

DEVELOPMENT THAT IMPOVERISHES IS NOT DEVELOPMENT

SAFEGUARDS AGAINST THE LOSS OF SOCIAL CAPITAL AND OTHER ANTI-DEMOCRATIC CONSEQUENCES THAT MAY RESULT FROM DEVELOPMENT-INDUCED INVOLUNTARY DISPLACEMENT¹

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On a crowded planet, infrastructure development frequently requires relocating people who are in-the-way. Fifty years of research has shown that development-induced displacement is likely to unleash widespread changes. Called the resettlement effect, these changes include multi-dimensional impoverishment, the loss of homes, communities, productive land, income-earning assets, subsistence, community-shared resources, and cultural sites (Asian Development Bank 1998). The non-material impacts may be even greater, including human rights violations, deep fractures in social structures, networks and ties; threats to cultural identity and health; and destruction of social capital. From the perspective of this conference, women, children and the elderly are particularly vulnerable to the resettlement effect (Oliver-Smith 1986, Cernea 1990, 1994, 1995, 2002, de Wet 2006, Behura and Nayak 1993, Downing 1996, 2002a, 2002b). The loss of social capital is particularly serious, as it diminishes the society's capacity to

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withstand non-project related threats. Social capital is so interlocked with routine economic activities that its degradation is likely to limit the restarting of post-displacement economy.

Failure to avoid and mitigate the resettlement effect may generate “new poverty” as opposed to the old poverty of people before displacement (Cernea 2000, 2002, Downing 2002a, 2002b, Scudder 2005,). Fortunately such negative outcomes are neither desirable nor inevitable. What may external agents do to counter the resettlement effect and improve the chances for disrupted societies to rebuild their social capital?

The first responsibility is to step beyond the simplest notion that these vast changes can be corrected by the outdated, narrow idea of compensation. Michael Cernea and others have shown that compensation for the loss of land “is structurally insufficient to achieve full restoration and even less capable of generating improvements in livelihood” (Cernea 2007). Compensation is only the appearance of restitution, not really restitution.

The second responsibility is to learn from others. Governments, infrastructure developments, and people who are in-the-way are suffering needlessly because the cumulative lessons on involuntary resettlement have not yet been **transferred and incorporated into national legal frameworks and development financing protocols**.

For example, Egyptian knowledge about involuntary resettlement gained during the construction of the Aswan dam over four decades ago is not being tapped by Sudan as it is forcefully relocating about the same number of people at its new Merowe Dam. Reports on conflicts and violence, impoverishment, destruction of social capital and human rights violations in Manasirland signal that displacements are taken place without following well known, international guidelines. In a recent video report, a local Manasir poet, teacher and farmer said that people are prepared to give up their land and move – but ask not to be impoverished, not be moved far from their traditional habitats near the Nile (Hansch 2006). The poet pleaded, “we only want our right, our little right, our feeble right.”

A response to the spirit of his plea begins by replacing the inadequate compensation-principle with the cumulative knowledge of successes and mistakes from previous development-induced displacements. This rich knowledge should be chiseled into new laws, procedures, and project financing protocols that avoid creating new poverty.

The third responsibility is to create conditions likely to help disrupted societies to rebuild their social capital. We need go no further than Arab Declaration of March 2004 to find principles consistent with the cumulative store of knowledge on displacement. Specifically, respect of all rights for all the people (AD section 6), greater self-expression by local communities (section 7), achievement of the highest level of

transparency in public life (section 7) , support for the rights of women, children and minorities (section 7, and 32), enforcement of the rule of law, with no exception, irrespective of any jurisdiction (section 10), active and effective participation (section 14), resolution....of the social dimension of development (section 18), addressing poverty in its multiple dimension, including social and political marginalization, lack of participation and constrained opportunities for upward mobility (section 19e and section 26, section 32), inculcating good governance rules for economic activity, with special focus on transparency, accountability and the rule of law (section 22), and secure justice in the distribution of wealth, end of social marginalization of certain social groups (section 32).

The fourth and fifth responsibilities involve assuring sufficient financing of the resettlement process and setting up culturally-appropriate, equitable project benefit-sharing provisions for those who are in-the-way. Cernea's (in press) recent survey of benefit sharing mechanisms shows great promise for this approach. The objective may be achieved through royalty transfers, setting up of development funds, equity investments, rent payments, foundations and other mechanisms. Benefit sharing not only assures that a proportion of the downstream revenue of a project will move into the community, our work in Chile shows that it has the potential to offer the people a foundation for social rearticulation. It gives them common resources upon which to rebuild their shattered lives.

There is room for leadership by Arab nations, by cooperating in reforms at the national and the sub-national laws, procedures, and project financing to avoid creating poverty among people who are displaced by infrastructure projects. Such reforms give a government five strong development advantages: 1) they protect the viability of their infrastructure projects, 2) improve access to external financing, 3) avoid populous threats to their legitimacy, 4) avoid their unnecessary impoverishment, and 5) improve the chances that social capital may be rearticulated following displacement. All five are formidable benchmarks to measure the progress of reform.

Such a regional framework, including development of these mechanisms consistent with local traditions, will improve project viability, encourage financing, reduce political conflict, strengthen social capital, and hopefully turn victims who are inadvertently **in** the way of development into beneficiaries who are **on** their way to development.

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