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A bulldozer is used to intimidate people who refused to relocate for Cambodia's Highway One Project in 2007.

A GROWING GLOBAL CRISIS

DEVELOPMENT-INDUCED DISPLACEMENT & RESETTLEMENT

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Each year, millions of people around the globe are forcibly relocated and resettled away from their homes, lands and livelihoods in order to make way for large-scale development projects such as dams, reservoirs, power plants, roads, plantations, urban renewal, and oil, gas, and mining projects. This forced relocation is known as development-induced displacement and resettlement, or DIDR.

This issue paper provides an overview of DIDR: how many people it affects, primary causes and key impacts, important gains in safeguarding communities threatened by displacement and challenges that remain. It concludes with recommendations for redesigning development to ensure that it minimizes DIDR, benefits project-affected people and communities, respects their rights and supports local priorities for sustainable development.

WHO IS AFFECTED AND HOW?

Development is one of the primary causes of forced migration in the world today. Figures on the number of people forcibly uprooted from their homes and communities are incomplete and are careful approximations at best.¹ They

do, however, give us a clear indicator of the magnitude of the problem. Experts estimate that over 250 million people worldwide have been displaced in the name of development over the past twenty years.² In India alone, development projects have displaced more than 60 million people over the past 60 years.³ In China, development is estimated to

have displaced more than 40 million people over the past half-century.⁴

The number of people forcibly displaced each year is also increasing. During the last two decades of the 20th century, development uprooted more than 10 million people each year.⁵ By contrast, during the first decade of the 21st century, an estimated 15 million people were displaced by development each year.⁶

The vast majority of DIDR is *involuntary*, with government authorities, security forces, or private militias forcing people from their homes and lands. Displacement can be physical, economic, or both. Physical displacement refers to the actual relocation of individuals, families or communities from one place to another. Economic displacement occurs when people lose access to vital natural resources that they need to sustain their livelihoods such as forests, grazing lands, and fresh water.

The impact of a project is rarely limited to people within the identified project area. The construction of a dam or a mine, for example, typically does not displace only those people and communities located on lands used for the project. People living downstream from a dam may suffer the loss of fisheries needed to sustain themselves. An entire community may suffer health impacts due to pollution from a mine. Both circumstances commonly force people to move, and both are examples of development-induced displacement.

People forcibly uprooted by development are typically displaced within the borders of their own countries. This distinguishes them from refugees, who are legally defined as having fled across an international border to escape danger or a fear of persecution. This legal distinction is important, because internally displaced people, or “IDPs,” are not protected by the instruments of international law that protect refugees. There is no international body specifically charged with protecting the rights of internally displaced people or addressing their needs. In fact, it is often much more difficult for outside assistance to reach people who are internally displaced.

WHAT CAUSES DIDR?

The primary causes of DIDR over the past half-century include: water supply (dams, reservoirs, irrigation); transportation (roads, highway, canals); energy (mining, power plants, oil exploration and extraction, pipelines); large mono-crop plantations (oil palm, grains, sugarcane, and

soya), parks and forest reserves; population redistribution schemes; and urban infrastructure.

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Open pit mining, a method of extracting coal and other minerals, from the earth, displaces millions of people worldwide. A major cause of deforestation, open pit mines also use and generate toxic chemicals that contaminate soil, ground water, and surface water, and pose serious health risks.

With rapid urbanization occurring on a global scale, projects aimed at providing transportation, housing, electricity, water, sanitation, and other services to rapidly growing cities have emerged as major drivers of DIDR. Urban renewal and beautification schemes—often aimed at making cities attractive to tourists—have displaced entire neighborhoods. It is likely that the number of people affected by DIDR will continue to grow in the coming years; with urban growth rates exceeding six percent annually, the UN estimates that more than two billion people will be living in large cities with populations of more than one million people by the year 2025.⁷

WHO FINANCES PROJECTS THAT DISPLACE PEOPLE?

The most destructive and controversial development projects involving DIDR are often made possible and supported by financing from global institutions. Each year, *international financial institutions* or “IFIs” such as the World Bank and Asian Development provide hundreds of billions of dollars in grants, loans, insurance and other financing to governments in the Global South, as well as to local or international companies operating in those countries. This funding goes to support projects in sectors ranging from transportation and infrastructure to legal reform, health and education to name a few. Many of the “high risk” extractive industries and energy projects in which the IFIs invest result in massive forced displacement and relocation of peoples. For instance, a World Bank review estimated that 4 million people were displaced annually between 1986 and 1993 by the 300 large dams (on average) that entered into

construction with support from the World Bank every year during this period.⁸

Through their financing relationships, the IFIs exert enormous influence over policy-makers in lending and borrowing countries alike, shaping development norms and paradigms - including definitions of what constitutes “development.” The role that IFIs play in shaping standards and policies is particularly critical for DIDR, because few borrower countries have a national resettlement law or policy framework governing DIDR and national frameworks that do exist are often inadequate. This absence of domestic law means that the policies and guidelines generated by IFIs serve as the de facto standard or model for many private sector companies operating in the Global South.⁹

Despite their influence, the IFIs have failed to adequately protect the livelihoods of people affected by their operations. According to a 2008 publication on development and displacement,

the paradox that afflicts numerous development projects aimed at alleviating poverty is that, during implementation, many such projects are *causing, instead of reducing*, impoverishment, by forcibly displacing large numbers of people.¹⁰

IMPACTS & INJUSTICES

New poverty and loss of community resources:

The people who bear the brunt of the personal, social, and environmental costs of projects involving DIDR rarely share in the benefits. On the contrary, DIDR commonly leads to the impoverishment of those who are forced to move, creating new poverty in project-affected areas. A multi-year study of development-induced displacement concluded that impoverishment and disempowerment “have been the rule rather than the exception with respect to resettled people around the world.”¹¹

A woman and her son wade through their village in Bangladesh, where the Khulna Jessore Drainage and Rehabilitation Project has dangerously exacerbated the natural seasonal flooding, inundating villages and destroying people's lands and livelihoods.

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One of the world's foremost experts on DIDR identifies eight impoverishment risks posed by DIDR. These are:

landlessness; homelessness; joblessness; significant deterioration in incomes and livelihoods; food insecurity, undernourishment and hunger; serious declines in health, increases in morbidity, stress and psychological trauma; a spiral of downward mobility leading to economic marginalization often accompanied by social and cultural marginalization; and profound social disintegration {...}.¹²

People displaced by development are known to be at increased risk of suffering life-threatening diseases, epidemics, and loss of physical and mental health, yet they commonly have less access to hospitals and health clinics. Families often lose access to educational facilities as well, resulting in lost or delayed educational opportunities for children. Existing patterns of leadership, social organization, and subsistence are dismantled. Kinship ties and other informal networks that provide mutual support are dispersed or unraveled precisely when the need for them is the greatest.

Disproportionate impacts on the most vulnerable:

It is the poorest and most vulnerable members of a community who typically bear the heaviest costs of DIDR. Women, children, the elderly, and indigenous groups are particularly vulnerable to impoverishment and disempowerment when forcibly displaced.

For those indigenous peoples who value land as the core of their identity and way of life, the impacts of DIDR are particularly devastating.



Documented effects included hunger, debt-bondage, and cultural disintegration.¹³ The forced displacement of indigenous people violates Principle 9 of the UN's Guiding Principles on Internal Displacement, which stipulates that: "States are under a particular obligation to protect against the displacement of indigenous peoples, minorities, peasants, pastoralists, and other groups with a special dependency on and attachment to the land."¹⁴ Despite formal protection afforded by the UN Declaration on the Rights of Indigenous Peoples, tribal groups and ethnic minorities have been disproportionately affected by DIDR. India, the country thought to have the largest number of people affected by DIDR in the world, serves well as an example: it is estimated that 40 percent of all the people displaced by development projects during the first 40 years of India's independence were tribal people. This is despite the fact that tribal people comprise only 8 percent of the country's population.¹⁵

Human rights violations: "The international community is beginning to recognize misguided 'development projects' which displace millions of people and destroy their livelihoods for what they really are: violations of human rights."¹⁶ DIDR frequently comes hand-in-hand with coercion, threats or violence and egregious corruption. IFIs and governments alike routinely fail to uphold their obligations to fairly compensate, resettle, and restore people's livelihoods. Far too often, people attempting to claim their rights risk intimidation, degrading treatment or punishment, arbitrary arrest or detainment, violence and even torture from private or state security forces. Following relocation, people often face the risk of communal violence in resettlement areas where tensions between members of existing communities and new settlers are common.¹⁷

Loss of traditional environmental knowledge: The Convention on Biological Diversity—a legally binding international treaty established by the United Nations and

ratified by 190 states and the European Union—recognizes that conservation of our planet's biodiversity and ecosystems is only possible if we conserve rapidly-disappearing traditional knowledge about how to care for and sustainably use our natural resources and ecosystems. When indigenous and farming communities are forced to uproot and vacate their traditional lands to make way for development projects, their entire way of life is lost—along with their practices for sustainable use of natural resources and ecosystems.

Climate change: DIDR is inextricably linked to climate change through a vicious cycle. Large, carbon-intensive energy-sector projects such as oil extraction, coal mining, and bio-fuel plantations forcibly displace millions of people every year. These projects then generate greenhouse gas emissions that contribute to global warming, with impacts that include desertification and rising sea levels.

Impacts of climate change are disproportionately severe for impoverished countries or regions with insufficient resources to effectively mitigate longer droughts, increased flooding, and the loss of agricultural land and crops—all of which can trigger further forced migration.

PEOPLE AROUND THE WORLD ARE SAYING NO TO UNJUST DISPLACEMENT

The past 30 years have seen the emergence of a global coalition that has successfully pressured IFIs to undertake significant reforms. Forging partnerships that bridge the Global North and Global South, a transnational advocacy movement driven by grassroots organizers and non-governmental organizations (NGOs) has challenged



Hundreds of women and children unite and march in opposition to the Posco mega-project, in which a steel plant and ancillary industries threaten thousands of people with displacement in Orissa, India.

lenders, governments, and international financial institutions to develop and uphold rights-respecting and responsible policies governing displacement and resettlement, to ensure that project-affected peoples are informed participants in project planning and implementation, and to redesign development priorities to more directly focus on alleviating poverty.

As a result of decades of grassroots campaigns and international advocacy efforts, today many multilateral banks and private companies have established safeguard policies that outline the institution's rules and requirements for protecting local people and the environment. A milestone was reached in 1980 when the World Bank adopted its first formal policy guidelines governing WVB projects involving forced resettlement.¹⁸ Once in place, the bank's guidelines served as a model for other IFIs and private sector companies. Today, every major multilateral development bank and over 60 private financial institutions involved in development finance have policies providing at least minimum guidelines governing forced displacement.

Civil society groups have successfully drawn on the social, cultural, and environmental safeguards in IFI policies to influence project designs, mitigate social and environmental impacts, and secure greater project benefits for communities. The creation of independent, citizen-based accountability mechanisms at the World Bank and other regional development banks in the early 1990s was another major advance in the global struggle for development justice and accountability. These complaint mechanisms, including the World Bank Inspection Panel and the International Finance Corporation's Compliance Advisor Ombudsman, have the mandate to investigate charges from project-affected communities that IFIs are violating their own policies, procedures and loan agreement, thereby providing a direct avenue of appeal and recourse for people who feel that they have been or may be harmed by bank-financed projects.

CHALLENGES

Accountability is still problematic. Far too often, projects are implemented in a manner that does not comply with the IFI's own policies. Complicating this issue, the World Bank and other IFIs are largely immune from prosecution in national courts. This impedes any attempt by civil society to hold such institutions legally accountable for their actions. Furthermore, resettlement laws and policies vary widely

from country to country, including the rights guaranteed to people who are forcibly displaced.

Despite the existence of a growing body of international conventions and agreements on rights-respecting approaches to DIDR, these standards are rarely upheld. IFI lending operations commonly violate the legal rights and protections afforded by these conventions—as well as other international agreements on the environment, labor, and rights of women. Although independent recourse mechanisms are an important gain, there is a critical need to strengthen existing mechanisms and ensure that they are accessible to project-affected people and communities.¹⁹

Although the IFI's safeguard policies require investors to minimize displacement, including by modifying project design to favor least-displacing options, investors and governments often ignore this requirement because the people who are targeted for displacement are largely marginalized and lack political power. In many cases, project proponents don't fully account for the actual number of people displaced by a project, the costs of resettlement, job re-training, benefit sharing and other mechanisms needed to ensure that the standard of living and livelihoods of displaced persons are improved. Because of this, resettlement and rehabilitation schemes are commonly neglected, under-funded, and poorly planned and implemented. The end result is that the lives of millions of people who are deprived of adequate shelter or livelihood are devastated each year, with multi-generational socio-economic impacts.

Although civil society groups and academics are challenging IFIs to formally recognize their human rights obligations as international organizations and uphold human rights in their lending operations—including the right to development for all affected communities—enforcement of human rights law and other international standards is exceedingly difficult and time consuming, creating further hurdles for groups seeking redress.

THE NEED FOR DEVELOPMENT THAT BENEFITS ALL

IFIs and policymakers must ensure that DIDR is minimized. When unavoidable, projects that impose displacement must be designed to improve affected people's standard of living and restore their livelihoods. To achieve this, the following key reforms are needed:

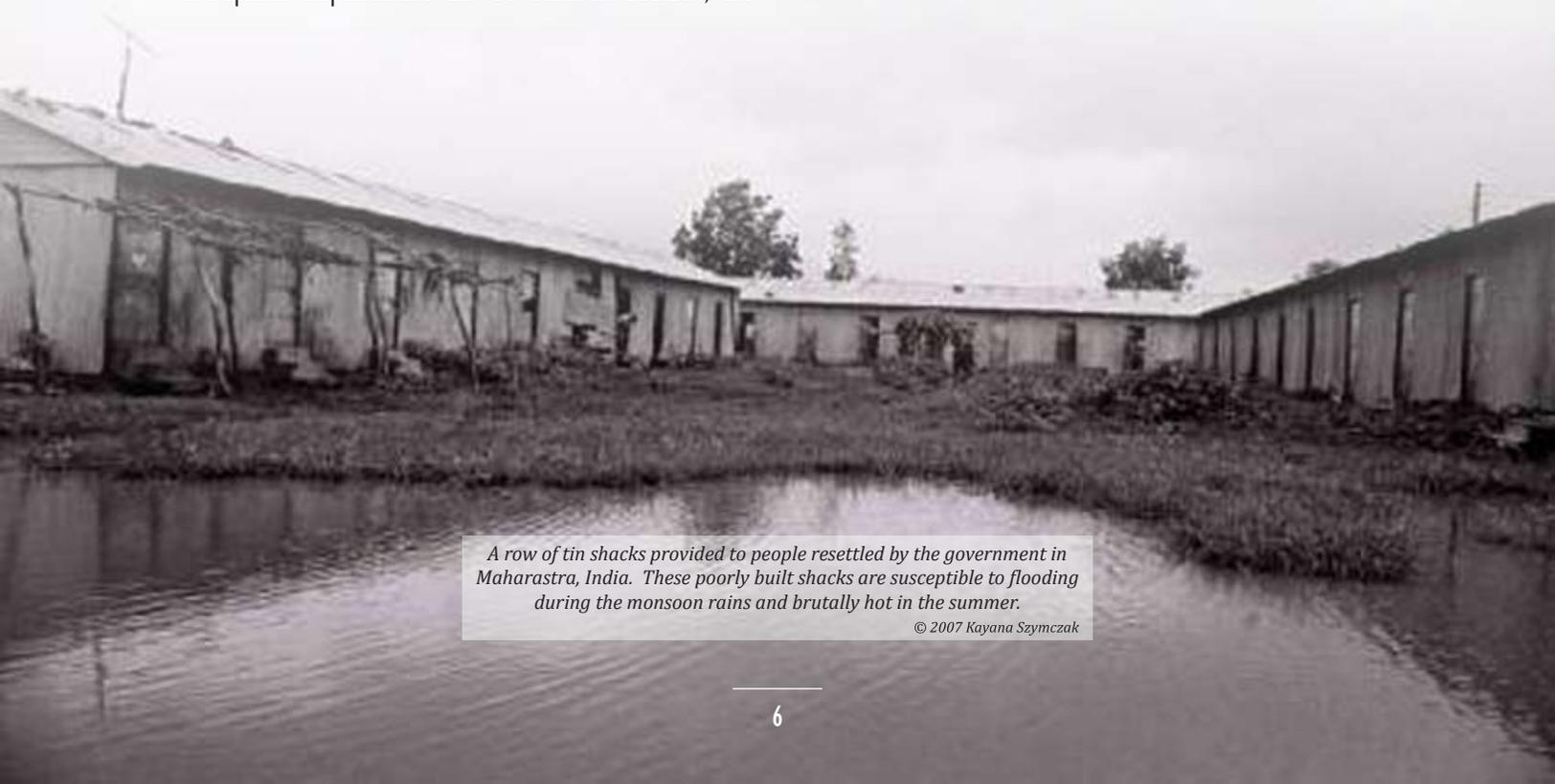
1) Demand new rules governing DIDR and accountability systems that protect rights. We need to continue targeted advocacy efforts aimed at creating rights-respecting, responsible policies on displacement and resettlement that promote the principles of avoiding displacement, accountability for decision-making and project outcomes, participation by all segments of affected populations in all phases of project design and implementation, and transparency. We also need to ensure that these policies are accompanied by strong systems and mechanisms for enforcement. Development policy-makers and IFIs should be held accountable for their role in funding projects that forcibly displace people and must uphold their obligation to restore the livelihoods of project-affected people and communities, improve their standards of living, and support their visions and priorities for local development.

2) Include the risks and financial responsibilities related to displacement and resettlement up front in project costs. Development policy-makers and IFIs should recognize the full impacts and costs of DIDR, including the fact that forced displacement creates the very poverty that development purportedly seeks to eliminate and disproportionately impacts the most vulnerable members of affected communities. One way to effectively mandate this would be to require that all resettlement and rehabilitation work be fully carried out and financed **before** the project that will cause the anticipated displacement can be built. In addition, the

project framework should be structured to ensure that there is an ongoing revenue stream from the project to the people who are threatened with displacement.

3) Know your rights. It is critical that people have the tools and resources they need to effectively demand development practices that do not violate their rights. We should draw on the media to ensure that the full impacts and costs of DIDR are visible to people worldwide and work to educate ourselves and others about what rights people and communities threatened by DIDR have and how to ensure their rights are upheld.

4) Promote a development model that does not unduly displace. A development model based upon excessive and brutal displacement is profoundly unsustainable, and is resisted by the people and communities it threatens and affects. However, the converse can also be true: often projects that are better for people are also better for the planet. This becomes clear if we honor existing resources and assets that have been undervalued in prevailing development models, including cultivation and grazing lands, forests, ecosystem services, waterways, community, and traditional knowledge on how to cultivate the earth's resources in a sustainable manner. We need to work toward a world in which human connection to land, vibrant communities, healthy ecosystems, and democratic decision-making are not bulldozed as 'obstacles' to development, but rather are defended as the foundation for human health, justice, and sustainability.

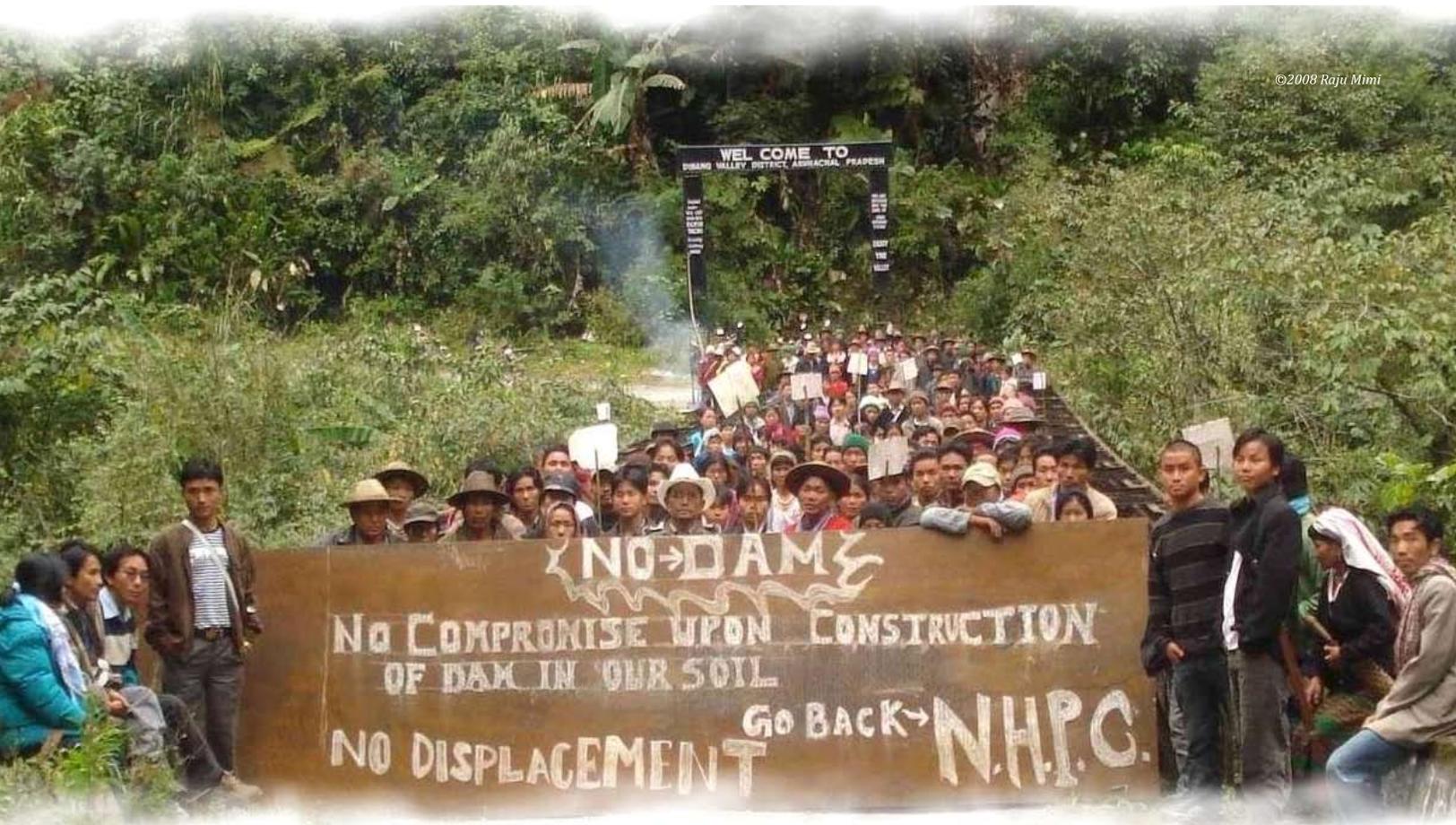


A row of tin shacks provided to people resettled by the government in Maharashtra, India. These poorly built shacks are susceptible to flooding during the monsoon rains and brutally hot in the summer.

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ENDNOTES

- 1 Estimates on displacement come from a wide variety of sources, all of which have varying objectives. A government may be inclined to minimize estimates of the number of people displaced by a project and may obstruct outside observers. Alternatively, a government may overstate the number of people uprooted within its borders to attract humanitarian assistance.
- 2 "The State of the World's Refugees 2006 - Chapter I Current dynamics of displacement: Development-induced displacement" (The UN Refugee Agency, 19 April 2006), <http://www.unhcr.org/publ/PUBL/4444d3c025.html>; Michael M. Cernea, "IRR: An Operational Risks Reduction Model for Population Resettlement," *Hydro Nepal: Journal of Water, Energy and Environment*, vol. 1, no. 1 (2007, 2); and Michael M. Cernea, "Why Economic Analysis is Essential to Resettlement: A Sociologist's View," *The Economics of Involuntary Resettlement: Questions and Challenges*, ed. Michael M. Cernea (The World Bank: Washington, D.C., 1999): 34.
- 3 Walter Fernandes, "Sixty Years of Development-induced Displacement in India," *India Social Development Report 2008: Development and Displacement*, ed. Hari Mohan Mathur (New Delhi: Oxford University Press 2008): 90 & 91.
- 4 W. Courtland Robinson, "Risks and Rights: The Causes, Consequences, and Challenges of Development-induced Displacement," (The Brookings Institution-SAIS Project on Internal Displacement: Washington D.C., 2003): 3.
- 5 This estimate is conservative because it includes only those displaced by dam construction, and the urban and transportation development sectors. This figure would be higher if it included people displaced by mining, power plants, forests and reserve parks, and other drivers of displacement. See Cernea (2007, 2) and (1999, 34).
- 6 Cernea (2007, 2) and (1999, 34).
- 7 W. Courtland Robinson (2003, 18).
- 8 Leopoldo Jose Bartolome, Chris de Wet, Rhodes Harsh Mander, and Vijay Kumar Nagraj, "Displacement, Resettlement, Rehabilitation, Reparation and Development," (WCD Thematic Review 1.3, prepared as an input to the World Commission on Dams, Capetown, November 2000).
- 9 For example, over 60 private banks have formally adopted a set of World Bank environmental and social standards known as the Equator Principles. Furthermore, in many cases private corporations, acting with the cooperation of national governments and seeking financing from public financial institutions or private banks, are the drivers of forced displacement.
- 10 Michael M. Cernea, "Reforming the Foundations of Involuntary Resettlement: Introduction," *Can Compensation Prevent Impoverishment: Reforming Resettlement through Investments and Benefit-Sharing*, ed. Michael M. Cernea and Hari Mohan Mathur (Oxford University Press: New Dehli, 2008, 4).
- 11 Bartolome, et al. (2000, 7). Also see *Risks and Reconstruction: Experiences of Resettlers and Refugees*, ed. Michael Cernea and Christopher McDowell (World Bank: Washington, D.C., 2000); Ted Downing, "Creating Poverty: the Flawed Economic Logic of the World Bank's Revised Involuntary Resettlement Policy," *Forced Migration Review*, vol. 12 (February 2002: 13-14); and *Understanding Impoverishment: The Consequences of Development-induced Displacement*, ed. Christopher McDowell (Berghahn Books: Oxford & Providence, RI, 1996).
- 12 Michael M. Cernea, "Understanding and Preventing Impoverishment from Displacement: Reflections on the State of Knowledge," *Understanding Impoverishment: The Consequences of Development-induced Displacement*, ed. Christopher McDowell (Berghahn Books: Oxford & Providence, RI, 1996).
- 13 Marcus Colchester, Forest Peoples Programme, *Dams, Indigenous People and vulnerable ethnic minorities*, (WCD Thematic Review 1.2, prepared as an input to the World Commission on Dams, Capetown, November 2000). Also see Ravi Hemadri Harsh Mander, Bisalpur Bandh Samanvay Samiti, and Vijay Nagaraj, "Dams, Displacement, Policy and Law in India," and Barbara Rose Johnston, "Reparations and the Right to Remedy, Displacement, Resettlement, Rehabilitation, Reparation, and Development (WCD Thematic Review 1.3); and W. Courtland Robinson, (2003, 3).
- 14 www.unhcr.ch/html/menu2/7/b/principles.htm
- 15 Bartolome, et al. (2000: xxxi, note 12). The authors note that this figure would be around 60 percent if socially discriminated scheduled castes were included. For further discussion of the disproportionate impact of DIDR on India's tribes and castes see Colchester (2000, 14); *India Social Development Report 2008: Development and Displacement*, ed. Hari Mohan Mathur (Oxford University Press, New Delhi, 2008); Robinson (2003, 10 & 11); and Arundhati Roy, "The Greater Common Good," (April 1999, <http://www.narmada.org/gcg/gcg.htm>).
- 16 Bjorn Petterson, "Development-Induced Displacement: Internal Affair or International Human Rights Issue?," *Forced Migration Review*, vol. 12 (January 2002):19.
- 17 Rangachari, R., Sengupta, N., Iyer, R.R., Banerji, P., and Singh, S., *Large Dams: India's Experience*, (WCD case study prepared as an input to the World Commission on Dams, Cape Town, November 2000): 115.
- 18 Michael M. Cernea, *Involuntary Resettlement in Development Projects: Policy Guidelines in World Bank-Financed Projects* (World Bank Technical Paper Number 80, Washington D.C., 1988): 1.
- 19 See Dana Clark, Jonathan Fox, and Kay Treakle, eds., *Demanding Accountability: Civil-Society Claims and the World Bank Inspection Panel* (Rowman & Littlefield Publisher: Lanham, Maryland, 2003).



A highway blockade by protesters opposed to India's Dibang Dam succeeds in obstructing the route of government and project officials, who were unable to convene a public hearing intended to move the project forward. The planned dam, which would be India's highest, is just one of 160 hydroelectric projects currently threatening communities in North East India.

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For more information, please visit the IAP website at www.accountabilityproject.org or contact Kate Hoshour (kate@accountabilityproject.org). We welcome any comments you may have about the issues discussed in this paper.

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About IAP

The International Accountability Project (IAP) challenges destructive development projects that uproot and impoverish millions of people across the Global South. Working with grassroots and international partners, IAP advocates for international policies that respect the rights and livelihoods of people threatened by unjust development, and supports communities in the defense of their homes, environments and human rights.