each single pair consisted of two parts: an issue-focused policy known as the “Operational Policy” (OP) that outlined the policy planks, principles, strategies, and objectives; and its twin, the “Bank Procedures” (BPs), tailored to the content of the respective policy. Each one of the 10 pairs of “OP/BPs” was dedicated to a specific cluster of risks and negative impacts; also, each was binding for both the Bank’s staff and for the borrowers working together on each given project.

However, the Bank’s ESF and ESS documents as published in August 2017 are replacing this entire architecture, and thus are stepping into uncharted territories. We describe and discuss below only two of the fundamental changes imprinted in the DNA of the two documents.

The first of these two fundamental changes announced by the Bank as the “replacement” of nine out of the World Bank’s 10 previous environmental and social Safeguard Policies (the safeguard OP/BPs). In the document “Overview of the World Bank Environmental and Social Framework,” the Bank stated:


(World Bank 2017a, xi)

The policy part of the ESF and ESS is a new and distinct umbrella document titled explicitly as “World Bank Environmental and Social Policy for Investment Project Financing.” This document of just 12 pages is the “replacement” policy, intended to comingle together the previous very substantive Safeguard Policies listed above into just one new umbrella policy. What the compering procedure
delivered is entropy: a huge expulsion of content. But the new ESF policy document is far from including the substantive content from the Bank’s 10 former core Safeguard Policies. This document merely describes several general operational practical procedures. The procedural content is obvious from the very titles of the subsections of this “umbrella policy,” such as “E. and S. Due Diligence”, “Monitoring Support”, “Classification of Risks”, “Information Disclosure”, etc. But the specific substantive content of the nine eliminated safeguard environmental and social policies is absent.

In the complex and specialized kind of development work that is carried out by the World Bank, generalities do not go far, and are of limited practical value. What is truly at a premium in this work is specialized professional knowledge, the specific policy guidance that offers clear responses and directives, but that also leaves space for creative local adjustments.

This comingling has caused an extraordinary reduction – in fact, the setting aside wholesale – of the content of the nine prior rich and specific policies; by “content” we mean here policy planks, specific principles, differentiated strategies for environmental and social complexes, and Bank objective(s). These nine distinct social and environmental policies were rightly seen during the prior three decades to be part of the mission and pride of the World Bank: a part germane to its fundamental poverty reduction mission, and an essential part of its pioneering contributions to the economics, ethics, politics, and philosophy of aid assistance to developing countries.

This absence of policy content in the Framework’s “overall umbrella” policy raises the obvious question: was the World Bank mistaken, over several decades, in conceiving, adopting, promoting, and applying a full-scale set of 10 specific policies? Or is the Bank (temporarily) mistaken now in discontinuing and replacing them? If the Bank was not mistaken in the past, why is it not necessary to have specific policy statements any longer?

Considering the Bank’s role as the world’s largest international development public agency (and as an institution that is not only a money supplier, but also a leading opinion maker on matters of general public interest) we believe that it is inconsistent with the Bank’s leading role for it to be left with no explicit policy positions on fundamental issues such as population displacement and resettlement, the global imperative of biodiversity conservation, the vital worldwide issue of pollution prevention, adhering to the rights of Indigenous Peoples, the preservation and management of forests, and the preservation of cultural heritage, among others. Each of these social and environmental safeguards expressed the policy position of the World Bank as a highly responsible “citizen of the world” on matters vital to humanity at large, like those listed above. These are the kinds of former policy statements that now no longer have the status of policies within the World Bank itself.

“Bank standards” that are “non-binding for Bank staff”

The second fundamental change introduced through the ESF and ESS is the transformation of the 10 previous operational Bank Procedures (BPs) into 10
“standards”. Our scrutiny found that these standards also contain many elements which were part of the prior OP 4.21. The difference is that as parts of the former OP 4.21, these elements had the status of Bank policy elements – that is they were binding for the Bank. Now, as parts of the new “standards,” they are no longer policy elements, but elements of the “standards,” which are binding only on the borrowers and not binding for the Bank itself (since the entire former OP/BP 4.21 has been replaced and does not exist any longer qua policy). For instance, the Bank’s former “policy goal” in DFDR operations is not included in the “Bank’s policy section of the ESF,” but is only part of Standard Nr. 5, which is defined as a “binding standard” for the borrower – yet not for the Bank.

Whether this shift of responsibility from the Bank to the borrower will work out better in practice is highly doubtful, given the overwhelming evidence about many borrowers’ weak performance on income (see also Table 1.4 above). The World Bank’s Board also expressed doubts on two matters: (a) whether the borrowers’ country systems and implementation apparatus are sufficiently robust at this time for the Bank to justify the transfer of the binding responsibility to the borrowers’ systems; and (b) whether full-fledged legal systems for conducting resettlement even exist at this time in numerous borrowing countries: in fact, the absence of such systems or of their unreliability has on many occasions been signaled, critiqued, and deplored by the Bank itself (see Chapter 13 in this book by Tagliarino for additional new empirical evidence proving the absence of such binding legal systems or their incompleteness. This is why at the Bank Board’s directive, the ESF and ESS are not yet being implemented at the time the present book is going to print.

Altogether, the new standards read often as intricate and cumbersome, a lawyer’s construction to shield the Bank from reputational risks. In November 2017 the Bank issued a “Draft for Public Comment: Guidance Notes for Borrowers” (World Bank 2017c) specifying again that “the Guidance Notes for Borrowers are not mandatory” (World Bank 2017b).

The public discussion of the draft Guidance Notes for ESS 5 has been critical of the first draft, because it contains very little “guidance” on what actually matters most: namely, how to counteract the risks of impoverishment; or how to address the economics and financing of resettlement; or what is understood through the concept of “sufficient investment resources” for resettlement. Vastly better guidance for action and for how to carry out the work in practice is contained in the detailed Involuntary Resettlement Sourcebook issued by the Bank in 2004 (World Bank 2004). For instance, the Guidance Notes do not contain any guidance on the central economic issues or to the need for an economic feasibility analysis as a part of resettlement action plans. Significant for the central importance of economic issues in displacement and resettlement is the fact that throughout the entire duration of the international public debate on the ESF and ESS, the several rounds of comments submitted by the US Executive Director to the World Bank’s Management regularly insisted on strengthening the economic and financial provision for the reconstruction and improvement of displaced people’s livelihoods (US 2016: for the six sets of comments sent by the
US to World Bank management, see links on the US Treasury’s website at www.treasury.gov). The inclusion of the goal of the Safeguard Resettlement Policy into the standards for borrowers is necessary but is nothing new: the borrowers had the same responsibility previously and so very often did not fulfill it, as the Bank’s own statistics attest. However, what is new, questionable, and difficult to understand is this: why should this goal be binding only for borrowers as a standard, but not also binding for Bank staff? What justifies the fact that, after 40 years of pursuing its own explicit policy goal in involuntary resettlement, the World Bank has suddenly given up on affirming it again as a policy goal?

Given the high degree of riskiness in displacement operations, ensuring satisfactory outcomes in DFDR processes is essential both for the affected people and for the Bank’s accomplishment of its overarching mission: reduction and prevention of poverty. Instead, every instance in which displaced people end up worse off is an instance in which the World Bank’s project failed its mission to reduce poverty and, in fact, aggravated existing poverty.

In light of this chapter’s history section, and our overall argument for a new policy paradigm for resettlement, we are strongly concerned that the Bank’s future work on resettlement will be weakened by the absence of a distinct and explicit World Bank policy statement on the extremely difficult processes of forced displacement and resettlement. In institutional terms, the standard on resettlement is not equivalent to an official Bank policy on resettlement. A policy is obviously different, in substance and message, from a set of performance standards. Nor can one be substituted for the other.

Although the ESF and ESS have been approved by the Bank’s Board, the Board has also decided that the new standards should not be applied to the Bank’s new projects until the Bank has ascertained whether reliable country systems exist in the respective developing countries; until then, the Safeguard Policies are still those to be applied for a period of time to the Bank’s newly approved projects. The Bank is currently engaged in a complex exercise to assess the existence and capacity of the borrowers’ “country systems.”

The stark questions that remain unanswered on the discussion table are these: what does the Bank gain by eliminating its specific policy statements? What do the borrowers gain by the Bank’s abdication from its own Bank policy qua policy in the DFDR domain? Will this strengthen the Bank’s future work on this matter or weaken it?

The UNDP: a good example of coherence and consistency

The World Bank could certainly consider and replicate the better solution that another large international organization, the United Nations Development Programme (UNDP), employed at the same time (UNDP 2014), in contrast to the Bank’s separation of “policy” from “standards.” In 2014, concomitantly with the World Bank, the UNDP formulated its own policy and standards for the programs that it is financing in developing counties. Its new documents consist also of a
statement of policy, a statement of principles, and a normative system that is called similarly the “UNDP standards.” However, to emphasize the mutual complementarity, unity, and coherence of these three documents, the UNDP stated unambiguously (and this is the major difference from the World Bank approach) that “the UNDP Standards are UNDP Policy.”

Rather than separating its policy paradigm from its standards, the UNDP chose to emphasize congruence and unity elevating the Standards to the status of policy to achieve mutual reinforcement. The standards are integral to the policy and thus both the policy prescriptions and the normative Standards have a stronger institutional status and are binding both for the UNDP staff and for the UNDP’s project partners.

**Risks to projects or risks to affected people?**

A central issue discussed in the present book is the treatment of the risks of impoverishment to which displaced populations become suddenly exposed.

The co-authors of this book unanimously consider that the highest risks of displacement operations are those that result from imposed expropriation of assets, physical uprooting of families from their economic and cultural context, and from the dismantling of patterns of social and cultural organization which support productive economic activities and act as networks of cooperation between families.

Countless empirical studies and ethnographic descriptions in the international literature on resettlement reveal the ubiquity and diversity of the risks of impoverishment as inherent in the nature of displacement. This is why we included the concepts of “risks” and “impoverishment” in this book’s subtitle, as key concepts germane to the paradigm of forced displacement and resettlement. Further, it is also well known that the “Impoverishment Risks and Reconstruction” (IRR) model emerged from the findings of a World Bank–wide full portfolio review carried out by the World Bank in 1993–1994 of 192 projects causing displacements (Cernea 2006, 1997). The IRR model itself was endorsed by the Bank’s Board of Executive Directors as a tool for future Bank work. The World Bank itself described and recommended again the IRR model in the Bank’s landmark Sourcebook on Involuntary Resettlement (World Bank 2004). The use of the IRR in international research and literature has vastly expanded in the last two decades (Downing 1996; Mathur and Marsden 1998; Mathur 1998, 2013; Guha 2007; Downing and Garcia-Downing 2009; Oliver-Smith 2009; Piguet and Pankhurst 2009; Shi, Chen, and Yu 2009; Shi 2010, 2015; Dias 2012; Hamamoto 2013; Fujikura and Nakayama 2015; Terminski 2015; Padovani 2016; Smyth and Vanclay 2017; Zaman and Khatun 2017; Chen, n.d.). As Smyth and Vanclay (2017) note,

the IRR model is based on the evidence that resettlement has caused the impoverishment of impacted communities in the majority of cases, therefore the focus of social management should be on identifying the risks up-front and developing measures to minimize those impacts … The language of the
IRR is direct and understood by all stakeholders, enabling them to participate in the negotiation and implementation of mitigation strategies for these risks.

It is therefore surprising, once again, that the ESF and ESS lack an explicit description of the most frequent risks of impoverishment worldwide, such as the loss of home, loss of land, loss of jobs, marginalization, food insecurity, and loss of access to common property resources.

The avoidance of mentioning by name these recurrent impoverishment risks has become conspicuous in virtually all World Bank project appraisal reports over the last 10 to 12 years. No explanation has been given for this non-transparency and dereliction of the Bank's transparency commitment. Informally, some staff explain this by mentioning the “discomfort of middle or higher-level managers” at finding severe risks cited in the Project Appraisal Documents (PADs) that the Bank hands over to borrowing countries and is expected to make openly available in the project area. Possibly the same hesitancy and discomfort with disclosing the specific “risks of impoverishment” explains their nominal omission in the ESS Standard Nr. 5 as well.

The Bank’s new documents are also one-sided when it comes to nominalizing the risks of DFDR by their true names. There are several paragraphs in the standards devoted to issues of risk. However, the one-sidedness is easily visible when the ESF and ESS limit themselves to the general risks to the Bank’s projects and investments, but do not mention the specific risks imposed by displacement on the very people who suffer displacement and face these risks. The general risks to projects as macro-units of development intervention on the one hand, and the personal impoverishment risks imposed on large numbers of affected families and individuals on the other hand, are two fundamentally different categories of risks: both must be disclosed from the outset, in the Project Appraisal Documents (PADs) and to the populations directly affected. A dysfunctional omission, confirmed and criticized also by the Bank’s Inspection Panel, is the fact that the Bank does not require borrowers to disclose the typical risks imposed on the people affected; moreover, that the risks-scoping by the Bank’s own staff for projects causing displacement is incomplete (Inspection Panel 2017).

In sum, the ESF and ESS require only the classification of risks to the project, omitting discussion of the content and depth of the risks that expropriation, displacement, and physical uprooting impose upon affected families’ livelihood, income sources, housing, culture, food security, and productive capabilities. Furthermore, even the risks to the project are classified, wholesale by degrees, such as “high,” “moderate,” or “low,” which are in the eye of the beholder and can be interpreted subjectively.

In the case of Standard Nr. 5, what should be of the highest concern is the affected peoples’ exposure to risks which they would not have to confront in the absence of the project in question. The crucial question that always needs to be asked is this: whose risks are identified and addressed by the design of the project itself? Various project operations do impose specific risks on specific groups of people,
such as loss of land, loss of jobs, risks to food security, and other risks. Why are these risks to people not nominalized in the Bank’s policy and projects, ranked (either as high or low), and brought to the knowledge of people who are being exposed to these risks? Key documents, like the Bank’s 1994 Board-approved Resettlement Review which endorsed the use of the IRR (World Bank 1994 and 1996), have recognized these risks in the past, but the new Bank documents (the ESF and ESS) do not mention them. Have these risks disappeared? The same impoverishment risks are identified specifically in the World Bank’s Sourcebook on Resettlement, which is the basic manual put out by the Bank to guide work in this domain. The Bank’s Inspection Panel has found and reported that the most frequent weakness in investigated resettlement projects was insufficient and inadequate risk-scoping (Inspection Panel 2017). The unilateral mention of “risks to projects” and omission of risks to people was repeatedly criticized in the international debate. The avoidance of explicit recognition of people’s risks in each project – in the absence of planned counter-risk measures in a risk-by-risk manner – is likely to surface as a debilitating deficiency of Standard Nr. 5.

New approaches in addressing unresolved legacies from displacement

One of the deep causes of the global problem of legacies left from DFDR processes is, in our view, the hidden externalization of project costs onto displaced people (Cernea, Thomas, and van den Berg 2016). Externalities are so widespread that development agencies like the World Bank, International Finance Corporation, and all multi-lateral development banks should carry out methodological studies to help in guiding the detection and elimination of displacement costs’ externalization through exacting analyses of resettlement project economics before project approval.

Development projects that cause displacement and involuntary resettlement very often leave behind a negative legacy that spans a broad spectrum of cultural, social, institutional, economic, and other issues. The only multifaceted study of legacy problems available in the literature that can stand as a model for comparable analyses has been carried out by Barbara Rose Johnston (2005). Considering some frequent legacies in this volume, we are tracking their origin to the adequate investments for rebuilding and improving the productive self-sustainable basis of families displaced. Providing compensation merely for expropriated assets makes it mathematically impossible to improve resettlers’ livelihoods above pre-displacement levels (Cernea 2008). The only point we want to make in this chapter about legacies is that they are so frequent that their presence, prevention, and resolution should be recognized as a constitutive dimension of the policy paradigm for DFDR processes, and contingency financing should be anticipated as a regular procedure. At the present time the ubiquity of legacies from forced displacement is not mentioned in any policy either at the domestic level or at the level of international policies of MDBs or of other agencies. This absence is a structural defect of the currently prevailing policy paradigm that requires correction.
The duration for completing the technical core of an infrastructure project is frequently shorter than the duration for completing, after physical relocation, the reconstruction of the livelihood, productive capacities, and income of the families that were expropriated and physically displaced. This automatically leaves an enduring legacy of problems not yet fully solved when the core of an infrastructure project is completed. A project’s owners and sponsors remain accountable and responsible for these legacies.

The commonality and frequency of these legacies is so high, as every honest practitioner and researcher recognizes, that “legacy accounting and solving” must be recognized as an inherent and structural part of DFDR’s paradigm, and be acted upon in an organized manner through audits, tools, and legally prescribed post-project activities to bring each project’s DFDR component to adequate completion (Cernea 2003).

Four chapters of this volume contribute novel and positive information, still largely unknown internationally, on how the heavy legacy of displacement is at this very time undergoing substantive changes introduced through new legislation in at least some countries. One is the chapter authored by Carmen Albertos on the legacy of the Chixoy Dam project in Guatemala, continuing and updating the Chixoy case mentioned above as studied by Johnston (2005). Albertos reports on recent legislation that instituted a large-scale legacy reparations program (the preparation and negotiation of which she directly participated in for several years). This reparations program is now being successfully implemented. Three other chapters bring ideas and experiences from China (Chen, Duan, and Shi). They report changes in planning and valuation methods, empirical research, and hard data concerning large-scale processes initiated in recent years to apply effective solutions. These documented innovations might inspire other development institutions and governments to recognize causes and remedies to legacies and undertake purposive action to resolve.

The ESF and ESS, particularly ESS 5 “Land acquisition, restrictions on land use, and involuntary resettlement, are further discussed at length in subsequent chapters of this volume. The book’s chapters supply further proof and arguments in support of the need for the Bank to have a clear policy in this thorny and difficult domain. We hope that this volume will help animate further the reflection and international discussions that have emerged around the changes to the World Bank’s social and environmental policies.

As researchers, and as authors of this collective volume, we are firm in our conviction that changes are necessary, that changes are possible both incrementally and sometimes even rapidly, and that game-changing decisions are necessary in the interests of poverty reduction, of greater equity in development, and of justice for those victimized by forced displacement and involuntary resettlement. Although flaws and many failures continue to occur as this book is being written, the overall landscape of involuntary resettlement processes in developing countries has evolved greatly since the first knowledge-based policy paradigm on development-caused displacement and resettlement was crafted, adopted, and introduced in practice in
1980. We should make no mistake: far-reaching improvements in DFDR have been made—despite the resistance of vested interests—during the last four decades compared to the pre-1980 period when normlessness and chaos prevailed. No policies. No norms or legislation. No regular resettlement plans. No institutional capacity. Yet, there is still a long way to go, and countless difficulties and problems to overcome and resolve, to reach on a large scale the basic goal of the current policy paradigm of improving or at least restoring the livelihood of the displaced populations. This is precisely what informs and inspires this book.

We conclude now the thematic overview of this volume with the assurance that each of these themes is further documented and analyzed in the following chapters.

**A brief synopsis of chapters**

As editors, we designed the volume not only to provide a critical analysis of the prevailing paradigm and state of affairs in displacement and resettlement practice in various sectors (Part I), but also to propose and argue for a robust set of distinct solutions to practically and operationally improve the performance level of acceptable resettlement policies and diminish or reduce injustices and violations (Part II).

The book’s chapters analyze the mechanisms of deprivation, and of economic, cultural, and social exclusion, injustices, dysfunctional impacts on local communities, violations of laws and stated policies, including chronic abuses of the legal principle of eminent domain. All chapters make recommendations and propose solutions towards the formulation and introduction of a new resettlement paradigm. We envisage this paradigm to be defined as, and to help achieve, “resettlement with development,” which is substantially different in concept, planning, sequencing, resources, and implementation from the paradigm prevailing now in the practices of many development projects in many countries, which is known to practitioners and researchers as “resettlement with impoverishment.”

**Part I: livelihood risks and impacts of forced displacement and resettlement**

Part I of the book examines in detail, with empirical support, various constitutive parts of the DFDR process, provides alternative ideas, and reports on original experiences and viewpoints of the volume’s co-authors. Conversely, the book’s Part II chapters challenge and confront the current development paradigm with positive new ideas, emerging new practices, and new solutions to old ills, such as legacy resolution, binding legislation, and even alternative paradigms.

Much too often in the literature on resettlement not enough attention is paid to the diversity in the spectrum of problems and difficulties that surface during the operational phase. Differences exist in the characteristics of displacement, but a good way to start considering them is to identify the specific features of DFDR in several different sectors. The sector which causes the most displacement is the building of large hydropower dams, in which the number of displaced people may
start from several thousand and go up to hundreds of thousands per dam. But the hydropower sector has been the most studied and is much better known than many other sectors. For this book, in attempting to advance specialization in DFDR research and knowledge, our choice went to resettlement in three other sectors, which are included in Part I: the mining industry (Owen and Kemp, Chapter 3), the urban sector (Koenig, Chapter 4), and resettlement entailed by the creation of conservation and national parks (Kabra, Chapter 6).

Following this introduction, Chapter 2, authored by Chen Shaojun, is focused on cost externalization – an economic concept indispensable for deconstructing and understanding one fundamental mechanism of impoverishing displaced communities and families under the appearance of “just compensation”. As Chen explains, cost externalization may occur in various forms, as when some natural resources “consumed” by the project are repaid only in part or not at all, and thus some normal project costs are “invisibly” transferred (externalized) outside the project onto individuals and local municipalities. Chen critiques China’s tolerance during its initial decades of an inadequate valuation norms-system, which resulted in extracting wealth from the displaced communities and families, and reports on how this previous methodology was discontinued in hydropower projects in China. This mechanism has been exploiting the information and knowledge asymmetry between the agents and the victims of dispossession by expropriation. Although cost externalization is practiced vastly in developing countries in many other sectors beyond hydropower, it is seldom examined in the mainstream social science literature on DFDR, as the aggregate mass-scale externalization through underpaid compensation is one of the main causes of mass impoverishment. Chen offers a long list of externalized costs in China’s projects over time, up until this phenomenon was unveiled and corrected. The chapter also documents how the official valuation and compensation norms were reviewed and corrected in China, sharing experiences that can help in identifying and changing comparable impoverishing practices in other countries.

Chapter 3, co-authored by John Owen and Deanna Kemp, offers a sectorial overview of key characteristics of forced displacement specific to the mining industry, and reflects on the particularities of economic and social safeguarding that must be tailored to the losses and needs of people affected by mining-caused displacement and resettlement (MCDR). One of these characteristics, the authors explain, is that in the mining industry displacement events may occur at all the different phases of the project life cycle, not only at the project’s start, because mining projects are directly tied to the volatility of the market. They also cover how displaced populations are, at times, resettled in areas directly adjacent to the mining site, which have been entirely disregarded by the industry. This chapter provides a nuanced look at the disconnect between DFDR policies and the complexities of MCDR practice. The authors emphasize and critique the fact that risk analysis in mining is “orientated towards the risks to businesses, not risks to people.” In current practice the effects of displacement are typically underestimated and the company’s support to those displaced is inflated. The particularities of MCDR demand
external accountability to guarantee the implementation of even minimal resettlement planning and management standards.

Chapter 4 by Dolores Koenig focuses on an issue minimally covered in development literature – how DFDR legal and policy approaches on forced evictions and resettlement have affected outcomes for people resettled due to urban forced displacement. Koenig points to the distinct policy gap in cases of urban displacement – the unbalanced focus of international guidelines and standards on land as the primary means to reconstruct livelihoods, whereas for urban residents resources tied to economic employment, skills, and social capital are much more significant. Stemming primarily from fieldwork in Dakar, Bamako, Ouagadougou, Mumbai, and Delhi, as well as documentation from other cities, Koenig recommends several key components for an improved paradigm for projects causing urban displacement and resettlement. These include livelihood reconstruction and improvement, and support for maintaining or accessing jobs; reconstruction of housing and neighborhood infrastructure; and efforts during the project planning phase to limit displacement and its associated risks, institute accountability and grievance mechanisms, and ensure explicit provisions for addressing the legacy of unsolved problems that persist in urban projects despite existing policies and laws.

The authors of Chapter 5, Elana Berger and Moses Ntenga, provide a case study of the World Bank–financed Uganda Transport Sector Development Project (UTSDP) to highlight the boomtown risks and impacts, such as increased rates of HIV/AIDS, risk of local social disorganization, teenage pregnancy, and sexual exploitation, as well as the risk of displacement created near infrastructure and extractive industries’ projects. The authors analyze and describe how the World Bank systematically failed to recognize, let alone disclose or plan for, the harmful social and cultural risks of the UTSDP, particularly those associated with the influx of project workers into improperly and ineffectively managed camps along the project roadway. Based on field research and a detailed analysis of World Bank policy and project performance procedures, the authors provide recommendations to prevent and mitigate boomtown risks, along with the impoverishment and other risks endured by populations displaced by large-scale infrastructure projects.

In Chapter 6, Asmita Kabra discusses the distinct dilemmas confronted in a domain and activities that are different from what is commonly called a “sector” of a national economy (e.g., mining, hydropower). This category of activities is defined as conservation and environmental protection. Frequently, nature-protecting activities (e.g., establishing conservation parks) may require some amount of physical, economic, and/or socio-cultural displacement, generating dilemmas, and imposing difficult choices on the affected local populations, which the chapter describes and examines. Establishing protected areas is an effort that ranges from the regional to global scale, whereas the costs are borne primarily by local people, usually low-income, marginalized, rural communities in the global South. This chapter describes the worldwide scope of conservation displacement, and provides an in-depth analysis of the case of the Kuno sanctuary in India to discuss the resulting social, cultural, and economic impacts of inadequate post-displacement rehabilitation. Further, it
examines the successes and failures of participatory conservation versus exclusionary conservation and how these are dependent on power relations. Kabra offers policy recommendations for global biodiversity conservation through protected areas. She explores the possibilities of coexistence between people and wildlife before resorting to a displacement solutions, and the need to take into account local power inequalities when designing rehabilitation and livelihood reconstruction efforts.

**Part II: crafting solutions: resettlement legislation, ethics, and accountability**

Part II of this volume focuses on exploring new or seldom-practiced better solutions to the diverse array of problems put forward in Part I. The section provides case studies from around the world that illustrate lessons learned toward creating a new paradigm for DFDR that is able to replace the current impoverishment outcomes with a model able to achieve “resettlement with development.”

The first chapter in this section, Chapter 7 by Shi Guoqing, provides an informative overview of the evolution of China’s laws and practices related to DFDR over the past seven decades. Shi tells the story of how the Chinese Government learned from and recognized how the first 30 years of the People’s Republic of China had left approximately one-third of people displaced in the name of development further impoverished. Through an important change in its national legislation, China primarily improved its land laws and resettlement norms. At the same time, China learned lessons from the World Bank’s international policy and experiences on DFDR after it became a member of the Bank in 1980. Also, China paralleled the World Bank’s subsequent improvements of its policies. Over the past 25 years, China has gradually crafted a new resettlement paradigm, which surpassed the Safeguard Policy and paradigm of the World Bank on involuntary resettlement. Shi documents how China adopted new legal steps and procedures to reduce the risks to displaced people, mandated conducting social impact analysis in all infrastructure projects, and increased investment financing for economic development after relocation. With new steps being taken towards continued improvement of its resettlement policy, such as the elimination of cost externalities, the allocation of investments for retroactively correcting the impoverishment legacies of displacement, and the early warning signs of political stability risks, China has shifted its resettlement paradigm from one of impoverishment to one of “resettlement with development.”

Following Shi’s discussion, Duan Yuefang’s Chapter 8 provides an in-depth focus on how China has been working towards “resettlement with development” by experimenting with new financial mechanisms for resettlement and benefit-sharing. This shift started with the realization that compensation alone does not redress the losses and harm suffered by displaced populations. Duan provides evidence as to how China has expanded mechanisms for benefit-sharing targeted to displaced populations. He also explicitly suggests ways to improve upon the investment and benefit-sharing mechanism, such as shifting the focus from cash payments
to expanding people’s income-earning potential and investigating new and additional investment options for post-displacement economic and cultural recovery and development.

In Chapter 9, Natalie Bugalski, Mark Grimsditch, and David Pred give a detailed account of how, in 2011, the World Bank made the unprecedented decision to suspend all new lending to Cambodia until the Cambodian government fulfilled the Bank’s Safeguard Policy requirements and delivered an adequate solution for the thousands of people who had been forcibly evicted in relation to a World Bank-funded land titling project around Boeung Kak Lake. This is a rare example of an institution that provided financial support accepting a degree of responsibility for the harm caused due to one of its funded projects, even after the funds had been disbursed and contractual obligations were deemed, in a sense, complete. This case offers lessons for the future on how the World Bank actually exercised its political will and stood up for the rights of affected communities, holding the country government accountable for the deprivation and unjustified risks placed upon the displaced population.

Chapter 10 by Carmen Albertos depicts the multi-decade fight by the Maya Achi’ Indigenous communities who were forcibly displaced because of the Chixoy Hydroelectric Dam in Guatemala, which was financed in large part by the Inter-American Development Bank and the World Bank and constructed in the 1970s and 1980s during the country’s civil war. Albertos reveals the new power dynamic that has emerged between local people and national governance structures to generate solutions to the long-enduring, complex legacy issues. After over 30 years, in 2014 the long and hard-fought struggle of the Maya Achi’ communities resulted in the first instance in which a Latin American country adopted a legal act to grant reparation, in this case to the Chixoy Dam-affected communities. This legislation – Decree 378–2014, which stated that the Guatemalan government will provide reparation for the economic, social, cultural, and environmental damages caused to the 33 displaced communities – lays the foundation for future progress and solutions to address legacies of DFDR in Guatemala and elsewhere. Albertos distills key lessons learned for future DFDR projects, such as including in the project’s legal agreement, in advance, provisions on the obligation for handling post-project legacy solutions when negative legacies endure.

In Chapter 11, Valerie Hänsch and Miriam Saage-Maaß provide in-depth analysis of the context, content, and importance of a legal case that unfolded in Germany around the expropriation and forced evictions of tens of thousands of local residents by the Merowe Dam project in Sudan, for which the Germany-based company Lahmeyer International was the engineer and construction manager. This case provides a new approach for establishing foreign liability, corporate accountability and responsibility, and protection against forced displacement-caused risks and impoverishment and human rights violations accruing from large infrastructure projects. It describes the legal proceedings that unfolded in Germany, not in Sudan, to hold accountable a construction company contracted to build the dam – and not just the dam’s owners – for their responsibilities to the people displaced by the project.
Discussion of such approaches to demanding accountability for non-state actors is rarely seen in the development literature. This chapter documents and analyzes the potential of a new strategy to assert and defend the rights of local residents and identifies whom to call out for causing severe harm.

Robin Bronen, Julie K. Maldonado, Elizabeth Marino, and Preston Hardison’s Chapter 12 examines the scope and complexity of climate-caused forced displacement and resettlement (CFDR), and the urgent need to address a glaring gap in handling such situations – the fact that not a single country has institutionalized a governance framework or enacted legislation to set out whether, when, and how CFDR processes are to be carried out in a manner that would protect the human rights of those compelled by circumstances to relocate themselves or to be relocated. The urgency to act that climate change does and should engender – and the large numbers of people threatened by displacement as ecological conditions change, making life in place impossible for some communities – calls for distinct strategies for handling these relocations. Turning to key lessons derived from the accumulated experiences of DFDR, the authors argue that if no governance framework is specifically designed to address climate-forced displacement, it is highly likely that the inadequate and/or unjust policies that have rolled out over past decades for other types of displacement and resettlement will be replicated. The chapter provides insight on a key question: how do we now act to safeguard populations across the globe at risk of climate-induced displacement from suffering harm and loss of basic human rights, such as access to clean drinking water and sanitation?

In Chapter 13, Nicholas Tagliarino presents the findings of a large legal study carried out in 50 developing countries (20 in Asia, 20 in Latin America, and 10 in Africa) to determine the presence or absence of basic legislation for conducting both displacement and resettlement processes. The findings are bleak: in 45 out of 50 countries the study found that the legally binding country system needed for carrying out adequate resettlement processes lacks essential features or is missing all together. The result has been the devastation of lives and livelihoods, and widespread, lived experiences of social, cultural, political, and economic impoverishment impacts of displacement. With this analysis and findings as evidence, Tagliarino argues that it is essential for countries to adopt legally binding national-level legislation and regulations to guarantee appropriate, effective, and adequate resettlement and livelihood restoration for populations that are forcibly displaced.

In the final chapter, Chapter 14, Jessica Evans provides empirical evidence of the human rights violations that occur in World Bank-funded projects. She stresses the urgent need for the Bank to pursue “abuse-free development” and protect the human rights of people affected by its projects. Without systematic measures to safeguard against human rights violations in its funded projects and programs, such actions have, in certain cases, facilitated country governments’ violations of human rights against the people described as supposedly benefiting from the project. Based on fieldwork research, Evans puts forward evidence of the World Bank’s lack of
respect for human rights in certain programs. She also sets out recommendations for how the Bank could work on an inclusive process toward creating a new human rights policy that enables its twin goals – to end extreme poverty and promote shared prosperity – in complex political and social environments, while respecting the human rights of involved populations.

In sum, at this critical time these chapters and this volume deliberately challenge ossified paradigms, weak policies non-commensurate with the grave issues that need to be addressed, old mindsets, and dysfunctional practices that the group of co-authors decided to candidly and weightily place on the table of public discussion. Although flaws and many failures continue to occur as this book goes to print, the overall landscape of involuntary resettlement processes in developing countries has evolved. We should make no mistake: far-reaching improvements in DFDR have been made. Yet, there is still a long way to go and countless difficulties and problems to overcome on a large scale to reach the current policy paradigm’s basic goal: of improving, or at least restoring, the livelihoods of displaced populations. This complex problem and call to collaborative action is precisely what informs and inspires this book.

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—Michael M. Cernea.

Notes

1 In taking stock of this international discussion, the World Bank has informed the public that on the list of the 20 most discussed issues during the four years (2012–2016) of this long debate, first place was occupied by the topic of “land acquisition, displacement, and resettlement.”

2 During the consultations organized in developing countries by their respective governments and the World Bank, the representatives of a number of developing countries’ governments did support the replacement and exclusion of the Safeguard Policies from the Bank’s overall architecture of development policies.
Indeed, all other MDBs, as publicly financed agencies, have on their books formal transparency policies that pledge accountability and access to information. Nonetheless, to our knowledge now, no other MDBs (ADB, AIDB, IRDB, and IFDB) are publishing analytical reviews of their performance in involuntary resettlement.

The first research-based knowledge on development displacement in Africa was generated in the late 1960s and 1970s by scholars like David Brokensha, David Butcher, Robert Chambers, Elizabeth Colson, and Thayer Scudder, who studied dam-caused resettlement in Africa; by sociologists like Herbert Gans (1959) and R. A. Dentler (1969), who studied displacement in Boston’s West End; and in India by B. K. Roy Burman, whose research on displacement focused early on the large Rourkela industrial-complex project, one of the first major infrastructure projects undertaken by India shortly after it gained independence in 1947 (see Guha 2016). But neither in Africa, nor in India, nor in development agencies, did policy makers pay the attention deserved by this knowledge. In another paper, Cernea defined this attitude as the obliviousness syndrome—i.e., the lack of interest among decision makers in research that was available and relevant to their practices. That early-acquired knowledge, though valuable and illuminating, was left to gather dust on library shelves.

For instance, there are demands for designing norm-sets tailored to the particular features and important demands of population resettlement, which may differ from one sector to another, say: resettlement in urban contexts, in the mining industry, or in hydropower projects. Are there some common rules to follow in such endeavors? Or is every case idiosyncratic?

By institutional process we mean in this case the in-house transactions involved in getting comments, acceptances, and clearances for any important document to reach essential consensus before the document is submitted for approval by the higher management level.

These two highly detailed reports were prepared by World Bank staff resettlement specialists and consultants, based on a thorough desk analysis of documents in the project files. These two very important portfolio analyses, and the writing of the two reports, were carried out largely because the IEG report of 2010 on safeguards discovered and publicly criticized the fact that the Bank lacked distinct statistical evidence concerning the projects in its portfolio causing displacement and resettlement, and could not offer to the IEG the data necessary for drawing a representative sample of such projects for its own analyses. However, when the reports were ready, they were kept as confidential documents and were not discussed. Even when a large international consultation on the safeguards occurred (2012–2014), the two reports were not made available or known to participants at those consultations. Only in March 2015 did the Bank’s President, Jim Yong Kim, decide to place them into the public domain; the reports were then posted on the World Bank’s website. The report on Phase I, focused on the inventory of Bank projects causing displacement, does not include the names of its authors. Only the report on Phase II gives credit to the team of 15 resettlement specialists, staff, and consultants who carried out the analysis of implementation performance and wrote the report. They were: Maria Elena Garcia Mora (Social Development Specialist), Martin Lenihan (Senior Social Development Specialist), Ricardo Schusterman (Consultant), Hanneke van Tilburg (Senior Social Development Specialist), M. Yaa Pokua Afriyie Oppong (Senior Social Development Specialist), Vincent Roquet (Senior Social Development Specialist), Warren A. van Wicklin III (Consultant), Kimberly Vilar (Social Development Specialist), Chaogang Wang (Senior Social Development Specialist), and Jose Vicente Zevallos (Senior Social Development Specialist). The team was supported by Ramana Pemmaraju (Information Analyst), Linh Van Nguyen (Program Assistant), and Eun Jung Park (Consultant).
Among the MDB agencies, the Asian Development Bank has pursued a systematic effort for supporting capacity development in its member countries. ADB’s main approach has been to extend financial grants to various member countries under the rubric of regional technical assistance (RETA), by which a systematic effort is made in individual countries to support the preparation of policies and legal frameworks on resettlement, to develop manuals on resettlement risk management and country strategy papers on resettlement, and to provide training on resettlement to many cohorts of practitioners (a documented, substantive, and analytical account of ADB’s RETA experiences is offered by Price 2008; Zhang 2015; Jayawardene 2017).

There is no exact symmetry between the 10 prior Bank Procedures and the 10 new standards, because some norms on social issues, such as labor and working conditions, community health and safety, and others, were correctly introduced for the first time.

The US Bank’s Executive Director has stated: “Involuntary resettlement, and its life-changing impacts on affected people, is of central concern to this chair and the World Bank must improve its performance given its mixed track record. In that context, the United States welcomes the consideration of both physical and economic displacement in the new standard on involuntary resettlement, ESS 5, but believes that ESS 5 should have maintained the existing definition of ‘involuntary.’ In all cases covered by ESS 5, the United States urges the World Bank and its clients to improve, not merely restore, livelihoods. More broadly, the United States urges that livelihood protection be a clear goal when livelihoods and living standards are impacted, regardless of whether those impacts are addressed in ESS 1, which focuses on the assessment and management of environmental and social risks and impacts, or ESS 5. The United States strongly encourages the use of more robust socio-economic analysis to inform design of projects that involve involuntary resettlement and their resettlement action plans” (US 2016).

References

Challenging the paradigm for DFDR


